

# 2023 President Chain Store Corporation

## Sustainability Report



Planet Sustainability In Our Everyday Life



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



"24/7 Services from Our  
Stores All over Taiwan"

# CONTENTS

## Foreword

About This Report	04
Message from Management	06
Highlights of Sustainability Performance	08
Honors and Recognition	09
Sustainability Column	10
Circular Economy	10
Low-carbon Diet	15
Age-friendliness	17

## Appendix

Historical Data	174
GRI content index	196
Sustainability Accounting Standards Board (SASB) Index	204
Task Force on Climate-Related Financial Disclosures and Index table of climate-related information of listed companies	208
Table of enhanced disclosure items and assurance items according to Article 4, Paragraph 1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies	210
Limited Assurance Report Issued by the Accountant	217
AA1000 Assurance Statement	219

# 01

## Implementing Sustainable Management

1.1	Blueprint for Sustainable Management	18
1.2	Sustainable Development Committee	22
1.3	Materiality Assessment	24
1.4	Sustainable Development Targets	34
1.5	Stakeholder Communication	38
1.6	Sustainable Value Chain	44

# 04

## Creating a Sustainable Planet

4.1	Environmental Management	98
4.2	Packaging Material Management	104
4.3	Climate Change Mitigation and Adaptation	110
4.4	Food Waste and Waste Management	121

# 02

## Achieving Sustainable Governance

2.1	Corporate Governance	48
2.2	Risk Management	53
2.3	Information Security and Privacy Protection	61
2.4	Legal Compliance	64

# 05

## Employee Welfare

5.1	Talent Attraction and Retention	132
5.2	Human Rights Management	145
5.3	Occupational Safety and Health	148

# 03

## Commitment to Sustainable Production and Sales

3.1	Product and Service Innovation	68
3.2	Customer Health and Safety	74
3.3	Sustainable Supply Chain Management	80
3.4	Sustainable Procurement	92

# 06

## Promotion of Social Welfare & Charity

6.1	Philanthropic Strategies	157
6.2	Charity Fundraising	160
6.3	Environmental Protection	163
6.4	Good Health & Well-being	164
6.5	Zero Hunger	165
6.6	Sustainable Cities and Communities	166
6.7	Quality Education	168
6.8	ESG Advocacy Platform	172

## About This Report

This is the fifteenth Sustainability Report issued by President Chain Store Corporation (stock code: 2912) in accordance with the GRI standards published in 2021 by the Global Reporting Initiative, industry standards for the food retail and distribution industry of the Sustainability Accounting Standards Board (SASB), as well as Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

This annual report presents President Chain Store Corporation's viewpoints and actions taken on sustainable development, with details on corporate governance, economy, environment, and society in 2023, as well as future plans. Material topics applicable to President Chain Store Corporation were selected based on materiality assessment (see chapter on [Sustainable Management Implementation](#)), in the hopes of maximizing benefits for all stakeholders through disclosure, communication and feedback in order to accomplish our ultimate goal of becoming the greatest retail business.

## Period, Boundaries and Data Included in the Report

This report details President Chain Store Corporation's sustainability performance for the 2023 calendar year (January 1, 2023 to December 31, 2023), with some of the information on relevant performance before 2023. This report focuses on President Chain Store Corporation, including its business headquarters, retail locations and shopping centers. In addition, five affiliated companies and the Good Neighbor Foundation have been incorporated in the report due to their relevance in the operations of this industry and the influence they have on material issues, including Uni-President Cold-Chain Corporation, Wisdom Distribution Service Corporation, Retail Support International, President Logistics International Corporation and Uni-President Superior Commissary Corp. Some of the quantified performance of aforementioned organizations is included while disclosing information on material topics include food waste management, packaging material management, climate change, waste management, customer health and safety and social welfare. Future reports are expected to include data from other affiliated companies in order to present comprehensive information on President Chain Store Corporation's value chain.

## Release Date

President Chain Store Corporation releases annual sustainability reports on the company website at [www.7-11.com.tw](http://www.7-11.com.tw).

- Current version issued August 2024
- Previous version issued June 2023

## Report Management

### Internal Audit

- The correctness of each chapter is verified by the supervisor of each President Chain Store Corporation department.
- The report is approved by the President Chain Store Corporation Board of Directors and Sustainable Development Committee.
- The performance in sustainable development is reported to the President Chain Store Corporation Board of Directors each year.

### External Certification

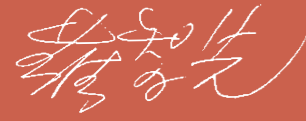
- |  |   |
|--|---|
| ▶ <b>Financial data</b><br>Unqualified audit report from PwC Taiwan  | ▶ <b>Occupational safety and health data</b><br>ISO 45001 (SGS Taiwan)  |
| ▶ <b>Environmental data</b><br>ISO 14064-1:2018 (SGS Taiwan), ISO 50001 (SGS Taiwan)   | ▶ <b>Sustainability data</b><br>AA1000 Type Two High Level (SGS Taiwan)   |
| ▶ <b>Governance data</b><br>Taiwan Personal Information Protection and Administration System (TPIPAS, Institute for Information Technology); ISO 27001 (BSI Taiwan, British Standards Institution) | ▶ <b>Sustainability data</b><br>Limited assurance on the selected sustainability performance information in accordance with TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (PwC Taiwan) |

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Corporation

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President  
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## Message from Management

Even though the pandemic slowed down in 2023, the impact from supply chain disruptions and inflation still lingered. The post-pandemic instability has generated irreversible changes in our business environment and operating model. Despite the rapid changes in the external environment, all employees and franchisees of President Chain Store Corporation are committed to building a life service platform based on the core of “lifestyle brand” by showing resilience and adaptability. Products and services that meet consumer needs as well as instant convenience are provided as part of the attempt to create new milestones. One of the important milestones in 2023 was connecting 368 towns and cities, namely every place that needs services, with more than 6,800 stores. The vision is providing “24/7 services from our stores all over Taiwan,” from north to south, from mountaintops to outlying islands. In addition to providing access to convenient services, President Chain Store Corporation shoulders the responsibility of providing sustainable products and services, making it easier for consumers to make better choices for the environment and society. In 2023, President Chain Store Corporation continued to work hard towards the three major goals of Environment, Social and Governance. With the concept of “My Sustainability, Your Daily Life” and the spirit of “24/7 services from our stores all over Taiwan,” President Chain Store Corporation will continue to work with value chain partners to plan and further develop various sustainable development projects, allowing consumers to co-create green consumption and sustainable lifestyle in a simpler and convenient way through 7-ELEVEN stores.

With the active engagement in ESG and sustainable development, President Chain Store Corporation continued to stand out in sustainable governance in 2023 with recognition from domestic and international sustainable ratings. It ranked in the top 5% in the Taiwan Corporate Governance Evaluation System for 9 consecutive years, was re-listed by the Dow Jones Sustainability Index (DJSI) for Sustainability World Index for 5 consecutive years. It was recognized by CDP (Carbon Disclosure Project) for the two consecutive years as a score A-leader on the climate change questionnaire. Moreover, President Chain Store Corporation continued to be selected by the MSCI Index Series, FTSE4Good Index Series and FTSE4Good TIP Taiwan ESG Index. In the meantime, it has continued to receive sustainability performance awards such as Corporate Citizen Award in the large enterprise category by CommonWealth Magazine, while various sustainability projects have achieved success in the Best Performance of Specific Category Award in the TCSA Most Prestigious Sustainability Awards and other sustainability awards.

President Chain Store Corporation’s continuous recognition from ESG evaluations at home and abroad must be supported by solid sustainability actions that continue to evolve. To this end, it implements sustainable strategies in products, services and organizational structures, focusing on three major task forces of Environment (E), Society (S) and Governance (G) and the four project groups in plastic reduction, carbon reduction, food waste management and sustainable procurement under the Environmental Group, actively optimizing or launching innovative sustainability projects by taking advantage of President Chain Store Corporation’s core capabilities. In terms of corporate governance, President Chain Store Corporation has linked sustainable performance to the remuneration of senior executives, integrated ESG into corporate culture and operations strategies, furthered sustainable management, as well as setting up a Risk and Information Security Management Committee under the Board of Directors to better manage corporate

risks and information security. In terms of environmental sustainability, short, medium and long-term sustainability goals have been set for four interdepartmental task forces focusing on plastic reduction, carbon reduction, food waste management and sustainable procurement, with the results regularly reviewed. In 2023, President Chain Store Corporation became the forerunner of the industry in committing to Scope 1 and 2 net-zero GHG emissions by 2050, actively responding to climate change as well as meeting international standards. To this end, President Chain Store Corporation has set up a “sustainable farm” to realize circular economy with an innovative approach. Coffee grounds from the stores are converted into organic fertilizer through the system recycling mechanism. The fertilizer is used for contracted cabbage farms, and the harvest turns into fresh food products or sold directly in the stores, allowing scraps to be recycled. CITY drinks have adopted more FSC-certified sustainable paper cups. More than 1,000 stores now offer “OPEN iECO Recycled Cups Renting Service” with restaurants in the Group following suit, offering the plastic-reducing recycled cup services of the largest scale locally. In terms of social engagement, the model combining social welfare and circular economy was carried over in 2023 with the “Furbaby Welfare Enterprise Project.” The project combines the iLove Food project to turn food waste into food for animals, incorporating people with disabilities trained by social welfare groups with support in the production process to achieve multiple benefits of environmental sustainability, disadvantaged employment and animal friendliness. President Chain Store Corporation has continued to increase its social welfare capacity to support nearly a hundred social welfare groups, with nearly a 50%-increase in fundraising results with strategies such as “increasing the number of social welfare group collaborators,” “upgrading APP donation experience,” “diverse donation promotion activities and store promotion” and so on. In terms of talent sustainability, 80% of the respondents to the annual Employee Engagement Survey ranged from positive to very positive. President Chain Store Corporation was ranked among the top 10% of listed companies in the Ministry of Labor’s “Healthy Workforce Sustainability Leading Enterprise” and a Top 50 Award for Talent Sustainability by CommonWealth Magazine, showing a high level of both internal and external recognition in this aspect.

In the past, present and future, every year is the best moment and the worst moment. Business operations are a never-ending marathon with challenges and even more opportunities. As the saying goes, “As Heaven’s movement is ever vigorous, so must a gentleman ceaselessly strive along.” President Chain Store Corporation aims to stay on track and adhere to the mission of “being committed to becoming the most outstanding retailer, providing the most convenient services in everyday life, and fulfilling the responsibilities of a good citizen” towards the goal of becoming a “service platform for everyday life that exceeds consumer expectations.” Looking forward to 2024, we will continue to demonstrate our determination for realizing long-term ESG goals such as environmental protection and plastic reduction, energy saving and carbon reduction, food waste reduction and sustainable procurement while improving corporate governance, taking care of employee well-being, and furthering social welfare. We understand that only by joining hands with all parties on the road to sustainable development can we multiply benefits and maximize the value of sustainability. President Chain Store Corporation starts from its own operations and connects with value chain partners in sustainability, makes good use of the fact that the stores are closely intertwined with consumers’ daily life to make sustainable development a reality, as well as building a sustainable ecosystem of common good with all stakeholders.

# ★ Highlights of Sustainability Performance

Environment

Approximately **5** metric tonnes of scrap products and coffee ground were transformed into fertilizer to be used in contracted farms

The stores' overall energy-saving transition saved 116.7 million kWh of electricity, which is equivalent to **57,669** metric tonnes of carbon emissions.

140 stores have installed intelligent automatic recycling machines, with a total of **791.2** million PET bottles and **274.8** million batteries recycled

**1,042** stores (President Chain Store Corporation) adopted the OPEN iECO Recycled Cups Renting service, with **18.90** % of consumers bringing their own cups.

The Veggie Selection brand reduced carbon emissions by approximately **57,239** metric tonnes by the end of 2023

iLove Food reduced food waste by **13,723.31** metric tonnes

Average waste generated by a single store was **5.92** metric tonnes, a decrease of **29.81** % compared with the base year (2019).

The purchase amount of sustainably-certified raw materials reached **NT\$ 5,023** million, accounting for about 24.47% of procurement

■ Note : For the scope of sustainably certified raw materials, please refer to section 3.4 Sustainable Procurement for the description of sustainable raw materials.

Social

The frequency severity indicator was **0.17**, lower than the average value of the retail industry over the past three years published by the Occupational Safety and Health Administration of the Ministry of Labor.

**80** % "positive" or "very positive" in the Employee Engagement Survey

**NT\$ 7.17** million was raised for social welfare

Over **290,000** people took advantage of the DIY materials provided by the Good Neighbor Community Foundation

Governance

The number of stores exceeded 6,800. President Chain Store Corporation ranks first in market share with a total of **6,859** stores

The percentage of female managers in revenue-generating functions accounted for **56.04** %

President Chain Store Corporation ranked in the top 5% in the 9th corporate governance evaluation for the **9<sup>th</sup>** consecutive year as the only listed company in the retail industry

The annual consolidated total revenue reached a record high of **NT\$ 317,041,854,000**, with an increase of **9.16** % over last year

# Honors and Recognition



## Continuous Success

- Member of **Dow Jones Sustainability Indices** (Powered by the S&P Global CSA)
- President Chain Store Corporation was listed for the fifth year on the Dow Jones Sustainability World Index, as well as being named as a global sustainability benchmark.
- President Chain Store Corporation was recognized by CDP (Carbon Disclosure Project) as an A-score leader on the climate change questionnaire for the second consecutive year.
- Once again selected by FTSE4Good Emerging Markets Index.
- Once again selected MSCI ESG Leaders Index, MSCI ACWI Index, MSCI Emerging Markets Index, MSCI EM Low Carbon SRI Leaders Index, MSCI ACWI Value Index, MSCI ACWI Growth Index, and MSCI Taiwan Index.
- Once again selected by the FTSE4Good TIP Taiwan ESG Index and the Taiwan RAFI® EMP 99 Index.
- Ranked in the top 5% in the 9th Taiwan Corporate Governance Evaluation System, as the only listed company in the retail industry to do so for the ninth year running.
- ESG report won the Platinum Report Award from TSCA in the retail and department store category for the fourth consecutive year.
- Once again presented the Corporate Citizen Award in the large enterprise category by Commonwealth Magazine, ranking number 15 in 2023.
- Once again awarded the Social Empowerment Award from Enterprise Asia, awarded the social empowerment, green leadership and health promotion categories in 2023.
- Presented the ESG Award in ESG Integrated Performance by the Global Views Monthly.

## Benchmark Awards

- Selected in the TWSE Corporate Governance 100 Index.
- Won the TCSA Most Prestigious Sustainability Awards - Top 100 Domestic Corporates.
- Selected in the top 50 Commonwealth Talent Sustainability Award.
- Business Weekly's Top 100 in the Carbon Competitiveness.
- The top 10% high-performance enterprises in the "other" category (listed companies) of the "Healthy Workforce Sustainability Leading Enterprise" by the Occupational, Safety and Health Administration of the Ministry of Labor.
- OPEN POINT Ecosystem won the First Prize of the National Brand Yushan Award for Most Popular Brand, the Harvard Business Review Digital Transformation Revolution Award - Business Model Transformation Award for the Large Enterprise Category and Special ESG Award.
- Commercial Times Taiwan Service Industry Evaluation: Gold Medal.
- Internet survey on favorite brands by Future Parenting: First prize in the convenience store category.

■ Note : Please refer to the official website for other sustainability project awards ([click here](#))

# Sustainability Column



## Sustainability Column: Co-creating Sustainable Influence

On the road to pursuing sustainable development, President Chain Store Corporation has always upheld the philosophy of co-creating sustainable influence. It is committed to achieving the United Nations Sustainable Development Goals (SDGs) and building an ecosystem of sustainable common good through the efforts of different stakeholders. In 2023, President Chain Store Corporation focused on issues such as circular economy, low-carbon diet and age-friendliness, echoing [SDG 12 Responsible Consumption and Production](#), [SDG 13 Climate Action](#) and [SDG 3 Good Health and Well-being](#) respectively. It also collaborated with different stakeholders in various sectors, including consumers, research institutes, social welfare groups, social enterprises, local governments, farmers, etc., to launch projects such as “Sustainable Farms,” “Furbaby Welfare Enterprise Project,” “Low-carbon Rice” and “What Time Is It? Café PLUS.” To create a better tomorrow for the earth and future generations, President Chain Store Corporation will continue to explore innovative solutions and work together with stakeholders to fulfill its corporate social responsibility and sustainable management commitments.

## Circular Economy

Circular economy is one of the key sustainable development directions in the world today, creating a win-win situation for the economy, society and the environment through reusing and recycling resources. As a pioneer in the retail industry, President Chain Store Corporation actively seeks innovative solutions and is committed to promoting various circular economy projects, such as Sustainable Farms, Furbaby Welfare Enterprise Project, Recycled Cup Life Circle Service and Intelligent Automatic Recycling Machine. Not only do these projects reduce waste and set an example for reuse, they also create an ecosystem of sustainable common good through diverse collaboration models and social engagement.

### Sustainable Farms

In 2023, President Chain Store Corporation was the first in the retail industry to launch the “Sustainable Farm” recycling program. Expired, opened or defective scrap products and coffee grounds were systematically recycled through a mechanism before being turned into a safe and non-toxic organic fertilizer with a green zero-waste approach that is biological and natural. President Chain Store Corporation worked with a professional agricultural biotechnology team to automatically breed black soldier flies, before using the fertilizer on its contracted sustainable farms. Rich in organic matter, the fertilizer can promote the restoration of a healthy ecology for the soil.



After the contracted crops are harvested, they are used in side dishes for fresh food products or sold as fresh produce in the stores. In 2023, about 5 tonnes of expired, opened or defective scrap products and coffee grounds were recycled in two batches, converted into fertilizer and used on contracted farms. [The fertilizer helped producing approximately 22,000 cabbages, 200,000 bananas and 10,000 ears of corn.](#) They were used in products such as fresh meal boxes, “golden corn on the cob” and premium bananas, supported by nearly 800,000 consumers.

The sustainable farm project reduces carbon emissions from food waste through reusing scrap products, while creating green business opportunities through small-scale mass production and providing consumers with new low-carbon food options. President Chain Store Corporation will continue to promote sustainable farms. In addition to scrap products from the stores, it also plans to convert food sludge from fresh food plants into organic fertilizers. Taking into account the different characteristics of waste treatment, it will continue to extend its crop production modules to different regions and expand circular economic benefits.



## Furbaby Welfare Enterprise Project

President Chain Store Corporation actively responds to SDG 12 Responsible Consumption and Production. To this end, it has integrated plastic reduction and food waste issues with social welfare to develop a new circular economy model. It pioneered a sustainable circular economy model in 2021 for social welfare, connecting the stores, social welfare groups and social enterprises to launch the “New Life – CHIC Corporate Charity Project” (note). This model combining social welfare and circular economy was carried over in 2023 with the innovative “Furbaby Welfare Enterprise Project” circular sustainability project that aims at reducing food waste. The project combines the iLove Food project to connect resources such as the stores, social enterprises and logistics based on the three concepts of “circular economy of zero food waste,” “supporting social enterprises” and “supporting animal rights groups” to achieve collaboration among our stores, social enterprises and social welfare groups.



■ Note: For details on the project, refer to [President Chain Store Corporation 2022 Sustainability Report](#).

President Chain Store Corporation collects specific salads and fruit during the iLove Food time slot from stores in Taipei City and New Taipei City. The products are frozen and delivered by the operator to the sheltered workshop working with the social enterprise Global ESG, Seedling Workshop of San Love Social Welfare Association. The workshop adopts professional freeze-drying technology to turn more than 13 kilograms of food waste from the stores into freeze-dried food for animals within 3 months, which was packaged by 15 disabled employees in the workshop. Finally, consumers were invited to participate in pledging donations with a total of about 1,500 people responding. The pledged freeze-dried food was donated to ARTT (Animal Rescue Team Taiwan) and Professional Animal-Assisted Therapy Association of Taiwan, helping nearly a thousand cats and dogs.



■ Note: [Click here](#) to watch the video.

The Furbaby Welfare Enterprise Project optimizes food use by converting food waste that might otherwise be discarded into food for animals. It also trains people with disabilities from social welfare groups to contribute to the production process, making multiple benefits of environmental sustainability, employment for disadvantaged group and animal friendliness a reality. When consumers respond, they can learn about cherishing food as well as supporting sustainability and social welfare through practical actions. The Furbaby Welfare Enterprise Project realizes circular economy and creates a win-win situation for social welfare groups, social enterprises and President Chain Store Corporation.



## Recycled Cup Life Circle Service

According to the statistics of the Environmental Protection Administration, as many as 4 billion disposable beverage cups are consumed in Taiwan each year. The production of beverage cups and waste disposal both cause a heavy burden on the environment that cannot be ignored. President Chain Store Corporation joined hands with President Packaging Ind. Corp. to create the first “OPEN iECO Recycled Cup Return Machine”, investing over a year and over NT\$10 million to build the in-store recycled cup rental system by the end of 2022. Consumers can borrow and return reusable recycled cups by accessing OPENPOINT on their mobile phones. In addition, the cup has a patented PP heat insulation layer to reduce the number of cup sleeves. The recycled cups that are retired afterwards will be turned into other items to achieve resource reuse.



We have started with “convenience” and “rewards” to further promote the life circle with recycled cup service. In terms of convenience, the recycled cup service was introduced to 542 stores in 2023, for a total of 1,042 stores so far. It has also been extended to Starbucks and 2iPlus to build a recycled cup life circle with over 1,500 stores. In terms of rewards, President Chain Store Corporation offers an NT\$7 discount for bringing your own cup on the first of each month. In 2023, the percentage of bring your own cup reached 18.90%, exceeding the 15% goal for this year. With the introduction of the recycled cup life circle service at the end of 2022, nearly 70,000 people have used and rented cups by 2023, reducing a total of 200,000 disposable beverage cups with the incorporation of other service points of the Group. The President Chain Store Corporation recycled cup life circle service has also received external recognition as the first enterprise to win the “Excellence in Recycled (Rental) Cup Service” by the Environmental Protection Administration.





In 2024, the service area will be further expanded with a total of 2,300 President Chain Store Corporation stores (higher than the 30% regulatory requirements), and over 3,000 stores when combined with other service points of the Group to further enlarge the recycled cup life cycle. President Chain Store Corporation has set the goal for bringing your own cup at 19% in 2024. In addition, circular lids will be introduced in 2024 with the hope of reducing disposable materials further with circular use.



### Intelligent Automatic Recycling Machine

President Chain Store Corporation pioneered the "Intelligent Automatic Recycling Machine" by partnering with President Packaging Ind. Corp. The machine took over a year and is 100% locally built. It recycles PET bottles and dry cells using patented AI optical image and material identification technology while being easy and fast to use. The unique "crushing" feature can crush PET bottles into flakes, optimizing the existing procedure of recycling flattened PET bottles on the market, effectively reducing the volume by up to 75% and increasing the number of recycled bottles with the same volume, minimizing carbon footprint from transportation. In addition, recycled PET bottles are subsequently entrusted to a professional manufacturer by President Packaging Ind. Corp. to turn into recycled materials that are used to make store uniforms or products that can be sold in the stores. President Chain Store Corporation also works with major PET bottle manufacturers in Central, Southern Taiwan and outlying islands to build a "bottle to bottle" recycling system. Recycled PET bottles are handed to manufacturers for turning into new PET bottles through professional technology, building a green circular supply chain.



The Intelligent Automatic Recycling Machine has been installed in 140 stores by 2023, with nearly 7,912,000 PET bottles and 2,748,000 batteries recycled. It is estimated that a total of 262 Intelligent Automatic Recycling Machines will be installed by the end of 2024.

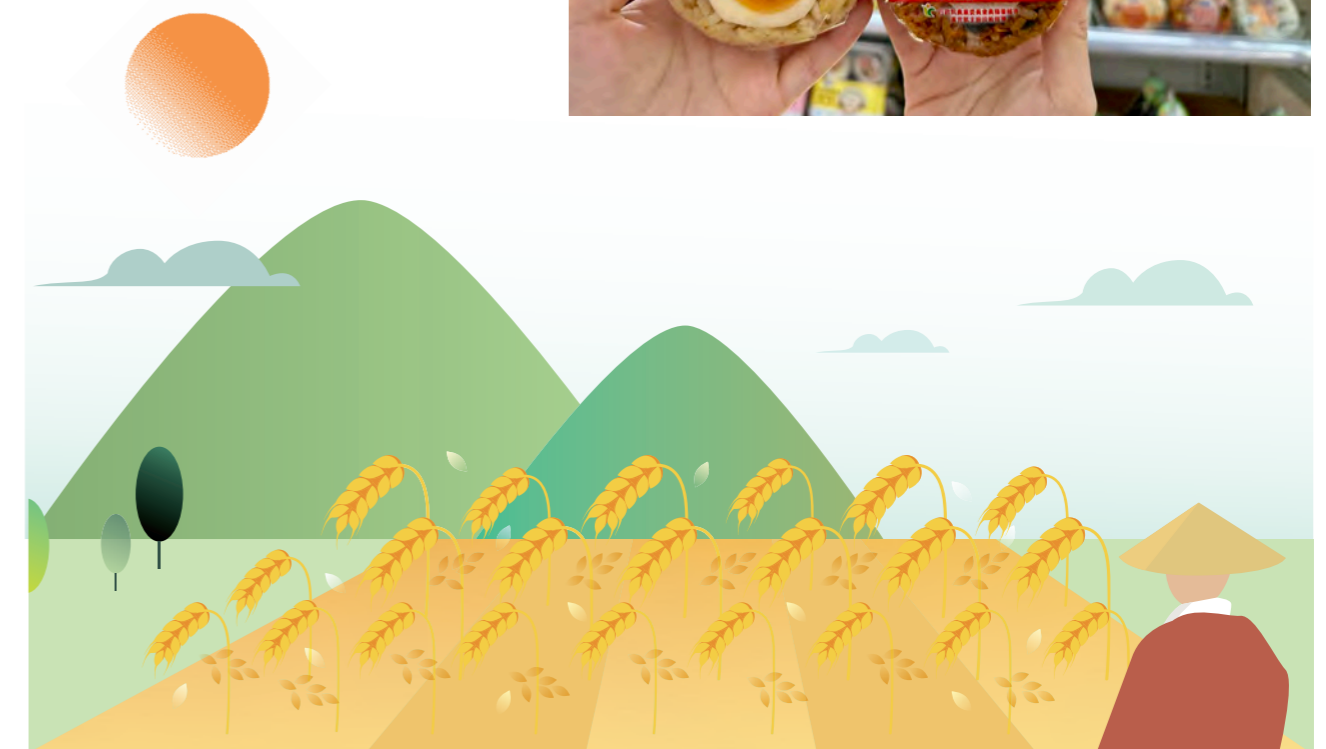
## Low-carbon Diet

In the pursuit of a sustainable lifestyle, low-carbon diet has become the focus for many. As one of the industries closest to people's daily lives, the retail industry has a duty to provide consumers with more low-carbon food choices. To this end, President Chain Store Corporation has launched its first "low-carbon rice ball", which reduces carbon emissions and water consumption in the rice planting process with innovative technologies. We also continue to support local agriculture, fishery, vegetables and fruits through continuous procurement, as well as being committed to developing the added value of local ingredients. Not only does it help reduce our carbon footprint, but also provides consumers with greener food choices.

### Low-carbon Rice

President Chain Store Corporation launched the first "low-carbon rice ball" to commercialize low-carbon rice. "Low-carbon rice" is a collaboration effort among the Agriculture and Food Agency, National Pingtung University of Science and Technology and rice suppliers. It adopts systematic big data analysis to add probiotics and organic fertilizers in rice irrigation to activate sustainable and eco-friendly farming in the agricultural ecosystem.

Compared with conventional farming methods, it saves 30% for irrigation while the probiotics promotes microbial diversity in the soil. The healthier environment reduces the frequency of fertilization, achieving the results of saving water, reducing fertilizer, pesticides and carbon emissions. In 2023, low-carbon rice was planted in an area of 120 hectares, with 240,000 kilograms used in fresh food products. In the future, we will continue to expand the use to more store items by being committed to promoting low-carbon rice.



## Local Food Ingredients

Local food ingredients not only reduce the carbon footprint derived from imports, but also make it easier for consumers to opt for a green diet. President Chain Store Corporation continues to support local agriculture, fishery, vegetables and fruits with the three strategies of “stable procurement,” “sustainability” and “planned support,” with actions including consistent use of local high-quality rice and seasonal ingredients for fresh food products, and making good use of product development capabilities to turn high-quality local ingredients into differentiated products such as fresh food and freshly prepared beverages to boost the added value of local agricultural and fishery products. In the meantime, the “iPre-order” and “iDiscount” platforms are integrated to facilitate online sales of fresh local products and fruit with digital tools, making sustainable development of local agricultural products possible through long-term and stable procurement.

■ Note : For other local procurement details, please refer to [3.4 Sustainable Procurement](#).



Almost all blueberries on the market are imported. In 2023, President Chain Store Corporation was the first to sell Hill Blue Taiwan Blueberries with the shortest carbon footprint. The local “Hill Blue” team of farmers engaged in industry-academia collaboration with National Taiwan University, allowing consumers to enjoy fresh and low-carbon local blueberries. We also made a breakthrough with freshly prepared beverages in 2023 by integrating sweet oranges and Meyer lemons produced by small local farmers in Pingtung to launch fruit coffee ice cubes with these two flavors. In 2023, the purchase amount of local agricultural products accounted for 79% of the total purchase amount, reaching NT\$7.34 billion, accounting for 68% of the overall purchase amount.



■ Note : Refer to [the press release](#) for more information on local blueberries.

## Age-friendliness

### What Time Is It? Café PLUS

President Chain Store Corporation has recognized that the aging society is an irreversible trend. Since 2014, it has continued to pay attention to issues involving senior citizens with fewer resources by working with the community charity through its wide bases, product ranges and services. Learning from the experience of Japan by encouraging dementia patients to go back to work, President Chain Store Corporation intends to offer rehabilitation through occupational therapy. To this end, it collaborates with social welfare groups such as the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation in to launch the “What Time Is It?” Café initiative in 2017, for elders with dementia to do simple tasks in the stores accompanied by 7-ELEVEN employees, including welcoming customers, bringing coffee and cleaning tables. The initiative aims at delaying deterioration through maintains social engagement and interactions (Note).

■ Note : For details on the project, refer to [President Chain Store Corporation 2022 Sustainability Report](#).

For more people to participate in this meaningful initiative, President Chain Store Corporation worked with the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation in 2023 on two new approaches, including the first independent “What Time Is It?” Café and “in-store street play” to increase awareness of dementia. The first independent “What Time Is It?” Café, named “What Time Is It?” Café PLUS,” is located in Chiayi with the highest proportion of aging population. Situated on the road leading to Alishan, senior citizens with dementia serve as baristas and cashiers. The “in-store street theater” is the result of collaboration with the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation and Ifkids Theatre Studio to stage street play in 7-ELEVEN stores, turning the stores into interactive theaters. It is hoped that the public will have a better understanding of dementia and be more tolerant of elders with dementia through the performance.



After a suspension due to the pandemic, “What Time Is It?” Café was relaunched in 2023. In 2023, President Chain Store Corporation worked together with 18 groups to promote the initiative in 21 stores and 1 for “What Time Is It? Café PLUS”. The goal for 2024 is having 24 stores participating in the initiative with a total of 2,372 people served.

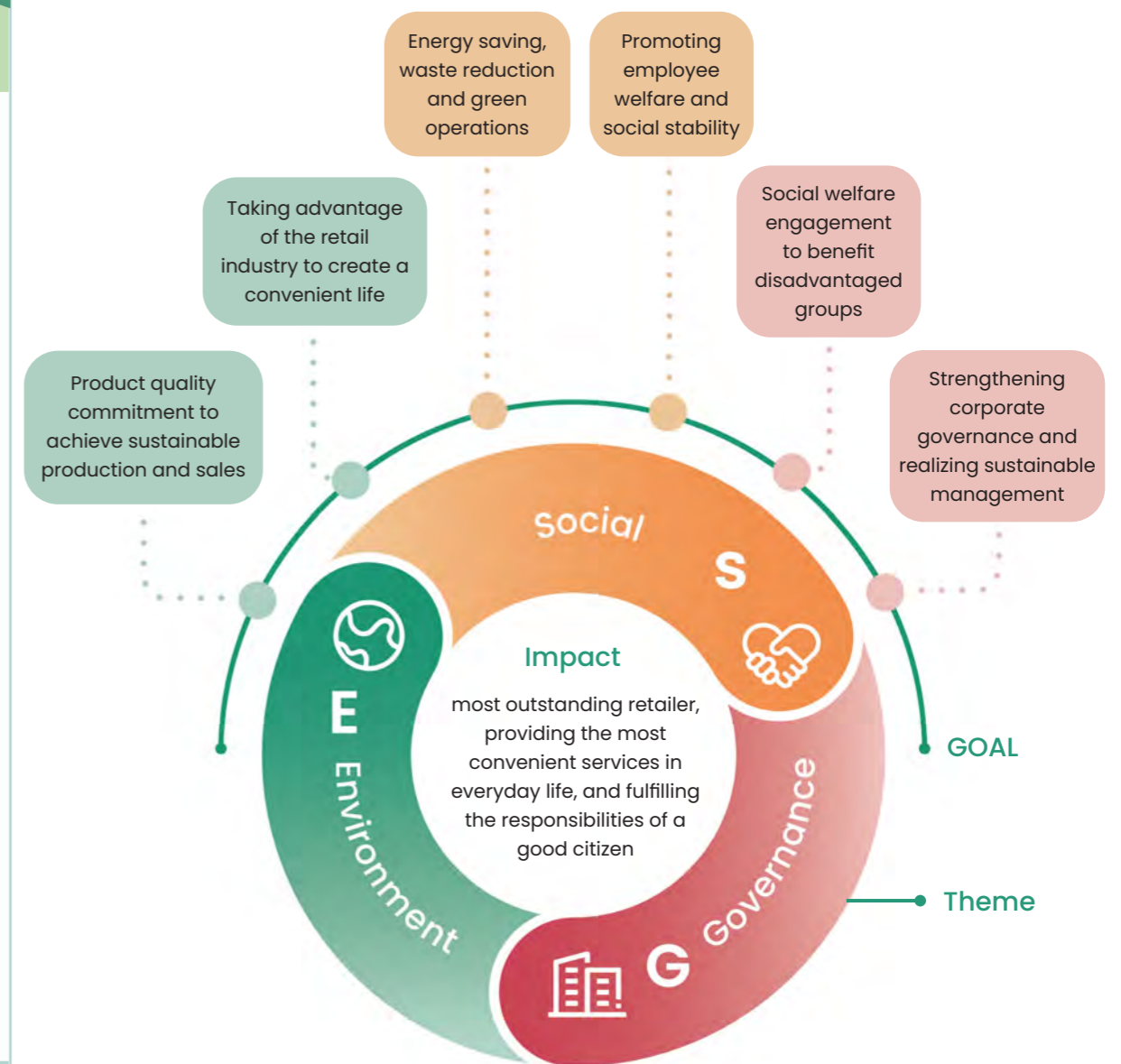


# 01 Implementing Sustainable Management

## 7-ELEVEN Global Sustainable Development Declaration

As the global steward of the 7-ELEVEN brand, we challenge ourselves to grow our business responsibly and support businesses and communities within the 7-ELEVEN family to create positive social and environmental impact. We work with global licensees, joint venture partners and conglomerates through our global .

## Vision of Sustainability Impact



## 1.1 Blueprint for Sustainable Management

President Chain Store Corporation believes that corporate sustainability is the core of corporate operations. A strong management mechanism must be formulated in order to achieve sustainable development, as well as drawing up a clear blueprint and engaging in continuous communication with stakeholders. To this end, President Chain Store Corporation has set up a Sustainable Development Committee and Risk and Information Security Management Committee to draw up a blueprint for sustainable development with the hopes of achieving constant breakthroughs and innovations in terms of operations, economy, environment and society as a corporate leader in sustainable operations.

President Chain Store Corporation has continued to make "Planet Sustainability In Our Everyday Life" a reality by striving for the three goals of Environment, Social and Governance. To this end, it has focused on furthering the four major projects in plastic reduction, carbon reduction, food waste management and sustainable procurement, allowing consumers to practice a sustainable lifestyle and green consumption in simpler and more convenient ways through over 6,800 7-ELEVEN stores. In addition to taking actions towards a sustainable lifestyle and green consumption together with the consumers, President Chain Store Corporation has signed sustainability-linked loans (SLL) with CTBC Bank, Cathay United Bank, MUFG Bank and Taipei Fubon Bank to strengthen internal sustainable management. The banks take into consideration President Chain Store Corporation's sustainability-linked performance, with indicators including being selected by DJSI, greenhouse gas emissions, energy intensity and green procurement. If the agreed conditions are met, the banks will take the initiative to lower the interest rate, leading the way to sustainable development together with President Chain Store Corporation through substantial financial incentives and demonstrating "green" power through the operations.



President Chain Store Corporation SDG Actions

Committed to becoming a world-class enterprise, President Chain Store Corporation actively responds to the United Nations Sustainable Development Goals (SDGs) by integrating their spirit and into daily operations and performance highlights. We look forward to fulfilling our social responsibilities as a global citizen through integrated management thinking.



**GOAL 2: Zero Hunger**

Good Neighbor Meal Delivery Team provides meal pickup and delivery services to disadvantaged groups.



**GOAL 3: Good Health and Well-being**

Protecting consumer health and safety from raw materials to sales: the raw material end is checked through raw material management and quality assurance procedures. The logistics end focuses on the training and management of logistics personnel, and the store end ensures product quality through quality assurance procedures.

Passing ISO45001 system verification every year as well as implementing safety and health education and training, safety risk assessments and safety audits to ensure the health and safety of employees.

Health-related public welfare activities are organized such as What Time is It? Café for delaying the symptoms of dementia, Good Neighbor health activities to enhance public health awareness.



**GOAL 4: Quality Education**

Promoting the concept of sustainability to parents and children through self-developed teaching materials on the theme, encouraging children to read through the "one book for one point" through the reading incentive program, actively taking advantage of our channels to build "Good Neighbor Paper Libraries" with the collaboration of different sectors to realize circular economy and improve the reading environment in towns and villages.



**GOAL 8: Decent Work and Economic Growth**

Age friendly stores organize recruitment programs for middle-aged and senior job-seekers through tailor-made training programs, a friendly working environment as well as building benchmark stores to encourage them to work at stores.

The "Furbaby Welfare Enterprise Project" circular sustainability project aims at reducing food waste. The project collects salads and fruit food waste from the stores, turns it into freeze-dried food for cats and dogs with the help of employees with disabilities in the sheltered workshop, providing job opportunities. Finally, consumers are invited to participate in freeze-dried food pledging donations for animal rights groups.



**GOAL 11: Sustainable Cities and Communities**

Continuing to support local agriculture, fishery, vegetables and fruit with three strategies of "stable procurement," "sustainability" and "planned support."

The Youth Deep Roots Program supports the development of local industries by providing youth groups that promote regional revitalization with shared access to channels (physical and online), as well as providing stores as spaces for youth groups to hold local cultural promotion activities.



**GOAL 12: Responsible Consumption and Production**

Sustainable Farm turns food waste and coffee ground from the stores into organic fertilizer by adopting a biological and natural method. The fertilizer is then used on President Chain Store Corporation's contracted sustainable farms to restore healthy ecology to the soil. The harvested are used in side dishes for fresh food products or sold as fresh produce in the stores. Carbon emissions are reduced from reusing food waste while creating circular economy business opportunities through small-scale production.

Setting up a Sustainable Procurement Task Force to increase the proportion of raw material procurement with sustainability certification, improving the sustainability benefits of the overall supply chain in terms of environmental protection, raising animals in a friendly environment, energy saving and carbon reduction.

Setting up the Food Waste Management Task Force to reduce food waste and scrapped food ingredients in three stages, including "production," "order delivery" and "retail" to reduce food waste from the source.

Setting up the Plastic Reduction Task Force to take the three aspects "reduction at the source," "innovative packaging" and "encouraging customers to bring their own containers." Starting from reducing disposable plastic in our private-label products and services, we work with suppliers to develop innovative packaging materials and provide consumers with discounts to encourage the reduction of disposable containers. The Group also developed the "OPEN iECO Recycled Cups Renting Service" to provide convenient services while creating environmental benefits.



**GOAL 13: Climate Action**

Setting up the Carbon Reduction Task Force to meet the target of Scope 1 and 2 net-zero emissions from the main operations by 2050. Understand the main sources of carbon emissions by obtaining the verification of ISO 14064-1:2018 greenhouse gases, implementing energy-saving measures in stores based on the result, building renewable energy devices and leading the way for logistics partners in low-carbon transition.

Promoting a low-carbon diet with Veggie Selection and low-carbon rice to contribute to the mitigation of climate change.



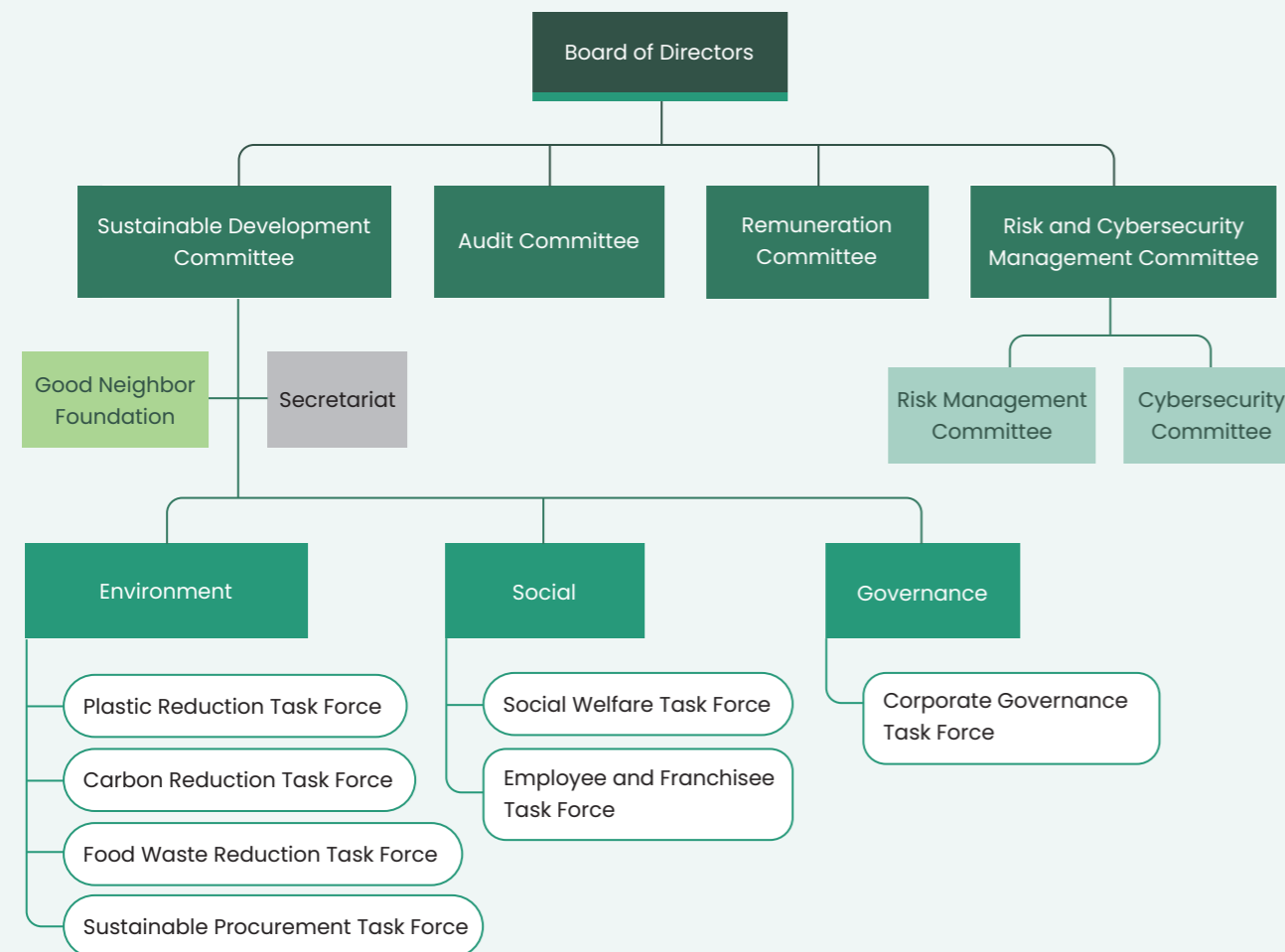
**GOAL 17: Partnerships to achieve the Goal**

President Chain Store Corporation collaborates with different stakeholders in various sectors to co-create sustainable impact, including consumers, research institutes, social welfare groups, social enterprises, local governments, farmers, etc., to launch projects such as "Sustainable Farms," "Furbaby Welfare Enterprise Project," "Low-carbon Rice" and "What Time is It? Café PLUS" to build an ecosystem of sustainable common good.

## 1.2 Sustainable Development Committee

To oversee the implementation and management of corporate sustainability, the “Sustainable Development Committee” has been set up under the President Chain Store Corporation Board of Directors. Responsible for formulating and supervising the direction and promotion plans for corporate sustainability policy, the Sustainable Development Committee is overseen by the President. In view of the increasing emphasis on information security issues in international corporate governance in recent years, the Board of Directors resolved in November 2023 that the “Risk Management Committee” and “Information Security Committee” should become the “Risk and Information Security Management Committee” under the Board of Directors.

The Sustainable Development Committee is composed of three independent directors and the Company’s senior executives, divided into three groups in Environment (E), Social (S) and Governance (G). The Environment Group has 4 task forces in “plastic reduction,” “carbon reduction,” “food waste reduction” and “sustainable procurement.” The Social Group includes task forces in “Social Welfare” and “Employees and Franchisees.” The three groups are responsible for drawing up and implementing policies in corporate sustainable development, systems, management principles and specific promotion plans. The Sustainable Development Committee convenes twice a year, as well as reporting the performance of implementation and the plans for the following year to the Board of Directors at the end of the year. In view of the importance of climate governance, the Company also reports the progress of greenhouse gas inventory and verification to the Board of Directors every quarter.



The Sustainable Development Committee Confirmed Work Plans

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Report to the Board of Directors

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Concrete Actions from the Task Force

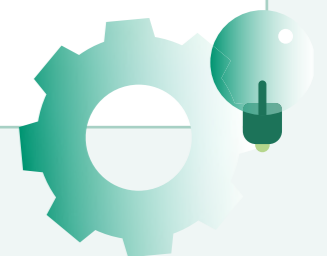
Results of the Current Year

- Carbon Reduction Task Force: Commitment to achieve Scope 1 and Scope 2 net-zero emissions within President Chain Store Corporation’s operations by 2050
- Plastic Reduction Task Force: Commitment to reduce packaging/materials for private-label products by 30% in 2030 compared to 2019, with 50% of the materials replaced by eco-friendly ones
- Sustainable supply chain management: Supplier management/evaluation methods are adjusted according to relevant international industry standards
- Sustainable circular economy: converting and reusing food waste, launching projects such as Sustainable Farms and Furbaby Welfare Enterprise
- Organizational change: merging two committees into the Risk and Information Security Management Committee

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Plans for the Following Year

- TCFD optimization
- Promoting sustainable supply chain management: expanding the scope of sustainable supply chain management
- Incorporating climate change/carbon reduction into the subsidiaries
- Managing and tracking the performance of the four environment task forces
- Continuing to further the management of information security issues in terms of management measures, personnel within the organization and technologies, such as the ISO 27001 transition training



# 1.3 Materiality Assessment

To identify and manage the risks to sustainable development, President Chain Store Corporation has adopted the four steps recommended by GRI Universal Standards 2021 to conduct materiality assessment based on the principle of double materiality. The principle of double materiality considers both impact materiality and financial materiality. Impact materiality considers the positive and negative impact of the organization's own operations and value chain on the external economy, environment, and people (including human rights). Financial materiality considers the impact of sustainability issues on the Company's operations, finance and reputation. We analyze global trends and collecting topics of concerns for our stakeholders. These topics then go through our internal impact analysis to determine the significance of the sustainability issues' impact on economy, environment and human rights and on the

company's operations and development. After a preliminary selection, the material topics are confirmed and elaborated on at regular internal meetings before being approved by the Chairman of the Sustainable Development Committee that is also a CFO and Director. Finally, the material topics of the year are presented to the Board of Directors for confirmation. We review the material topics every year, as well as undertaking the identification procedure every other year to regularly evaluate the impact of the issues as the basis for formulating sustainable development strategies. In the meantime, we follow the principle of transparency to disclose information on the positive and negative impacts of sustainability issues so that all stakeholders have access to more information on the sustainability issues they focus.

## 01 Stakeholder Confirmation

9 Stakeholders

Stakeholders with the biggest impact on President Chain Store Corporation were selected based on the five aspects of the AA1000 Stakeholder Engagement Standard, including influence, tension, responsibility, dependency and diverse perspectives to confirm the nine main groups of stakeholders that require constant communication, including President Chain Store Corporation employees, investors, customers, suppliers, franchisees, NGOs, government agencies, media and local communities.

## 03 Evaluating the degree of external impact of sustainability issues (impact materiality)

273 valid questionnaires

The "Questionnaire for Assessing the Impact of Sustainability Issues on External Economy, Environment and Society" was sent to stakeholders to rate the positive and negative impacts of each sustainability theme on "external economy, environment, and people (including human rights)." The "probability of occurrence" and "scale and scope of influence" were also included in the aspects of impact for evaluation. A total of 273 valid questionnaires were collected from President Chain Store Corporation employees (109), investors (5), customers (31), suppliers (34), franchisees (45), NGOs (14), government agencies (5), media (3) and local communities (27).

## 06 Analysis and Sorting

Based on the result of the analysis of the previous step, the overall degree of impact of each sustainability theme on "external economy, environment, and people (including human rights)" and "company operations and development" is analyzed and sorted to draw the President Chain Store Corporation's materiality matrix diagram of for 2023 with 15 material topics identified.

## 07 Confirmation

15 material topics

Once the 15 material topics have been identified, the Sustainable Development Committee and Board of Directors confirm the result before further evaluating the internal and external boundary to ensure that important information on sustainability has been fully disclosed in the report.

## 08 Disclosure

The task forces explain relevant coping strategies, goals, results, performance and management approaches in this report in line with the requirements for reporting on material topics, as well as ensuring that sustainability information and performance are properly expressed.

Understanding the organizational context

Identifying existing and potential impacts

Assessing the significance of the impacts

Prioritizing the most significant impact for reporting

## 02 Sustainability issue collection

24 issues

GRI Standards were adopted as a base as well as taking international sustainable standards and norms (SDGs, SASB, TCFD), sustainable investment institutions (DJSI, MSCI), industry characteristics, peer development and company development goals and information from stakeholder engagement into consideration. 24 key sustainability issues related to President Chain Store Corporation were selected together with their potential sustainability risks.

## 04 Evaluating the internal impact of sustainability issues (financial materiality)

70 valid questionnaires

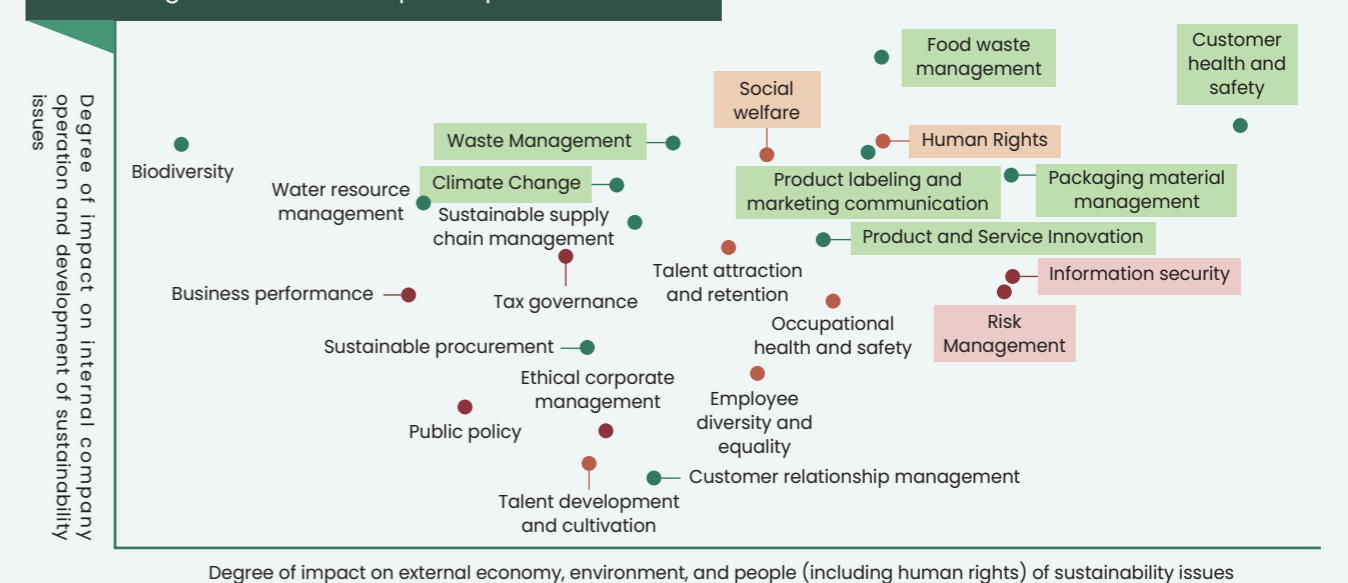
The "Questionnaire for Assessing the Impact of Sustainability Issues on Company Operations" was sent to the members of the three ESG groups under the Sustainable Development Committee to rate the degree of impact of each sustainability theme on the 5 aspects of "company operations." The "probability of occurrence" and "scale and scope of influence" of the impact were included for evaluation, so were both positive and negative impacts.

## 05 Stakeholders' degree of concern

273 valid questionnaires

This step focuses on President Chain Store Corporation's internal and external impact assessment while taking stakeholder concerns into consideration to help us better understand President Chain Store Corporation's external impact. This year's questionnaire on the degree of concern about sustainability issues and the "Questionnaire for Assessing the Impact of Sustainability Issues on External Economy, Environment and Society" were sent to all stakeholders to rate the degree of concern for each sustainability topic.

Matrix Diagram of Material Topics Impact Assessment



(Note) The materiality threshold means the top eleven topics (highlighted topics in the matrix) among the total score of positive and negative impacts were calculated. Sustainable procurement, sustainable supply chain management, occupational health and safety and talent attraction and retention were not considered as material topics in the matrix during the initial impact assessment analysis. However, the Company engaged in internal discussions regarding the topics and their impact on the Company's future development and finances were taken into consideration, with the resolution to include these four topics as material topics.

### Description of Material Topics

Sustainability issues are ranked based on the average score associated with the degree of internal and external impact, as well as comparing the rankings of material topics this year and the previous year to obtain ranking changes of material topics in the past two years.

 Ascending 
  Descending 
  New

Material Topic	Description of Impact	Corresponding GRI Standard	Corresponding SASB Topics	Corresponding Chapter (Including Management Approach)	Change in Order
Customer health and safety	Safeguarding the health and safety of customers is the most important responsibility and the highest guiding principle of President Chain Store Corporation. To this end, President Chain Store Corporation strives to provide safe products that comply with labeling regulations to ensure the health and safety of customers through the implementation of various management mechanisms.	416-1 416-2	Food Safety, Product Health & Nutrition	<a href="#">3.2 Customer Health and Safety</a>	
Food waste management	Food waste is not only a waste of food ingredients but also a loss of resources used in food production, including land, water, energy, etc., which may also lead to food security problems. Food waste also emits greenhouse gases during decomposition in landfills. Proper management of food waste can reduce President Chain Store Corporation's impact on the environment and society.	306-1~ 306-5	Food Waste Management	<a href="#">4.4 Food Waste and Waste Management</a>	
Human Rights	Failure to properly safeguard the human rights of employees will not only damage their labor rights and interests, but will also affect the Company's reputation with an impact on employee engagement. President Chain Store Corporation formulates and improves human rights policies, conducts labor conditions inspections, and protects the rights and interests of employees and other relevant stakeholders.	406-1 409-1	Labor Practices	<a href="#">5.2 Implementing Human Rights Management</a>	
Packaging material management	The characteristics of plastic make it a common packaging material for retail goods. However, due to improper use and management, plastic waste has caused threat to land and marine ecology, and its disposal process has caused significant harm to human health. In response to the trend of plastic reduction, President Chain Store Corporation is committed to reducing plastic pollution in its own operations and the negative impact on the environment and human health.	NA	Management of Environmental & Social Impacts in the Supply Chain	<a href="#">4.2 Packaging Material Management</a>	

Material Topic	Description of Impact	Corresponding GRI Standard	Corresponding SASB Topics	Corresponding Chapter (Including Management Approach)	Change in Order
Product labeling and marketing communication	Product labeling and marketing communications are important channels for President Chain Store Corporation to communicate with customers. Correct product labeling and marketing communications can help consumers make choices that meet their needs, foster trust and avoid illegal risks.	417-1~ 417-3	Product Labeling and Marketing Communication	<a href="#">3.2 Customer Health and Safety</a>	
Social welfare	President Chain Store Corporation takes advantage of its retail channels all over the country to make full use of corporate resources for social welfare, including issues such as elderly care, sustainable urban and rural development, environmental protection and reading education. President Chain Store Corporation works with social welfare groups, suppliers and other partners to achieve common good for the society.	NA	NA	<a href="#">6 Furthering Social Welfare</a>	
Waste Management	Due to the scarcity of natural resources and the potential pollution caused by waste disposal, reducing resource waste has become an important part in President Chain Store Corporation's value chain operations. Proper waste management reduces waste generation, improve the efficiency of resource utilization to reduce the overall environmental impact of President Chain Store Corporation.	306-1~ 306-5	NA	<a href="#">4.4 Food Waste and Waste Management</a>	
Information security	President Chain Store Corporation continues to improve information security management and strengthen protection ability to comply with information security regulations with the wave of digitalization, avoiding information security incidents, as well as reducing the risk of personal data leakage of customers and employees to enhance trust in the brand.	418-1	Information Security	<a href="#">2.3 Information Security and Privacy Protection</a>	
Risk Management	Facing ever-changing external risks, mastering and responding to risks is an important key to the Company's sustainable growth and stable operations, allowing the Company to avoid negative impacts on its finance caused by improper management.	NA	Information Security, Food Safety	<a href="#">2.2 Risk Management</a>	

Material Topic	Description of Impact	Corresponding GRI Standard	Corresponding SASB Topics	Corresponding Chapter (Including Management Approach)	Change in Order
Product and Service Innovation	Today's society and environment are undergoing rapid changes. Consumers' awareness of environmental protection has increased, the concept of a healthy diet has caught on, and the society's pace has accelerated. As a result, consumers' needs and requirements for products are constantly changing. Failure to gain insight into consumer needs may affect the Company's competitive advantage. To this end, President Chain Store Corporation has launched the Veggie Selection to stay updated with trends in environmental protection and vegetarianism, as well as reducing its impact on the environment.	NA	NA	<a href="#">3.1 Product and Service Innovation</a>	★
Climate Change	Properly adjusting the operational strategy of climate change issues will effectively reduce the impact of such issues on the revenue, cost, asset value, goodwill and operations of President Chain Store Corporation, as well as enhancing corporate resilience. Although costs need to be invested in the short term to respond to climate change, energy conservation in its own operations/value chain and development of low-carbon products/services are expected to produce benefits for economy and environment in the long run with the trend of net-zero transition.	302-1~302-5 305-1~305-5	Fleet Fuel Management, Air Emissions from Refrigeration, Energy Management	<a href="#">4.3 Climate Change Mitigation and Adaptation</a>	↑
Talent attraction and retention	By providing competitive talent retention measures, President Chain Store Corporation can attract and retain talents in order to improve employee satisfaction and sense of belonging to the Company. This ensures that President Chain Store Corporation can continue to attract and retain talents to facilitate stable growth of the enterprise.	401-1~401-3 402-1	NA	<a href="#">5.1 Talent Attraction and Retention</a>	↓
Sustain-able supply chain management	Consumers have developed an awareness of sustainability by attaching importance to the ESG performance of the companies they purchase from. President Chain Store Corporation champions the sustainable value of its overall supply chain with systematic management and review, as well as encouraging the suppliers to stay updated with issues such as human rights and environmental protection to avoid indirect negative impact on human rights and the environment caused by the supply chain.	308-1 308-2 414-1 414-2	Management of Environmental & Social Impacts in the Supply Chain	<a href="#">3.3 Sustainable Supply Chain Management</a>	↓

Material Topic	Description of Impact	Corresponding GRI Standard	Corresponding SASB Topics	Corresponding Chapter (Including Management Approach)	Change in Order
Occupational health and safety	Creating a healthy and safe workplace, reducing the rate of occupational incidents and occupational safety risks, ensuring occupational health and safety of employees and improving employee engagement.	403-1~403-10	NA	<a href="#">5.3 Occupational Health and Safety</a>	↑
Sustainable procurement	Consumers are increasingly aware of the production methods and sources of the products they buy. Only by continuing to increase the proportion of sustainable procurement can President Chain Store Corporation meet customers' expectations for products, as well as benefiting both the society and the Company while minimizing the impact on the environment. For example, support for local agricultural products can not only reduce carbon footprint to achieve environmental sustainability but also bring economic benefits to local farmers, thereby helping the society.	NA	Management of Environmental & Social Impacts in the Supply Chain	<a href="#">3.4 Sustainable Procurement</a>	↓

(Note) Legal compliance was a material topic in 2022, but it was not a material topic based on the impact questionnaire assessment results in 2023. Since legal compliance is disclosed by GRI2, it was not included in material topics. However, relevant information is disclosed in relevant chapters of this report.

In addition, President Chain Store Corporation has listed corresponding mitigating actions for the top five issues with negative impact scores identified this year as follows, hoping to reduce the risk of negative impact through appropriate management measures.

Sustainability Topic	Description of Negative Impact	Action/Mitigating Practices
Talent attraction and retention	1. Failure to improve the weaknesses in the Employee Engagement Survey will reduce employee satisfaction with their work, resulting in brain drain. 2.If the franchisee fails to pay minimum wage, the Company's image will be damaged and may also result in brain drain.	1.In order to enhance the trust between the organization and employees, improvements will be made in line with urgency and priority in 2023. All relevant divisions will focus on the issues for tracking and improvement. 2.Regularly review whether franchisees are operating in compliance with government regulations, providing employees with labor and national health insurance in line with government regulations, as well as providing employees with wages shall not be lower than the minimum wage.
Occupational health and safety	Improper occupational safety and health management or flawed occupational safety and health risk mechanisms could lead to the occurrence of occupational disasters, occupational diseases and work accidents among employees.	Promote training for occupational safety and health management personnel so that franchisees and store managers understand the concepts of occupational safety and health management. Continue to strengthen personnel safety concepts through occupational safety training, as well as identifying and improving problems to reduce the risk of occupational disasters through occupational safety self-inspections and district consultant re-inspections.
Business performance	Poor operating performance has an impact on the Company's operations, resulting in losses to shareholders and damage to corporate image.	Closely follow consumer trends and customer needs, striving to improve operational performance and profit growth.



Sustainability Topic	Description of Negative Impact	Action/Mitigating Practices
Human rights	<ol style="list-style-type: none"> <li>If the employee's identity documents are not properly checked, the Company runs the risk of hiring child labor.</li> <li>If overtime exceeds the legal limit during store inspections, the Company runs the risk of forced labor.</li> <li>Suppliers illegally hiring child labor, engaging in discrimination, or violating labor laws.</li> </ol>	<ol style="list-style-type: none"> <li>Clearly stipulate in the hiring notice that the supervisor must confirm the age of employees to avoid employing child labor.</li> <li>Entrust an external audit unit to conduct monthly audits of labor conditions in the stores and check the number of overtime hours to ensure they are legal.</li> <li>It has been stated in the contract supplier code of conduct that if regulations violated are deemed as major violations, President Chain Store Corporation reserves the right to terminate the contract or impose a fine accordingly to the provisions.</li> <li>Reduce the possibility of violating labor regulations through various internal labor condition inspections.</li> </ol>
Food waste management	If food waste is not properly reduced and recycled, it will generate carbon emissions during decomposition and represent a waste of resources (such as water, energy and manpower, etc.) in the food production process.	<ol style="list-style-type: none"> <li>Use food resources more effectively with iLove Food project.</li> <li>The production is now initiated upon order receipt instead of estimation to reduce resource waste in the food production process.</li> </ol>

### Impact Assessment of Material Topics

President Chain Store Corporation aims to carry on creating sustainable impact. To this end, it analyzes and interprets the impact of its operating activities on the society and environment by quantitatively assessing the positive and negative impacts of operations, products and services on external stakeholders related to the first two material topics with the goal of maximizing the positive impact in the long run.

### Impact of Customer Health and Safety

Issue management covers 100% of business activities <sup>(note)</sup>

Type of Stakeholders	Suppliers	Environment	Consumers	Society
Positive and Negative Impacts	<p>Positive impact:</p> <ol style="list-style-type: none"> <li>Working with suppliers to build a vegetarian food production line and create new business opportunities for supplier.</li> <li>Assisting new suppliers and manufacturers to improve food safety management by making sure that they comply with our food safety management standards.</li> </ol>	<p>Positive impact:</p> <p>President Chain Store Corporation's Veggie Selection vegetarian products can reduce greenhouse gas emissions compared to products that contain meat, thereby reducing the impact of greenhouse effect on the environment.</p> <p>Negative impact:</p> <p>Compared with vegetarian products, products that contain meat increase greenhouse gas emissions, thereby aggravating the impact of the greenhouse effect on the environment.</p>	<p>Positive impact:</p> <p>President Chain Store Corporation is part of the retail industry that is closely linked to consumers' diets. President Chain Store Corporation launched the Veggie Selection (vegetarian food), Simple Fit (high fiber and low carb), and other private-label products that comply with healthy and nutritional principles to provide consumers with healthier food options. This approach also promote consumers' awareness of healthy diet.</p>	<p>Positive impact:</p> <p>President Chain Store Corporation transforms food safety, health and other knowledge into easy-to-understand content through Neighbor Funfest sessions based on the theme of food safety and DIY materials available for free downloads to raise awareness of healthy nutrition and food safety for parents and children alike.</p>

Type of Stakeholders	Suppliers	Environment	Consumers	Society
Quantitative output	<ol style="list-style-type: none"> <li>Cultivated vegetarian production lines with 7 suppliers in 2023</li> <li>A total of 13 new suppliers and manufacturers were introduced in 2023</li> </ol>	9,643,464 Veggie Selection products were sold in 2023.	<ol style="list-style-type: none"> <li>As of the end of 2023, Veggie Selection and Simple Fit products were sold in 6,859 stores. Sales of Veggie Selection and Simple Fit reached NT\$4,605 million in 2023.</li> <li>Sales of private-label products that comply with healthy and nutritional principles reached NT\$26,815 million in 2023.</li> </ol>	<ol style="list-style-type: none"> <li>In 2023, President Chain Store Corporation invested NT\$8.35 million in organizing 15,694 Good Neighbor Funfest sessions focusing on healthy nutrition and food safety with a total of 141,123 participants.</li> <li>In 2023, President Chain Store Corporation invested NT\$1 million in DIY materials focusing on healthy nutrition and food safety with a total of 290,495 downloads.</li> </ol>
Quantitative impact	<ol style="list-style-type: none"> <li>The scale of economic support for Veggie Selection suppliers were increased to approximately NT\$588 million in 2023.</li> <li>In 2023, new suppliers and manufacturers worked with President Chain Store Corporation to improve supplier food safety management with improved economic benefits, reaching NT\$10,599 million.</li> </ol>	Veggie Selection vegetarian products reduce greenhouse gas emissions and the social cost of carbon emissions compared to non-vegetarian food products to achieve a more sustainable future. Statistics shows that this approach reduced social cost associated with carbon emissions by approximately NT\$58,627,277 in 2023.	Veggie Selection, Simple Fit and other private-label products that comply with healthy and nutritional principles aim to increase consumers' knowledge and awareness of healthy eating, encouraging them to choose healthier meals through the campaigns. Compared with 2022, the number of people purchasing Veggie Selection and Simple Fit products grew by 13,349,027 people (with a 15% growth). The number of people purchasing private-label products that comply with healthy and nutritional principles also increased by 12,141,317 (with a 15% growth) in 2023 compared to 2022.	In 2023, the value of positive impact from participation in Good Neighbor Funfest sessions focusing on healthy nutrition and food safety to enhance their awareness of health, nutrition and food safety can be converted into NT\$71,125,992. The value of adopting DIY materials focusing on healthy nutrition and food safety to enhance their awareness of health, nutrition and food safety can be converted into NT\$5,809,900.

(Note) The Product Safety Committee focuses on safety and quality, with its scope of management covering 100% of private-label products.

## Impact of Food Waste Management Issues

Issue management covers 100% of business activities <sup>(note)</sup>

Type of Stakeholders	Suppliers	Environment	Consumers
Positive and Negative Impacts	Positive impact: 1. The production is now initiated upon order receipt instead of estimation to better control the production volume, reducing the suppliers' costs for input and processing. 2. Centralized production of each item can reduce the waste of raw materials for suppliers. 3. The surplus after production is provided as employee meals. Finished and semi-finished products are also resold to employees to reduce food waste, allowing suppliers' employees to acquire the products at a lower price.	Positive impact: President Chain Store Corporation reduces the resources consumed in processing food waste, which leads to reducing greenhouse gas emissions and thereby the impact of greenhouse effect on the environment.	Positive impact: As part of the retail industry, President Chain Store Corporation is closely linked to people's (consumers') diets. iLove Food project offers consumers cheaper options for eating out, reduces their expenses and promotes awareness of food waste management.
		Negative impact: Improper management of food waste will lead to increased greenhouse gas emissions, thereby aggravating the impact of the greenhouse effect on the environment.	
Quantitative output	The weight of scrapped fresh food in 2023 decreased by 5,362 metric tonnes compared with the base year of 2019.		The sales volume of iLove Food in 2023 reach NT\$3,587 million.
Quantitative impact	Suppliers can reduce their raw material consumption through working with President Chain Store Corporation. Compared with the scrapping and scrapping form overestimation at fresh food manufacturers in 2019, the total amount of loss reduction (improving the economic benefits for suppliers) reached approximately NT\$5.46 million in 2023.	By building an ecosystem to reduce food waste, President Chain Store Corporation has effectively reduced the need to process food waste while enhancing food culture for the general public, thereby reducing greenhouse gas emissions, social cost of carbon, and achieving a more sustainable future. Statistics shows that the social cost of carbon was reduced by approximately NT\$1,821,004 in 2023.	iLove Food aims to increase consumers' understanding and awareness of food waste management issues and encourage them to reduce food waste. The project urges consumers to take action in their daily lives to reduce food waste through campaigns, education and resource provision. Compared with 2022, the number of people purchasing iLove Food increased by 23,181,096 times in 2023 (a 51% growth).

(Note) The numerator is the revenue of private-label food products included in food waste statistics, and the denominator is the revenue of private-label food products.



### Corresponding Value Chain Boundary of Material Topics

Material Topic	Upstream			Company Operations				Downstream				Impact Assessment of Potential Operational Risks	
	Investors	Suppliers	Government Agencies	President Chain Store Corporation (employees included)	Franchisees	Affiliated logistics companies (Note)	Customers	NGOs	Local communities	Finance	Production/products and services	Personnel	Reputation and image
Customer health and safety	●	●	●	●	●	●	●	●		●	●	●	●
Food waste management		●	●	●	●	●		●	●	●	●	●	●
Human rights		●	●	●	●	●				●	●	●	●
Packaging material management		●	●	●	●			●	●	●	●	●	●
Product labeling and marketing communication	●	●	●	●	●		●	●		●	●	●	●
Social welfare				●				●	●	●	●	●	●
Waste management		●	●	●	●	●		●	●	●	●	●	●
Information security	●	●	●	●	●		●	●	●				●
Risk management	●	●	●	●	●	●	●						●
Product and service innovation	●	●		●	●		●			●			●
Climate change		●	●	●	●	●		●	●	●	●		●
Talent attraction and retention				●	●							●	●
Sustainable supply chain management	●	●	●	●	●		●	●			●		●
Occupational health and safety		●	●	●	●			●					
Sustainable procurement	●	●	●	●	●		●	●					

(Note) Affiliated logistics companies include Uni-President Cold-Chain Corp., Wisdom Distribution Service Corp., Retail Support International Corp., and President Logistics International Corp.

# 1.4 Sustainable Development Targets

President Chain Store Corporation formulates themes and a blueprint for sustainability, as well as setting short-, medium- and long-term quantitative targets in line with material topics to regularly review the performance and target achievement.

↗ Exceeding the target 
 ✓ Achieving the target 
 — Falling short of the target 
 ▲ Tracking

Theme of Sustainability	Material Topic	Management Metrics	Medium and long-term Targets	2024 Targets	2023 Targets	2023 Performance	2023 Achievement	Management Approaches and Actions
E Environment	Sustainable Supply Chain Management	Proportion of disseminate the importance of sustainability among non tier-1 suppliers	95% by 2025	90%	80%	95.83%	↗	Management Approaches in Chapter III
	Customer health and safety	The proportion of A-level stores in the President Chain Store Corporation High Quality service qualification	73% by 2028	70%	70%	54.5% <sup>(Note 1)</sup>	—	
		Rate of major food safety risk violations	0% by 2028	0%	0%	0%	✓	
		(1)Number of product recalls (2)Number of recalled products (3)Proportion of recalled private-label products to all recalls	2028 (1) 5 times (2)15,000 (3)5%	(1)10 times (2)45,000 (3)15%	to be determined	(1)15 times (2)50,857 (3)18.13%	▲	
		Revenue from private-label food products that comply with the principles of health and nutrition	NT\$37,609 million by 2028	NT\$28,692 million	to be determined	NT\$26,815 million	▲	
	Product Labeling and Marketing Communications	(1)Number of incidents violating the regulations on product labeling or marketing communications (2)Financial losses resulting from legal proceedings related to marketing or labeling violations	2028 (1) 0 case (2) NT\$0	(1) 0 case (2) NT\$0	(1) 0 case (2) NT\$0	(1) 0 case (2) NT\$0	✓	
	Sustainable procurement	Proportion of the cost of sustainably-certified raw materials <sup>(Note 2)</sup>	16% by 2025, 18% by 2030	15.10%	10.55%	24.47%	↗	
	Product and service innovation	Number of active OPENPOINT users	12.40 million people by 2025, 13.00 million people by 2028	12.00 million people	12.03 million people	11.31 million people <sup>(Note 3)</sup>	—	
	Climate change	Proportion of direct (Scope 1) and indirect (Scope 2) GHG emission intensity (carbon emission intensity per NT\$ million of revenue) reduction compared with the previous year <sup>(Note 4)</sup>	1%	1.0%	1.0%	5.83%	↗	
		Proportion of EUI value decrease compared with the previous year	0.5%	0.5%	0.5%	0.81%	↗	
Obtaining ISO 14064-1 Greenhouse Gas Verification Statement each year <sup>(Note 4)</sup>		Obtaining ISO14064-1 Greenhouse Gas Verification Statement	Obtaining ISO14064-1 Greenhouse Gas Verification Statement	Obtaining ISO14064-1 Greenhouse Gas Verification Statement	Obtained	✓		
Passing ISO 50001 Energy Management System Certification each year <sup>(Note 4)</sup>		Passing ISO 50001 Energy Management System Certification each year	Passing ISO 50001 Energy Management System Certification	Passing ISO 50001 Energy Management System Certification	Passed	✓		

Note 1: After the grading table has been streamlined and adjusted, the standards for management and store staff are not yet in place.  
 Note 2: For the scope of sustainable certified raw materials, please refer to section 3.4 Sustainable Procurement for the description of sustainable raw materials.  
 Note 3: As the growth of new members slows down, the number of active members did not reach the target.  
 Note 4: Carbon reduction performance is linked to the rewards and remuneration of senior executives, including the President and senior executives.

➤ Exceeding the target    ✓ Achieving the target    — Falling short of the target    ▲ Tracking

Theme of Sustainability	Material Topic	Management Metrics	Medium and long-term Targets	2024 Targets	2023 Targets	2023 Performance	2023 Achievement	Management Approaches and Actions
E Environment	Waste management	Proportion of volume for waste removal reduction in each store (base year 2019)	45% by 2028	38%	35%	29.81% <sup>(Note 5)</sup>	—	Management Approaches in Chapter IV
	Food waste management	Weight of food waste (scraps) produced by the stores and factories (base year 2019)	11,605 metric tonnes by 2030	11,353 metric tonnes	11,822 metric tonnes	12,248.40 metric tonnes <sup>(Note 6)</sup>	—	
		Weight of food waste reused from the stores and factories	7,144 metric tonnes by 2030	5,686 metric tonnes	5,853 metric tonnes	8,687.50 metric tonnes	➤	
		Annual volume and reduction ratio of food waste from the stores and factories (base year 2019)	4,461 metric tonnes by 2030, a 50% decrease compared to base year	5,667 metric tonnes, a 36.5% decrease compared to base year	5,969 metric tonnes, a 33.1% decrease compared to base year	3,560.90 metric tonnes, a 60.1% decrease compared to base year <sup>(Note 7)</sup>	➤	
	Packaging material management	Proportion of single-use plastic	10% in 2028 and eliminate plastic shopping bags and straws. Completely phase out single-use plastics in 2050.	20%	20%	22.47% <sup>(Note 8)</sup>	—	
		Proportion of cups brought by consumers	20% by 2025, 30% by 2030, 50% by 2050	19%	15%	18.90%	➤	
Number of stores offering recycled cups for rent		4,000 stores by 2025	2,300	1,000	1,042	➤		
S Social	Occupational Health and Safety	Frequency-severity indicator for the employees	Lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	Lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	Lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	0.17	➤	Management Approaches in Chapter V
		Frequency-severity indicator for the franchises	Lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	Lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	Lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years (0.35 from 2020-2022)	0.01	➤	

Note 5: Please refer to Chapter 4.4 Food Waste and Waste Management for the reasons of failing to meet the standards.

Note 6: The annual scrap volume increases with the increase in stores and fresh food sales.

Note 7: Food waste recycling a highly uncertain estimate. Therefore, medium- and long-term goals need to be optimized.

Note 8: Please refer to Chapter 4.2 Packaging Material Management for the reasons of failing to meet the standards.

➤ Exceeding the target    ✓ Achieving the target    — Falling short of the target    ▲ Tracking

Theme of Sustainability	Material Topic	Management Metrics	Medium and long term Targets	2024 Targets	2023 Targets	2023 Performance	2023 Achievement	Management Approaches and Actions
S Social	Occupational Health and Safety	Lost Time Injury frequency rate (LTIFR) for outsourced service suppliers (contractors)	0.25 Lower than 0.25 by 2030	Lower than 0.5	Lower than the Company's LTIFR of 1.59 from the previous year	1.06	➤	Management Approaches in Chapter V
	Talent attraction and retention	Percentage of middle-aged and elderly employees in the company <sup>(Note 9)</sup>	30% by 2030	28%	25%	27.18%	➤	
	Human rights	(1) Number of work stoppages (2) Days of idleness due to work stoppages	(1) 0 time (2) 0 day	(1) 0 time (2) 0 day	(1) 0 time (2) 0 day	(1) 0 time (2) 0 day	✓	
		The amount of financial losses caused by violations of labor laws or legal incidents related to employee discrimination	NT\$0	NT\$0	NT\$0	NT\$0	✓	
	Social welfare	Amount of in-store cash/goods donations <sup>(Note 10)</sup>	NT\$274 million by 2028	NT\$234 million	NT\$224 million	NT\$267million	➤	Management Approaches in Chapter VI
Number of Good Neighbor Funfest sessions and participants		18,000 sessions with 200,000 participants by 2025, 20,000 sessions with 300,000 participants by 2030	17,000 sessions with 150,000 participants	15,000 sessions with 120,000 participants	15,694 sessions with over 140,000 participants	➤		
G Governance	Risk management	Regularly identify risks, and the number of times reporting to the Board of Directors	Twice by 2028	2	1	1	✓	Management Approaches in Chapter II
		Number of risk management training courses undertaken by management	At least 2 sessions for each Director every year	2 sessions for each Director	2 sessions for each Director	2 sessions for each Director	✓	
	Information security	(1) Number of information leakages (2)Proportion of information leakages containing identifiable information (3)Number of customers affected by information leakages (4)Number of violations that infringe on customer privacy and total fines paid due to information security incidents	2028 (1) ≤ 1 (2) ≤ 30% (3) ≤ 600 (4) ≤ NT\$700,000	(1) ≤ 3 (2) ≤ 50% (3) ≤ 900 (4) ≤ NT\$900,000	(1) ≤ 3 (2) ≤ 50% (3) ≤ 900 (4) ≤ NT\$900,000	N/A	➤	

Note 9: Middle-aged and elderly employees refer to people over the age of 45.

Note 10: Since the fundraising schedule depends on the needs of external organization and the society each year, it is difficult to set targets based on the performance of the previous year. The goal is focusing on sustained and stable growth.

# 1.5 Stakeholder Communication

President Chain Store Corporation's stakeholders include investors, suppliers, employees, franchisees, NGOs, government agencies, media and local communities. President Chain Store Corporation bears responsibilities to its stakeholders. To this end, a stakeholder section (<http://www.7-11.com.tw/communication.asp>) has been set up on the President Chain Store Corporation corporate website. A physical mailbox has also been made available, with stakeholder communication compiled and reported to the Board of Directors each year. We understand the needs and expectations stakeholders have of the Company through a variety of different methods and channels. Other methods and channels of communication are described below.

## Investors

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
President Chain Store Corporation needs to communicate with investors on business performance and results in various sustainable governance aspects in order to win the favor of investors.	<ul style="list-style-type: none"> <li>Business performance</li> <li>Waste management</li> <li>Ethical corporate management</li> <li>Risk management</li> <li>Sustainable supply chain management</li> </ul>	Annual shareholders' meeting	Regularly (annual)	Once
		Financial statements	Regularly (quarterly)	Four times
		Disclosure through corporate website	As needed	As needed
		Organize/invited to organize road shows	As needed	<ul style="list-style-type: none"> <li>172 meetings</li> <li>Invited to organize 6 road shows</li> </ul>
		TWSE Market Observation Post System Website	As needed	142 important messages in Chinese/English
Answering questions from investors and analysts via face-to-face meetings/phone or e-mail	As needed	As needed	As needed	

### Stakeholders' Topics of Concern

- Company development strategy and competitive advantages
- Response measures to climate change and opportunities

### Response from President Chain Store Corporation

- Continuing to communicate business development strategies, competitive advantages, profits and ESG actions to investors in quarterly road shows and more than 200 investor meetings.
- Stable distribution of cash dividends every year. A cash dividend of NT\$9 per share was distributed in 2023.
- Introducing TCFD and passing the verification of ISO14064-1 greenhouse gases.
- Linking carbon reduction performance indicators to senior executive KPIs in 2023.
- Committing to conduct inventory of greenhouse gases within its own operations by 2050, and achieving net-zero emissions in Scope 1 and Scope 2.

## Suppliers

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Suppliers are important partners for President Chain Store Corporation operations. We work together with suppliers to develop innovative products, increase product quality and realize professional ethics to achieve the vision of sustainable supply chain and provide great services	<ul style="list-style-type: none"> <li>Customer health and safety</li> <li>Information security</li> <li>Product and service innovation</li> <li>Sustainable procurement</li> <li>Ethical corporate management</li> <li>Social welfare</li> <li>Product labeling and marketing communication</li> </ul>	Management meetings	As needed	11 production and marketing coordination meetings
		Supplier Conference	As needed	<ul style="list-style-type: none"> <li>3 procurement meetings</li> <li>Over 31 product category meetings</li> <li>1 raw material supplier management briefing session</li> <li>25 raw materials sub-sessions</li> <li>1 training session on water pollution and air pollution prevention regulations, labor inspection and safety and health practices</li> </ul>
		Supplier audit	As needed	86 suppliers

### Stakeholders' Topics of Concern

Deficiencies in tier 1 supplier evaluation

### Response from President Chain Store Corporation

Assisting the suppliers in improving the deficiencies

## Customers

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Customers' point of view is an important reference for President Chain Store Corporation to improve its products and services. Customer satisfaction is also deeply intertwined with the Company's operational performance	<ul style="list-style-type: none"> <li>Customer health and safety</li> <li>Product labeling and marketing communication</li> <li>Information security</li> <li>Product and service innovation</li> <li>Risk management</li> </ul>	Regular replies by Integrated Services Center (Note)	As needed	<ul style="list-style-type: none"> <li>A total of 1,475 emails were sent to the stakeholder mailbox</li> <li>A total of 109,200 phone calls were received with feedback and suggestions</li> </ul>

### Stakeholders' Topics of Concern

Fraudulent packages

### Response from President Chain Store Corporation

- Platform of appeal
  - Customers can make a complaint on the MyShip platform by scanning the QR CODE and filling in the form on [the official website's fraud complaint platform](#)
- Contact customer service
  - Customer service will assist with filing the complaint and contacting the seller, as well as requiring the seller to contact the customer with regards to returns
- Product refund
  - Once confirmed as fraudulent package:
    - A cross-border package will be quickly refunded by the consolidator
    - Domestic packages will be refunded according to the terms and conditions of the e-commerce platform

(Note) 100% of customer letters were replied to on the same day in 2023, and the progress was updated within three working days. The annual case close rate is 100%.

## Employees

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Employees are the vital cornerstone of President Chain Store Corporation operations, and engagement with employees is the key to its sustainable operations	<ul style="list-style-type: none"> <li>Customer health and safety</li> <li>Information security</li> <li>Product and service innovation</li> <li>Product labeling and marketing communication</li> <li>Social welfare</li> </ul>	Employer-employee meetings	Regularly (quarterly)	4 sessions
		Staff Welfare Committee	Regularly (quarterly)	4 sessions
		Stakeholder mailbox for employees	As needed	253 cases
		Happy Cooperative Society consultations	As needed	<ul style="list-style-type: none"> <li>The volunteers provided services to 67 people</li> <li>A total of 41.76 hours of consultation and 11 hours of external professional consultation</li> </ul>
Safety and Health Committee meetings	Regularly (quarterly)	4 sessions		

### Stakeholders' Topics of Concern

The Company was expected to restrain inappropriate comments from certain supervisors to create a safe and friendly workplace

### Response from President Chain Store Corporation

- Organized the "Prevention of Workplace Violence and Sexual Harassment" course to enhance a friendly working environment and awareness of respect
- The supervisors at the next level of reported cases were requested to clarify and investigate further, as well as providing guidance

Franchisees

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Franchisees are at the forefront of providing consumer services. franchisee engagement is the key to providing assured and high-quality services	<ul style="list-style-type: none"> <li>Information security</li> <li>Food waste management</li> <li>Waste management</li> <li>Water resource management</li> <li>Social welfare</li> <li>Risk management</li> <li>Tax strategies</li> </ul>	Update the dedicated franchise website	As needed	As needed
		Planned district consultant visits	Regularly (monthly)	36 times/month
		Monthly publications	Regularly (monthly))	12 publications
		franchisee forums	As needed	19 sessions

Stakeholders' Topics of Concern Response from President Chain Store Corporation

- Subsidies for senior franchisees
- Franchise insurance rate
- Labor inspection and occupational safety and health deficiencies
- Caring for the health of franchisees by providing discounts for leisure and entertainment to ensure work-life balance
- Provide insurance subsidies to protect full-time (part-time) employees of franchise stores and reduce the burden on franchisees
- Assist franchisees in improving matters regarding labor inspection

NGOs

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
President Chain Store Corporation aims at giving back to the society to support public welfare organizations, in the hopes of maximizing positive influence on the society	<ul style="list-style-type: none"> <li>Ethical corporate management</li> <li>Public policy</li> <li>Social welfare</li> <li>Information security</li> <li>Business performance</li> <li>Customer health and safety</li> </ul>	Participation in public welfare/events initiatives	As needed	A total of NT\$717 million raised for social welfare
		Bring Back the Love Charity Donation Program fundraiser	As needed	3 times
		Fundraising proposal/review meeting	Regularly (annual)	Once

Stakeholders' Topics of Concern Response from President Chain Store Corporation

- Staying updated with the issue regarding the elderly and localizing elderly care
  - Advocating a green lifestyle, ecological protection and environmental friendliness
  - Respond to social welfare activities/initiatives
  - Manage the charity platform of "Bring Back the Love"
  - Integrate ESG innovations with social welfare actions
- (Note) Please refer to 6.4 Promoting Health and Well-being, 6.5 Zero Hunger and 6.3 Environmental Protection for public welfare projects regarding the elderly and green lifestyle

Government Agencies

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Government regulations keep changing, and achieving sustainable development requires the collaboration between the public and private sectors. Engagement with government agencies can ensure the compliance and sustainability of President Chain Store Corporation operations	<ul style="list-style-type: none"> <li>Business performance</li> <li>Tax strategies</li> <li>Customer health and safety</li> <li>Risk management</li> <li>Food waste management</li> </ul>	Internal Regulatory Committee	Regularly (quarterly)	4 times (internal communications)
		Promoting in compliance with relevant systems	As needed	As needed

Stakeholders' Topics of Concern

To protect the environment and achieve sustainable development, EPA announced the Targets and Implementation Methods for Restriction of Internet Shopping Packaging to reduce packaging materials used for online shopping.

Response from President Chain Store Corporation

- Prior to the implementation of the Targets and Implementation Methods for Restriction of Internet Shopping Packaging, President Chain Store Corporation has actively confirmed the applicable scope and guidelines with government agencies.
- President Chain Store Corporation collected internal opinions and confirmed the operations, as well as providing industry experience for the reference of the competent authorities. Moreover, it actively communicated with the competent authorities through official documents to ensure the Company's internal operations comply with government regulations.

Media

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Communicating the Company's sustainable business performance to the media so that more stakeholders can understand the sustainable actions of President Chain Store Corporation	<ul style="list-style-type: none"> <li>Tax strategies</li> <li>Information security</li> <li>Ethical corporate management</li> <li>Customer health and safety</li> <li>Sustainable supply chain management</li> <li>Sustainable procurement</li> <li>Packaging material management</li> <li>Food waste management</li> <li>Waste management</li> <li>Social welfare</li> </ul>	The Company set up a dedicated contact to release press releases and provide media assistance	As needed	A total of 213 press releases were issued, and a press contact was provided to assist the media in real-time communication

Stakeholders' Topics of Concern Response from President Chain Store Corporation

The most outstanding/effective sustainability projects

- Selected by Dow Jones Sustainability World Index (DJSI World) for five consecutive years as the only local retailer.
- President Chain Store Corporation responded to Earth Hour by launching a large-scale carbon reduction campaign, connecting 8 major retail brands and more than 7,000 stores to turn off the lights for one hour.

Local Communities

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2023
Being part of the retail industry, President Chain Store Corporation can be found on all corners of the island. Reducing negative impact on the society and environment from its operations is President Chain Store Corporation's responsibility and obligation	<ul style="list-style-type: none"> <li>Information security</li> <li>Customer health and safety</li> <li>Ethical corporate management</li> <li>Product labeling and marketing communication</li> <li>Customer relationship management</li> </ul>	Good Neighbor Funfest events	As needed	15,694 events
		Good Neighbor Foundation website	As needed	A total of 290,000 people took advantage of the sustainable materials provided on the website

Stakeholders' Topics of Concern

Sustainability literacy such as food and agriculture, food waste reduction, animal and environmental protection

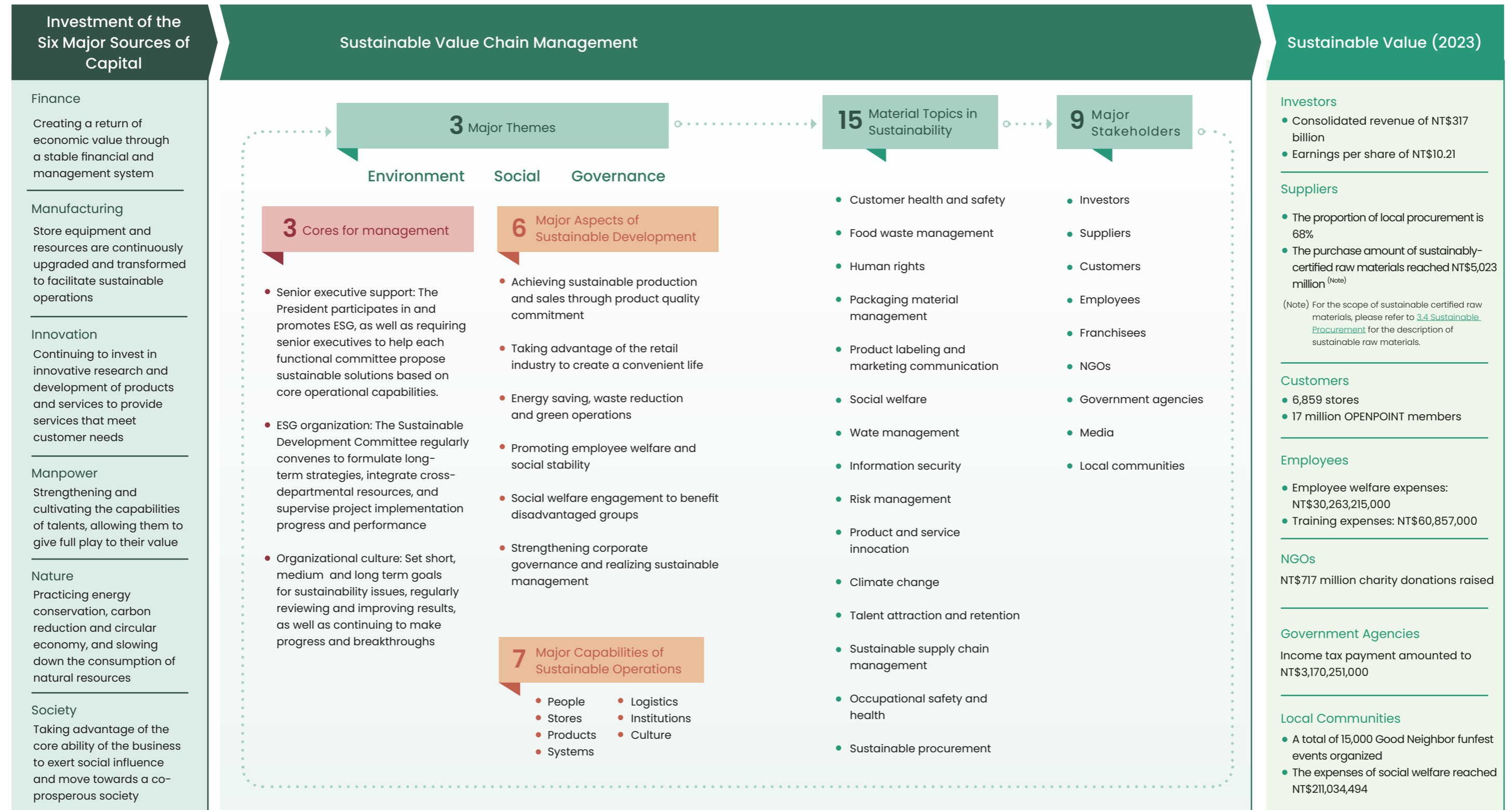
Response from President Chain Store Corporation

Five sustainable materials were launched by working with the public and private sectors, such as the Agriculture and Food Agency, Society of Wilderness, different President Chain Store Corporation divisions, as well as contracted farmers of sweet potatoes, pineapples and bananas to raise awareness of sustainable issues including carbon reduction, food waste reduction, land-friendliness, animal conservation, recycling, circular economy and so on.

# 1.6 Sustainable Value Chain

President Chain Store Corporation is dedicated to creating wonderful retail experience through investing 6 major sources of capital and continuing to optimize the 7 sustainable management elements of people, stores, products, systems, logistics, institutions and culture to actively promote the mechanism

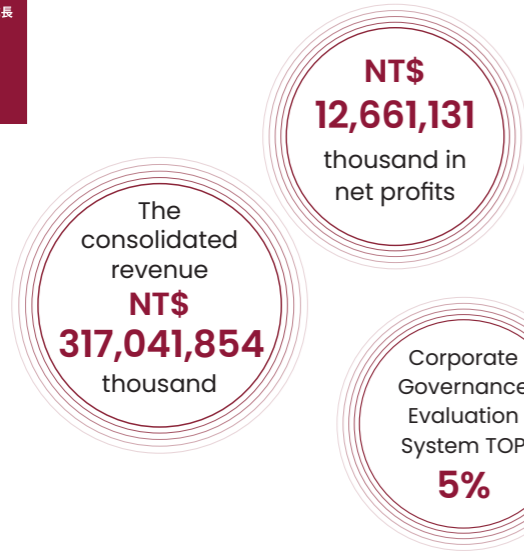
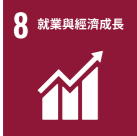
in sustainable management. This evaluates and manage the value that the Company's overall value chain creates for stakeholders, as well as hopefully maximizing the benefits to enhance the enterprise's sustainable value.





# 02 Achieving Sustainable Governance

President Chain Store Corporation abides by the principle of ethical corporate management from its internal operations to external value chain to ensure long-lasting and stable operations. In the meantime, President Chain Store Corporation identifies and stays updated with the trends in regulatory revisions, as well as ensuring all operations of the Company's organizations comply with government laws and regulations to uphold the rights and interests of consumers and the Company. Risk management is the key to sustainable operations. To this end, we have set up a dedicated unit for cross-departmental communications to avoid negative impact and increase the value of the Company. In addition, we attach importance to the management and protection of customer privacy, as well as providing better services based on the big data generated from consumption.



The consolidated revenue hit record high at NT\$317,041,854 thousand, with NT\$12,661,131 thousand in net profits that exceed the record of the previous year

President Chain Store Corporation was once again ranked in the top 5% in the 9<sup>th</sup> Taiwan Corporate Governance Evaluation System as the only listed company in the retail industry to do so for the ninth year running

### Corresponding Material Topics



### Management Policies

#### Policies and Commitments

- Personal Data Protection Management System and Policy
- President Chain Store Corporation Personal Profile Data Security Maintenance Plan ([Personal Data Protection Handbook](#))
- [President Chain Store Corporation Risk Management Policy](#)

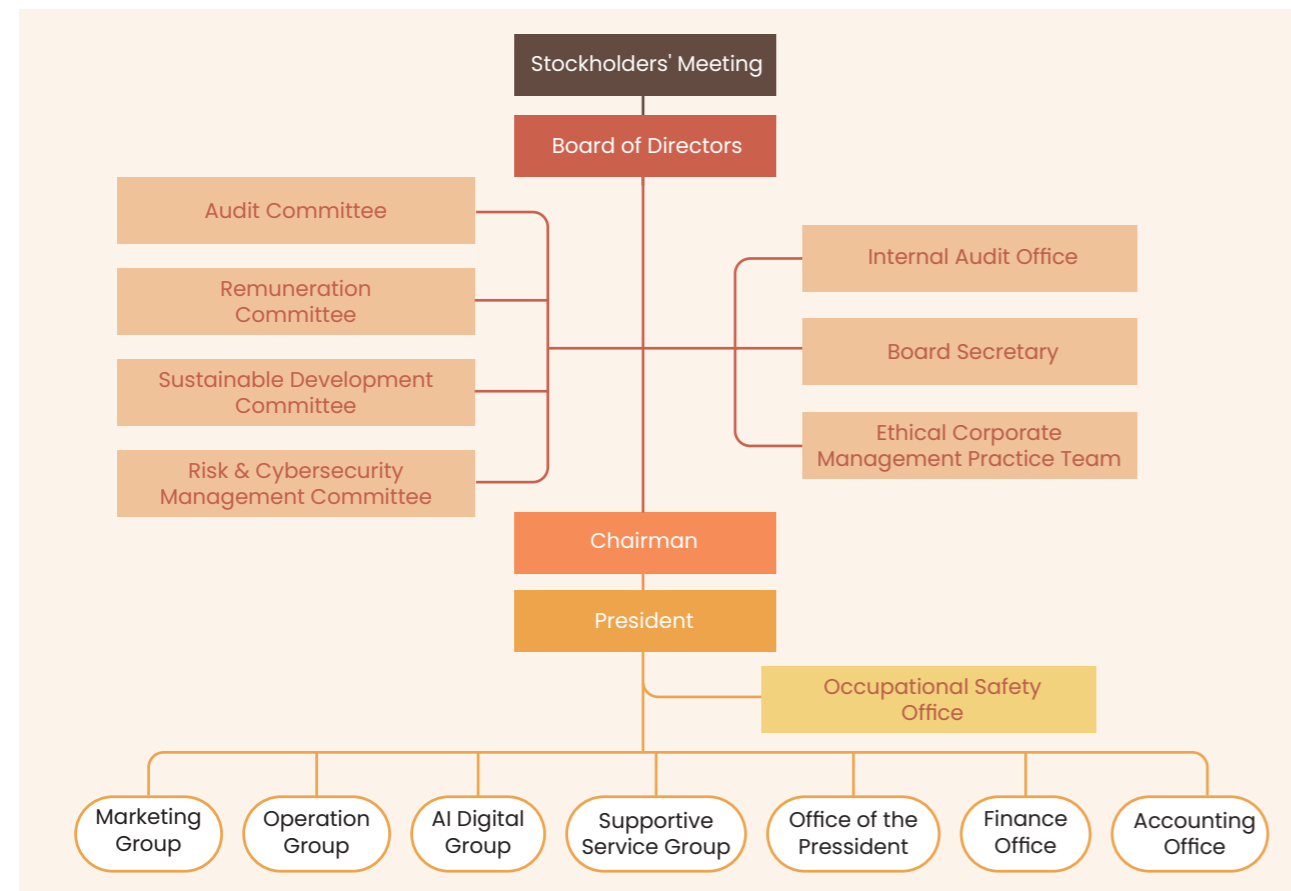
#### Management Actions

- President Chain Store Corporation has set up a Personal Data Protection Task Force to ensure the safety of consumer data through internal audits and external verification of personal data (Taiwan Personal Data Protection and Administration System, TPIPAS), crisis prevention and education and training.
- President Chain Store Corporation set up a Risk Management Committee to classify various risks and formulate management policies. The Committee monitors and gives feedback on risk identification on a monthly basis, as well as compiling the information of each department every 6 months. Since 2024, regular reporting to the Risk and Cybersecurity Management Committee will be done twice a year. Each dedicated unit offers feedback on risk response measures through a form to realize risk identification, measurement and reporting.
- In November 2023, President Chain Store Corporation's Board of Directors resolved to set up the "Risk and Cybersecurity Management Committee." The "Cybersecurity Committee" and "Risk Management Committee" originally under the "Sustainable Development Committee" would be moved under the "Risk and Cybersecurity Management Committee" to strengthen information security management with more comprehensive control over relevant risks.

# 2.1 Corporate Governance

## Board of Directors

Sound corporate governance is crucial to the sustainable operations of a business. President Chain Store Corporation incorporates corporate governance into the Company's system of operations and with a sound and rigorous corporate governance structure. In addition to clear hierarchical management, it also sets up functional committees or task forces for specific issues to safeguard the rights and interests of stakeholders. To continuously strengthen corporate governance, the Company drafted the "President Chain Store Corporation Corporate Governance Best Practice Principles." In addition to complying with laws and regulations, the document also covers principles such as protecting shareholders' rights, strengthening the functions of the Board of Directors, acting as a supervisor, respecting the rights and interests of stakeholders and improving information transparency.



As the highest governing body of President Chain Store Corporation, the Audit Committee, Remuneration Committee, Sustainable Development Committee and Risk and Cybersecurity Management Committee have been set up under the Board of Directors to enhance financial information disclosure, managerial performance and stability and the Company's sustainable development. To this end, it carries out top-down management and supervision to ensure the sound operations of the Company. President Chain Store Corporation's Board of Directors consists of 13 directors (including 3 independent directors). They are elected through a nomination system and serve a 3-year term, whereby shareholders select names from a list of candidates (Note 1). The Chairman serves as the Chairman of the Board to implement and supervise all company matters without taking up the role as the Company's President. The President Chain Store Corporation board is characterized by diversity. The average age of board members is 64 with 2 female directors included. Their backgrounds range from business administration, economy, marketing, accounting, law to information engineering. Their education, work experience, professional expertise and remuneration can be found on pages 21-29 of the 2023 Annual Report (Note 2). Moreover, education and

training related to risk management and internal control are organized for Directors each year to enhance their judgment and capabilities on risk management events. In 2023, all Directors finished 2 sessions of risk management training course, covering topics such as economy, environment and society. In 2023, each Director received an average of 7.62 hours of training. For detailed information on director training, refer to page 38 of the annual report (Note 2).

Note 1: The nomination and selection process of functional committee members can be downloaded from [the Company's investor relations website](#).  
 Note 2: The Annual Report can be downloaded from the Market Observation Post System or [the Company's investor relations website](#).

In order to ensure the independence of the board, per the regulations set forth in the "Regulation Governing Procedure for Board of Directors Meetings," if Board members or the corporation they represent have interest in a matter before the Board which could adversely impact Company interests, they can state their opinions and provide consultations but are not permitted to participate in discussion or voting. They must recuse themselves during discussion and voting, and they are prohibited from serving as proxy for other directors (Note). The Board of Directors must convene at least once every quarter to discuss the Company's business performance and development strategies as well as major investment issues. In 2023, the Board convened 7 times with an average attendance rate of 100%.

Note: The independence of the Board can be found on page 24 of the 2023 Annual Report, downloadable from [the Company's investor relations website](#).

### Functional Committee

In order to improve the supervisory function and strengthen the Company's management, the President Chain Store Corporation Board of Directors has set up an Audit Committee, a Remuneration Committee and a Sustainable Development Committee. The Risk and Cybersecurity Management Committee and Cybersecurity Committee underneath, functioning independently to formulate regulations for the organization. Functional committees are responsible for the discussions of the Company's major proposals and issues such as economy, environment, society, human rights, risks and cyber security. For the members of each committee, resolutions and relevant information, refer to President Chain Store Corporation's website. (Note 1)

Note 1: The description of functional committees can be found on [the President Chain Store Corporation's website](#).

### Remuneration System for Directors and Senior Management

President Chain Store Corporation has a clear and reasonable remuneration policy for directors and managers. According to Article 32 of the Company's Articles of Incorporation, no more than 2% of the current year's profits will be appropriated as the directors' remuneration, and a reasonable remuneration will be assessed and given in consideration of the directors' contribution to the Company's operations, continuing education and sustainable management. The remuneration is reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is adjusted according to the actual operating conditions and laws to maintain the balance between the Company's sustainable operations and risk control. The salary of the Company's senior executives is based on personal performance, including financial indicators such as the Company's profitability, to evaluate their contribution to the overall operations while taking into consideration the market salary level and the Company's operating performance. The bonus distribution is based on the Company's bonus and performance management methods, as well as factoring the Company's annual operating performance and individual performance. The carbon reduction ESG performance (obtaining third-party verification and tracking emission intensity) was incorporated in 2023, linking to the rewards and remuneration of senior management, including the President and senior executives. The annual target is reducing emission intensity by 1% per NT\$ million of revenue each year, passing the verification of ISO14064-1 greenhouse and ISO50001 energy management system. One point was added to the total performance score if all KPIs were met.

President Chain Store Corporation has set forth the "Rules for Performance Evaluation of Board of Directors" to implement corporate governance and enhance the functions of the Company's Board of Directors and functional committees, as well as setting performance targets to enhance operational efficiency. A number of indicators that have been selected are highly linked to corporate governance and corporate sustainable development so as to ensure the Company's sustainable operations. In 2023, it was assessed that the Board of Directors, individual board members and each functional committee have a good grasp of the Company and the committee's goals and tasks, which meet the Company's operational needs, effectively promote the Company's sustainable operations, social responsibilities, risk management and long-term strategic development, as well as realizing the spirit of corporate governance.

## Ethical Corporate Management

Ethical management is one of the most significant guiding principles for President Chain Store Corporation. President Chain Store Corporation established its "Ethical Corporate Management Practice Team" under the Board of Directors, as well as drafting the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," and "Ethical Corporate Management Operating Procedures and Code of Conduct" to serve as the base for promoting ethical corporate management within the Company, as well as being incorporated into employee personal performance evaluation that is linked to their salary. Any violation of ethical corporate management will result in a 5% to 45% reduction of year-end bonus (part of employee salary) depending on the severity of violation, or even demotion with a direct impact on the employee remuneration. Moreover, the status of the Company's performance is disclosed on our official website and in the annual report each May. There was no incident of corruption, bribery or event that violated the Fair trade Act, conflict of interest, money laundering and insider trading in 2023.

### Ethical Corporate Management Practice Team



## The Results and Plans of Promoting Ethical Corporate Management

President Chain Store Corporation raises awareness of ethical corporate management through a monthly publication, featuring cases or reminders collected by the Ethical Corporate Management Practice Team to promote the concept and policy of ethical corporate management, including labor safety, work and food safety regulations, Fair Trade Act, Personal Data Protection Act, etc. Education and training on the topic of ethical corporate management applies to all President Chain Store Corporation employees, including store managers, with certain courses expanded to management of affiliated companies. In terms of external collaboration with suppliers, we have formulated ethical corporate management clauses to ensure ethical corporate management from suppliers. In 2023, a total of 1,145 supplier contracts and raw material supply agreements, as well as a total of 691 procurement contracts were signed. The signing rate of ethical corporate management and CSR-related clauses in the aforementioned contracts is 100%.

### Ethical Corporate Management Grievance Channels

In the event of violations of ethical corporate management, employees can also offer feedback and suggestions to management through the Integrated Services Center, email, dedicated stakeholder section on the official website and the internal proposal system. If an incident violating ethical corporate management is discovered by external stakeholders, they can report the incident through the dedicated hotline set up by President Chain Store Corporation's Internal Audit Office and Integrated Services Center, or the hotline and stakeholder section of our official website.

After stakeholders send their feedback by email through our website, messages are passed directly to the dedicated unit, which is then required to update the status of the case within a specified time frame. President Chain Store Corporation keeps track of the number of reports as well as the progress each month. In 2023, a total of 1,822 cases were raised in the stakeholder mailbox, with the total number of cases decreased by 422 compared with the same period last year.

## Fiscal and Tax Governance

President Chain Store Corporation actively opened new stores in 2023 and drove growth through the integration of strategies for online and physical businesses. The annual consolidated total revenue hit a record high with a 9.16% growth compared with the previous year. The pandemic ceased to be a factor affecting the operations. Please refer to the President Chain Store Corporation [parent company financial statement](#) and [consolidated financial statement](#) available on the Market Observation Post System.

### Direct economic value distribution

Item (NT\$1,000)	2022	2023
Operating costs	121,633,971	130,995,405
Employee wages and benefits	7,583,938	8,287,780
Payment to providers of capital	9,789,840	9,946,016
Payment to government	1,269,828	1,711,691
Community investment	90,340	26,865

In the meantime, President Chain Store Corporation stays in conformity with the core values of our [tax policy](#) by being committed to following the tax laws and regulations as well as the purpose of statute of the areas in which it operates, reporting and paying taxes based on the principle of honesty, fulfilling its obligations as a taxpayer and supporting the government as it promotes sustainable development policies, including industrial innovation, R&D and reinvestment.

## Consolidated Operating Results from President Chain Store Corporation and its Subsidiaries (NT\$,000)

## Revenue

Region	2022		2023	
	Amount	Percentage	Amount	Percentage
ROC	248,245,454	85.48%	264,631,621	83.47%
Philippines	35,264,978	12.14%	44,891,255	14.16%
Others (including Mainland China and Japan)	6,923,705	2.38%	7,518,978	2.37%
Revenue	290,434,137	100%	317,041,854	100%

## Pre-tax profit and loss

Region	2022		2023	
	Amount	Percentage	Amount	Percentage
ROC	13,082,792	92.98%	13,468,342	82.34%
Philippines	1,523,659	10.83%	2,591,918	15.84%
Others (including Mainland China and Japan)	-536,470	-3.81%	297,099	1.82%
Pre-tax profit and loss	14,069,981	100%	16,357,359	100%

## Income tax payable for the current year

Region	2022		2023	
	Amount	Percentage	Amount	Percentage
ROC	1,830,365	96.45%	2,205,973	94.23%
Philippines	60,538	3.19%	137,558	5.87%
Others (including Mainland China and Japan)	6,825	0.36%	-2,438	-0.10%
Income tax payable for the current year	1,897,728	100%	2,341,093	100%

## Income tax paid

Region	2022		2023	
	Amount	Percentage	Amount	Percentage
ROC	2,204,672	84.74%	2,584,644	81.53%
Philippines	352,875	13.56%	535,206	16.88%
Others (including Mainland China and Japan)	44,166	1.70%	50,401	1.59%
Income tax paid	2,601,713	100%	3,170,251	100%

## Effective Tax Rate

The effective tax rate for 2023 and 2022 were lower than the industry average of as Taiwan was the primary source of operating profits and the income tax rate for profit-seeking enterprises in Taiwan was 20%. The average tax rate for the food and consumer staple retail industry in GICS comes from related industries around the world, with the average increased due to the influence of countries with high tax rates.

Year		2022	2023
Profit before Tax(A)		14,069,981,000	16,357,359,000
Income tax expense(B)		3,000,058,000	3,696,228,000
Adjustments (C)	Adjustment 1: temporal difference	95,348,000	-89,795,000
	Adjustment 2: others	679,265,984	598,650,820
Pre-adjustment: effective tax rate (B)/(A)		21.32%	22.60%
Post-adjustment: effective tax rate (B+C)/(A)		26.83%	25.71%
Income tax cash payments(D)		2,601,713,000	3,170,251,000
Cash effective tax rate (D)/(A)		18.49%	19.38%

(Note 1) Industry average tax rates were taken from GICS's (Global Industry Classification Standard) for food and consumer staple retailers. The average tax rate is 24.51%, average cash tax rate is 24.72%.

(Note 2) Reported effective tax rate (%) = income tax expense/profit before tax

(Note 3) Cash effective tax rate (%) = income tax paid/profit before tax

(Note 4) Adjustment 1: temporal differences (the amount of each deferred income tax asset or liability arising from temporary differences and tax losses); Adjustment 2: Items that are not recognized by legal regulations, such as income from investment, tax exemption from domestic stock trading, etc.

## 2.2 Risk Management

The Company's ability to respond to and deal with risks has been an important key to its continued growth and stable operations. President Chain Store Corporation is committed to maintaining a comprehensive risk management system that includes the Group's organization and subsidiaries in the scope of risk management. The Company aims to control various risks that may affect corporate operations through the risk management mechanism, as well as the integration of such mechanism into operating activities and day-to-day management. To further ensure the effectiveness of corporate risk management and align with international standards, President Chain Store Corporation has set up an independent unit to conduct internal audits on the risk management process, and is expected to introduce the ISO 31000:2018 risk management system in 2024 to develop awareness of corporate risk management through education and training. The incorporation of management system will subsequently be evaluated for the possibility of entrusting a third party to perform external audits of risk management.

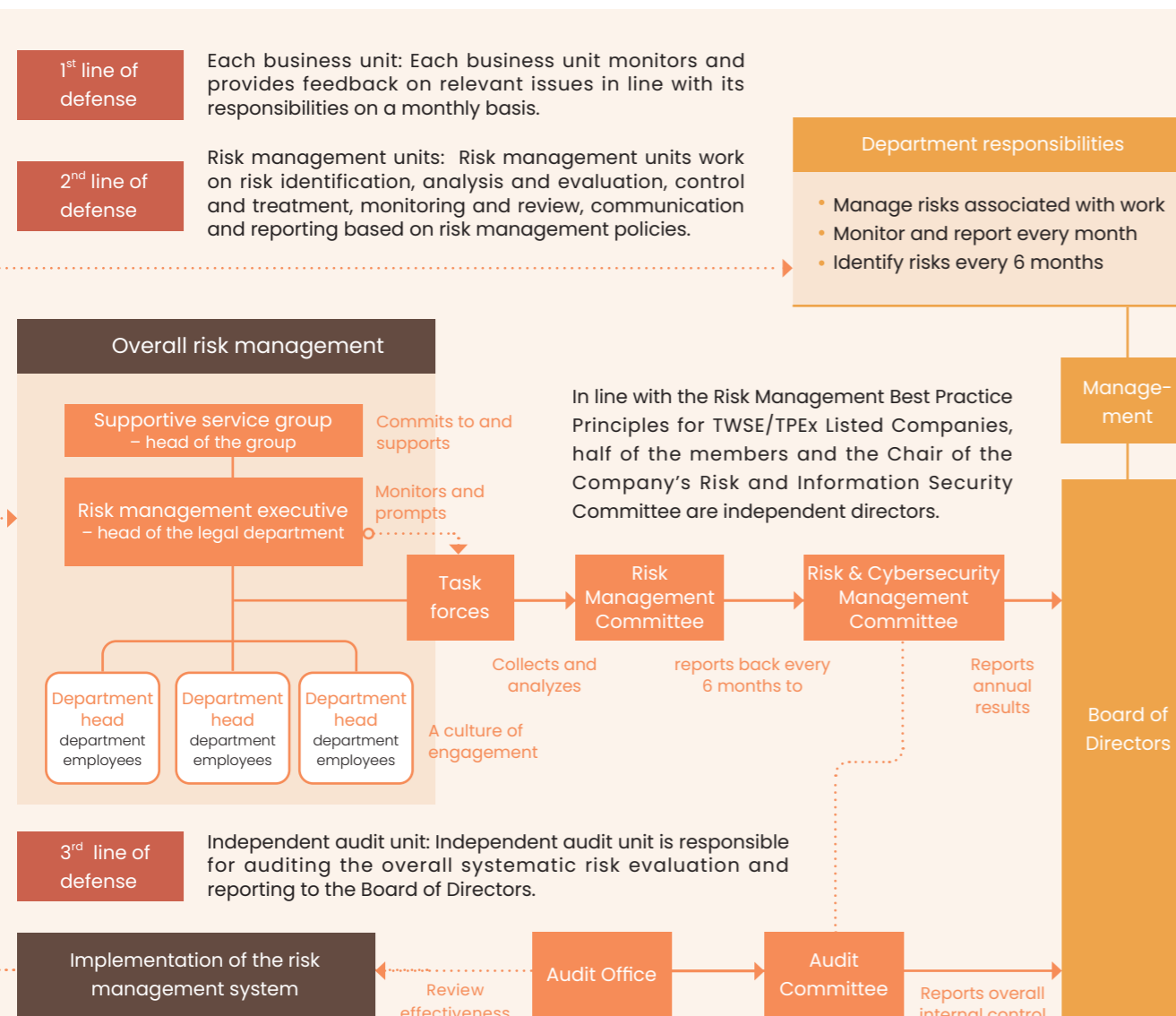
### Risk Management Structure

The Company's Board of Directors is the highest risk management unit that is responsible for approving risk management policies and structures to ensure the effectiveness of risk management. The Risk and Cybersecurity Management Committee is affiliated to the Board of Directors with the "Risk Management Committee" underneath that is a cross-departmental risk management decision-making. It exercises its powers independently of other business functions and operating activities, with the head of the Supportive Service Group serving as the convener. Task forces have been set up under the committee for overall risk monitoring, assessment and measurement for President Chain Store Corporation, integrating and

managing various strategic, operational, financial and other potential risks that may have an impact on the operations and profits, as well as regularly reporting to the Risk Management Committee. Annual plans and implementation results are submitted to the Board of Directors after discussion by the Risk and Cybersecurity Management Committee.

### ► Three Lines of Defense Model for Risk Management

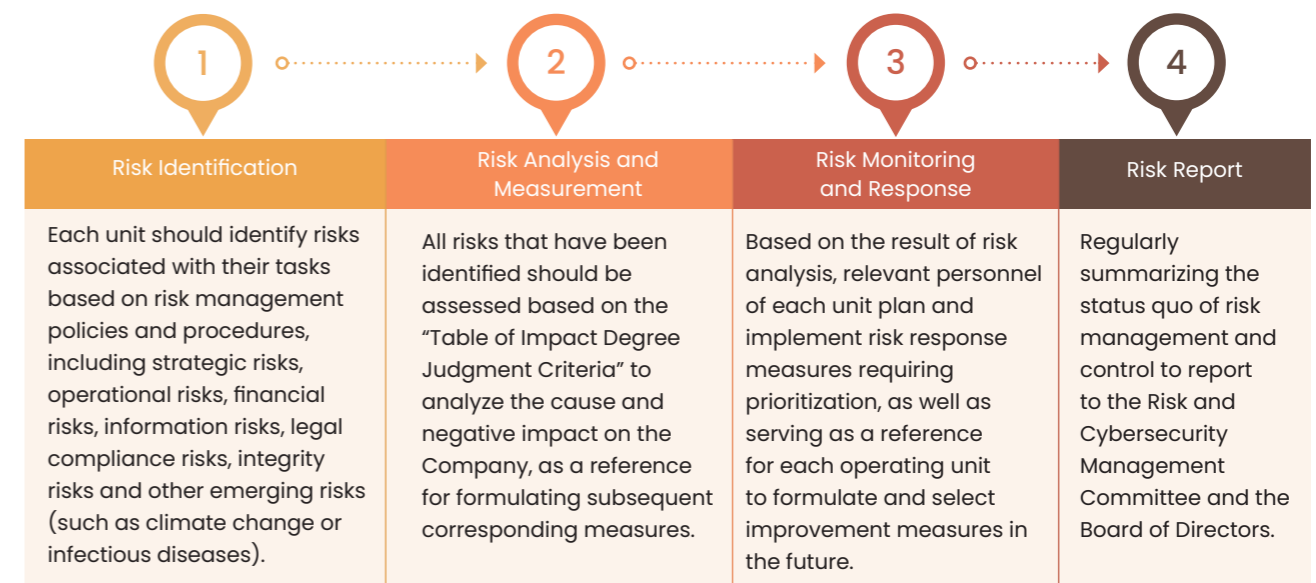
President Chain Store Corporation developed its risk management system and control processes following the three lines of defense model. The first line of defense is for each business unit to monitor and provide feedback on relevant issues in line with its responsibilities on a monthly basis, and continue to stay updated with the development of risk management at home and abroad. The second line of defense consists of risk management units, including the “Risk and Cybersecurity Management Committee” and the “Risk Management Committee.” They are tasked with supervising risk management policies and implementation, coordinating and promoting cross-organizational risk management and control plans, as well as regularly reviewing and proposing suggestions for improvement. The third line of defense are the internal audit units, including the Audit Office and the Audit Committee. The former conducts audits on the overall systemic risk assessment processes, while the latter is responsible for reviewing internal audit reports and evaluating the effectiveness of the policies and procedures of the internal control system. The three lines of defense work together to form a comprehensive risk management structure, ensuring that President Chain Store Corporation can effectively respond to various risks in a changing environment.



To create a culture where all members of the Company are actively engaged in risk prevention, President Chain Store Corporation employees at all levels have their own roles and responsibilities: the head of the Supportive Service Group commits to and supports the Company’s overall risk management policy, as well as serving as or appointing the Risk management executive (head of the Legal Department) to be responsible for supervising and promoting the strategies from the Risk Management Task Force. The Risk Management Task Force is in turn composed of department heads and employees for risk assessment and identification, as well as reporting the results of the risk treatment plan.

### Risk Management Processes

The Risk Management Committee identifies, analyzes, measures, monitors, responds to, reports risks based on the risk characteristics and impact levels compiled by each task force, as well as improving response measures. The processes are as follows:




### Risk Identification and Ranking


President Chain Store Corporation’s scope of risk management includes but is not limited to operational risks, market risks, financial risks, compliance risks, climate risks and other risks that may cause significant losses to the Company. When identifying risks, each business unit analyzes the sources of risks (such as disasters/infectious diseases, contracts/laws, financial conditions, personnel behavior, asset losses, quality, supplier operating conditions, etc.) and their potential impacts (such as finance, production/products and services, personnel, reputation and image, etc.) to understand all potential types of risks. The types of risks and responsible units for management and implementation are as follows:

Financial Risks	Description	
	Risks associated with financial operations, including investments, loans, etc.	
	Risk Management Measures	
	Dedicated Unit	
		President Chain Store Corporation’s Finance Office takes laws, policy and market changes into consideration when formulating various strategies, processes and indicators, regularly analyzing and assessing changes of relevant risk and taking appropriate countermeasures to reduce the Company’s overall potential risks. President Chain Store Corporation also continuously reviews and updates the cash flow forecast in order to adjust the cash level in a timely manner following the pandemic situation to ensure liquidity.
		Finance Office

Compliance Risks	Description	Risks associated with legal or contractual relationships.	
	Risk Management Measures	Based on the functions, all departments and business units analyze and assess major policy, law and technological changes and adopt appropriate countermeasures to reduce potential operational risks in the future. Moreover, President Chain Store Corporation also has an inter-division Regulation Identification Committee that regularly holds "Regulation Identification Meetings" to keep abreast of the latest changes to laws and regulations so as to be able to adopt appropriate countermeasures. Additionally, each unit's supervisor also sets up a "Crisis Management Task Force" to effectively control and manage any potential or current market risks or crisis.	
	Dedicated Unit	Various business units/Regulation Identification Committee/Crisis Management Task Force	

Food Safety Risks	Description	Risks caused by poor quality or risks of loss caused by product safety.	
	Risk Management Measures	President Chain Store Corporation attaches a great deal of importance to consumer health and safety and has made food safety its top priority while continuing to invest each year to ensure rigorous quality control. Food safety risks can have a serious impact on the Company's image as well as income and profits. To this end, a product safety process control mechanism has been set up to enhance management of the supply chain as a long-term effort on the part of the Company. The countermeasures are listed as follows: <ol style="list-style-type: none"> <li>1. Establishing the Merchandise Safety Committee and holding regular meetings to discuss topics such as government laws and regulations, contract manufacturers and supplier assessment deficiencies, product safety information, food safety testing programs and implementation progress.</li> <li>2. Establishing the Product Safety Information Collection and Inventory Tracking Operational Standards, collecting own product safety information and setting up inventory and tracking procedures to ensure the safety of our products.</li> <li>3. With measures such as contractual cooperation, production site management, ingredient tracing mechanisms and systems, supplier grading, management and on-site assessment system, distribution centers and periodic store checks, as well as occasional sampling of raw materials and finished products, we continue to stay on top of the entire supply chain from production to store in order to set up a food safety net for our consumers.</li> </ol>	
	Dedicated Unit	Operations Group/Marketing Group	

Franchisee Risks	Description	Risks caused by franchisees' operations.	
	Risk Management Measures	To keep individual stores growing and the overall operations of the Company stable, President Chain Store Corporation continues to optimize its franchising mechanism, improving the remuneration to franchisees, and keeping franchises in good order as countermeasures.	
	Dedicated Unit	Operations Group/Marketing Group	

Information Security Risks	Description	Risks such as major information system downtime and hacking incidents	
	Risk Management Measures	President Chain Store Corporation takes stock of information and communication systems and services, assesses their management and technical vulnerabilities, as well as the types of threats they may face, the degree of impact and the probability of occurrence to invest in protection resources for risk management and control in line with the value and impact they bring to the Company's operations. It continues to strengthen the cybersecurity risk management and control mechanism to reduce the threat of external hackers and internal human error, as well as building a cybersecurity management system that complies with laws and regulations to protect consumers' personal information and the Company's business secrets.	
	Dedicated Unit	Cybersecurity Committee	

### Emerging Risks

In order to stand firm in this fast-changing food retail industry, President Chain Store Corporation places great importance on significant social, economic, and environmental trends to better control risks that might affect the Company's profits and sustainable operations. President Chain Store Corporation has integrated the way we identify and respond to emerging risks into our risk management structure. Emerging risks that have been identified are as follows:

Social - employment and life crisis	Emerging Risk	Changes in the demographic structure  According to the statistics published by the Ministry of Interior for 2023, only 135,000 babies were born, hitting the all-time low with 3,415 fewer than 2022. The low birth rate and an aging population are expected to lead to a reduction in the working age population and an aging consumer group in the next few years.
	Future Impact	President Chain Store Corporation refers to the population estimation released by the National Development Council, and the information provided by government agencies such as the aging society and utilization of human resources to conduct scenario analysis, predict future population changes, and estimate the impact on the human resources and customer base of the stores in the medium and long term.  As high labor input is vital for ensuring stable operations of the stores and high-quality logistics operations, President Chain Store Corporation will suffer from a decreasing workforce. In addition, an aging society will also lead to changes in the main consumer group. Therefore, President Chain Store Corporation may experience the impacts listed below as a result of this risk: <ol style="list-style-type: none"> <li>1. Impact on talent recruitment and personnel costs.</li> <li>2. The impact of different product structures and services required by the elderly consumer group.</li> </ol>
	Countermeasures	<ol style="list-style-type: none"> <li>1. Plan to collaborate with universities and colleges to develop diverse employment channels, and establish a human resources recruitment platform to integrate resources for human recruitment.</li> <li>2. Create a local recruitment mechanism to increase the recruitment of middle-aged and elderly partners, and propose flexible work arrangements to rearrange the work processes for middle-aged and elderly partners.</li> <li>3. Plan to introduce various AI intelligence and labor-saving tools in stores, such as AI order system, self-checkout machines and self-service coffee machines, to achieve the goal of saving labor and personal costs as well as meeting the needs for the workforce.</li> <li>4. Focus on developing products for the elderly and introduce the Veggie Selection lifestyle store.</li> <li>5. Evaluate the age-friendly store design to provide a friendly environment for consumption.</li> </ol>

Economy-inflation slowing down	Global economic uncertainty
	<p>It is expected that Taiwan's economic growth in 2024 will mainly rely on consumption and investment, and external demand will rebound. In terms of domestic demand, given the stable development of the job market and various private consumption indicators (retail catering turnover, transaction value of listed OTC stocks, number of new license plates issued, number of people traveling overseas and credit card spending), the performance is still strong. It is expected that private consumption will remain solid. According to the latest forecast of the Taiwan Institute of Economic Research, the domestic economic growth rate in 2024 is 3.15%.</p> <p>However, the global economy still faces many challenges in 2024, such as the escalating Red Sea crisis, the green energy subsidy competition turning into a global trade war, extreme weather events disrupting the global supply chain, and rising geopolitical risks. These factors will have an impact on Taiwan's trade and investment. Besides, the global economic situation is also closely related to people's livelihood consumption (for example, inflation affects purchasing power), which will have a potential impact on President Chain Store Corporation, which is a service provider of people's livelihood consumption necessities.</p>
	<p>According to estimates from Directorate General of Budget, Accounting and Statistics, Taiwan's inflationary spike will slowly decline this year, and inflationary pressure will gradually diminish in the long term. The current annual growth rate of Taiwan's Consumer Price Index (CPI) in 2024 is estimated to be approximately 1.88%, which is expected to be lower than the inflation warning line of 2.0%. The CPI increase in January 2024 is expected to be smaller than the 2.71% increase in December last year, but it is estimated to fall below 2% until in the second quarter. The product structure of President Chain Store Corporation mainly consists of food, supplies and services needed for everyday life. As inflationary pressure will not be truly relieved in the short term, the following potential impacts may occur:</p> <ol style="list-style-type: none"> <li>1. The rising price for raw materials leads to increased operating costs and reduced profits.</li> <li>2. The impact of recession reduces the consumer spending power.</li> <li>3. The energy price increase leads to the increase in operating costs and decrease in store profits.</li> </ol>
Countermeasures	<ol style="list-style-type: none"> <li>1. Engage with multiple suppliers to improve bargaining power and reduce the risk of shortage risk.</li> <li>2. Integrate companies in the Group for joint purchases that will lower the costs to maintain price competitiveness.</li> <li>3. Replace energy-saving equipment in the stores, such as energy-saving light bulbs, refrigerators, etc., to cope with the risk of electricity price hikes.</li> <li>4. Continue to develop innovative products and new brands, such as Star Rated Cuisine, Veggie Selection and Ohlala, etc. Fresh food selections are launched in collaboration with 5-star hotels/well-known restaurants to enhance the sense of value and satisfy consumers' needs for eating out, improving consumer purchasing appeal.</li> </ol>

Technology – online transaction security	Emerging Risk	<p>Due to the COVID 19 pandemic, the scale of online shopping has continued to grow over the past few years. However, e-commerce that is small in size often invests very little in protection. As a result, online transaction frauds, vulnerabilities in information security, and data breach by scammers can often arise. Scammers often tamper with stolen consumer personal data and transaction records to call consumers with a fake number that looks like that of the e-commerce or bank customer service hotline. Scammers use "fraudulent tactics" such as "cancelling installment payment," "repeated deductions" or "VIP upgrade" to con victims into transferring money from ATM machines.</p> <p>Moreover, scams such as "one-page website scams" and so on might have an impact on consumers' trust in e-commerce platforms, ultimately reducing their decisions on spending.</p>
	Future Impact	<p>Fraud techniques evolve with each passing day. Recently, e-commerce sellers have also fallen victim to fraud. Scammers pretend to be customers that contact sellers on Facebook Messenger, Line or auction platforms to report issues with placing an order. They then give a fake link to customer service of the auction platform, QR Code or LINE ID, before obtaining bank information by telling the sellers that they have not been verified or signed a cash flow agreement. The victims are required to transfer money from their ATM or online banking accounts in the name of verification or finalizing the agreement.</p> <p>The e-commerce platform and digital services of President Chain Store Corporation, including iOPEN Mall e-commerce platform, iPre-order (convenience store in the e-commerce) and iGroup-buying, may be affected by the above risks. The following potential impacts may occur:</p> <ol style="list-style-type: none"> <li>1. Consumers have doubts about the security protection of e-commerce platforms and reduce consumption, resulting in reduced profits.</li> <li>2. Information security attacks or customer privacy incidents occur on e-commerce platforms, which result in fines from competent authorities or an increase in customer complaints, which affects the company's image and revenue.</li> </ol>
	Countermeasures	<p>To improve its information security protection capabilities, President Chain Store Corporation actively conducts simulated attacks or penetration tests to discover vulnerabilities in its own systems and implement reinforcements in addition to getting ISO 27001:2013 information security management certification.</p> <p>The Company's e-commerce platform has actively implemented a number of relevant measures, including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Adding clear anti-fraud slogans on the homepage.</li> <li>2. Making customer service more available by extending the hours to 21:00.</li> <li>3. Blocking the internal chat system from displaying QR codes or external links.</li> <li>4. An anti-fraud notice is displayed when the product is put on the shelves to remind sellers to be mindful of scammers posing as customer service representatives.</li> <li>5. Blocking scam keywords in the internal chat system.</li> <li>6. An anti-fraud message has been pushed to all sellers through the internal chat system, clearly describing the fraud tactics, as well as providing customer service contact information for immediate clarification when buyers claim that they are unable to place an order.</li> <li>7. Text messages and emails alerting consumers of scams are sent out every two weeks and every month respectively.</li> </ol> <p>In response to the booming online transactions, the Company actively prevents all types of emerging online scams as well as preventing frauds and crimes through public-private collaboration. It is committed to building an anti-fraud shield that effectively ensures the safety of people's property.</p>

Risk identification and ranking take into account the dual-axis risk matrix. The Y-axis represents the level of severity (I), and it is graded from 1 to 6 points. The X-axis represents the risk likelihood (L), and it is graded from 1 to 7 points. The two are added together for risk level (R), which is used as the standard for finding out the scores of each financial, food safety, franchise, legal and other risks. The risks are then ranked in line with the impact and results to highlight the level of impact, likelihood and importance of each risk.

Y-axis: level of severity

(I, the impact on Company operations if the risk is realized)

Score	Impact	Finance	Continuous operations and management		Impact on stakeholders	Reputation and image
			Product and service	Personnel		
6	High	High	High	High	High	High
5	↑ Severity	↑ Amount of money	↑ Downtime	↑ Injury or death	↑ Scope and time of the impact	↑ Duration of negative news
4						
3						
2						
1	Low	Low	Low	Low	Low	Low

X-axis: likelihood

(L, the level of probability the risk will occur)

Score	Description	Frequency	Percent
7	Continuous	1 hour	90-100%
6	Frequent	1 day	75-89%
5	Often	1 month	60-74%
4	Normal	2 months	45-59%
3	Occasional	1 year	30-44%
2	Rare	10 years	15-29%
1	Abnormal	30 years	0-14%

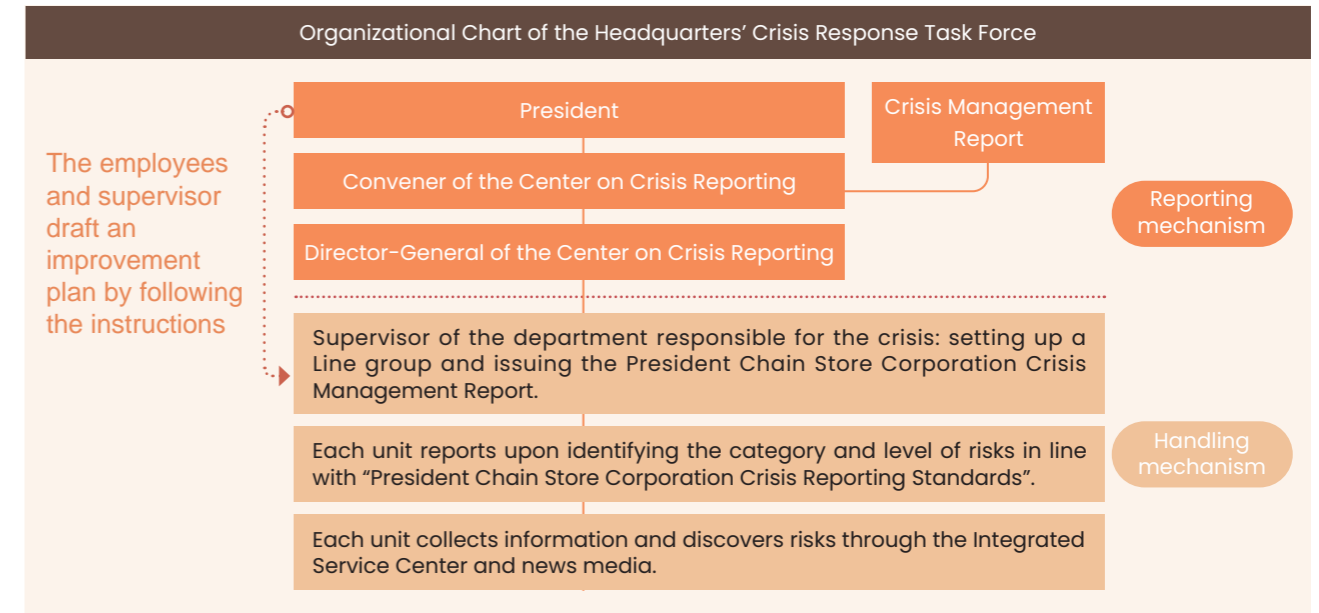
Level of risk (R, overall impact of the incident on the Company)

	6	7	8	9	10	11	12	13
6								
5								
4								
3								
2								
1								
	1	2	3	4	5	6	7	

Relevant units will implement prevention and improvement measures for each level of risk. When the risk level (R) is higher than 7 points, the impact on the Company's operations will be more significant, so this score is adopted as the risk appetite. If risks above this level occur, relevant units should promptly respond and improve. The top three risks in 2023 are financial, regulatory and franchise risks. The relevant risk appetite and mitigating measures are as follows:

Risk	Risk Level (R)	Mitigating and Response Measures
Regulatory Risk	8	In August 2023, eight major types of venues including convenience stores have been banned from providing "biodegradable plastic cutlery." The restrictions this time include "disposable plastic cutlery" and "plastic cups filled with semi-finished or finished product to be processed after purchase." The Quality Assurance Department has identified the scope of impact prior to the implementation of the law, as well as notifying relevant units. The inspection shows that beverage containers in the stores are coated paper cups that comply with the law. Freshly-prepared products that require secondary processing on site have either been discontinued or packaging replaced before August, meaning the level of impact remains unchanged and is in compliance with legal regulations. Regulations are often amended, making it an issue that requires constant attention and is therefore identified as a regulatory risk. The risk level is 8, and we will continue to watch for amendments to the law.
Financial Risk	3	Setting up a preventive mechanism with multiple cash flow backup plans. For example, store operating funds can be remitted from ATMs/post office/banks. If a problem occurs in a single institution, the store will be asked to switch to another method of remittance.
Franchise Risk	2	1. Newly-opened stores will be given priority to franchisees to increase the proportion of franchisees. 2. Profit guaranteed for newly-opened stores to stabilize profits for franchisees 3. Promoting multiple stores in the same business district to reduce management cost for franchisees. 4. Extended applicability for renovation costs to reduce financial pressure on franchisees.

Crisis Management



In addition to managing risks, President Chain Store Corporation has also set up a comprehensive dedicated risk management unit and SOP for dealing with crises to minimize potential losses. The Company drafted the "President Chain Store Corporation Crisis Management Mechanism" to minimize losses caused by crisis. The mechanism means that each unit receives and collects public opinions against President Chain Store Corporation through the Integrated Service center, franchisee feedback app, news and other channels, as well as reporting based on the "President Chain Store Corporation Crisis Reporting Standards." The crisis report is headed by the President, who has the Crisis Reporting Center answering to him, and the executive manager of the Supportive Service Group serves as the convener of the Crisis Reporting Center. The type and level of crisis is determined by employees of the department in charge and reported to the supervisor, who will then escalate through a crisis reporting sheet. All departments involved will set up a review team (Line group) for the crisis for prompt response and discussion. Subsequently, all departments involved will make improvements and provide responses to the crisis to avoid recurrence. We review the crisis management process with strict mechanisms to consolidate the operations of President Chain Store Corporation from occurrence, handling to external response to crisis events.

## 2.3 Information Security and Privacy Protection

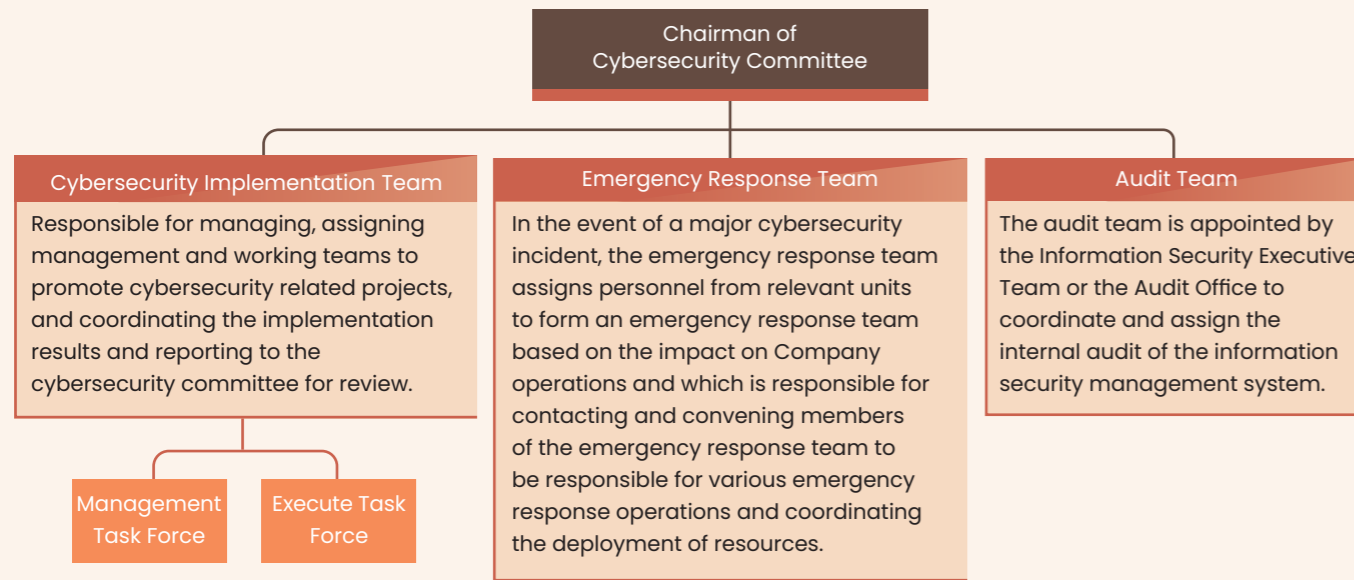
President Chain Store Corporation takes advantage of the power of digital technology to make consumers' lives more convenient. To this end, it provides customers with cash flow, logistics and information flow services with digital tools such as the 7-ELEVEN online shopping site, ibon, OPEN Wallet, icash Pay, icash 2.0, OPENPOINT app (including iGroup-buying and iPre-order) and MyShip. This allows consumers to make the most of President Chain Store Corporation as the base and service center for everything in life.

### Cybersecurity Committee

The "Cybersecurity Committee" is the highest decision-making unit for President Chain Store Corporation's information security management. It was originally under the "Sustainable Development Committee," and moved under the "Risk and Cybersecurity Management Committee" in 2023 with the Chief Information Security Officer as the convener. The "Cybersecurity Implementation Team," "Emergency Response Team" and "Audit Team" under the committee hold at least one review meeting a year, with the convener regularly reporting the implementation and results of information security implementation to the Risk and Cybersecurity Management Committee (Note).

(Note) The policies, specific management plans and resources invested by the Cybersecurity Committee can be obtained from [the Company website](#).

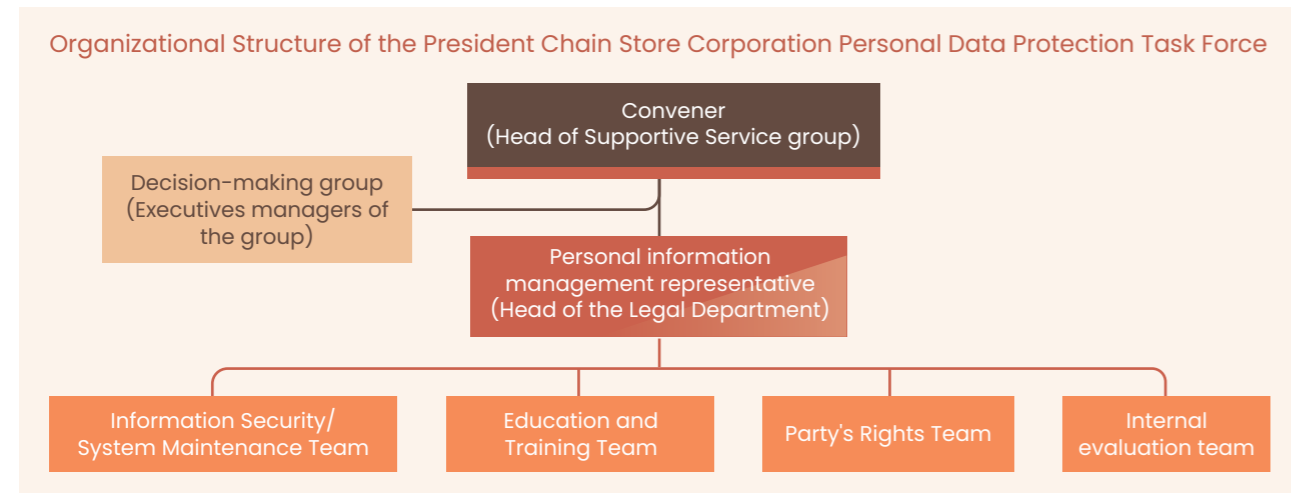




### ➤ Personal Data Protection Task Force

Digital technologies involve a lot of customers' personal data. President Chain Store Corporation set up a special task force, reporting mechanism, as well as conducting training and internal audits to ensure the protection of consumers' personal data.

The "Personal Data Protection Task Force" is a cross-departmental task force that regularly performs personal data inventory, risk analysis, internal system review, notification and revision, data destruction, education and training. Education and training is systemized with courses and forums for new employees to pass tests and senior employees to finish courses online with a 100% completion rate for internal training. In addition to integrating personal data risk management into the overall risk management and audit mechanism of the Company, personal data protection management reports are formulated for each department, as well as adding personal data protection clauses to contracts when working with external suppliers to ensure that all operating units and suppliers comply with the Company's personal data protection policy. President Chain Store Corporation's internal evaluation plan and external verification system can effectively supervise and assist various departments in formulating corrective, preventive or improvement measures for non-conformities discovered during internal evaluations or audits. Records of improvement are equally made and kept. Corresponding disciplinary actions are also formulated for employees who violate the Company's personal data management rules. Any violation will be reported to the supervisor and included in the employee's personal performance evaluation and records.



Adjustments will be made to the aforementioned task force by making the executive manager of the Supportive Service Group convener in 2024.

### Internal Audit and External Certification

President Chain Store Corporation integrates information security management and control into the overall risk management and internal auditing mechanism of the enterprise, and further links the annual performance evaluation of employees. Through the internal audit and third-party verification system, it can effectively identify risks and supervise various departments to determine non-compliance matters corrective and preventive measures to achieve continuous improvement; for key information and communication systems, vulnerability scanning and penetration testing are performed every year, and for overall information and communication protection, red team drills are performed every year to check the relationship between the operating system and network services Identify the vulnerable points of the information communication environment, such as settings and account password management principles, and immediately implement management and technical strengthening measures to ensure that the security of the information communication system meets the requirements of international common standards and best practices.

(Note) Detailed cybersecurity test results can be accessed on [President Chain Store Corporation's website](#).

President Chain Store Corporation first obtained the third-party TPIPAS certification in 2014 (Taiwan Personal Information Protection and Administration System). In 2023, the Company updated its certification with the validity period for 2 years. Besides the personal information protection certification, President Chain Store Corporation obtained the updated ISO 27001:2013 international certification for information security regarding the in-store POS system to complete the information security management mechanism. The updated version of ISO 27001:2022 is scheduled to be put in place in 2024.

### Grievance Mechanism

To provide customers with comprehensive personal data protection, President Chain Store Corporation has also set up personal data issue reporting and contacts that correspond to our various personal data collection channels. In 2023, no complaint was received regarding customer privacy infringement from the competent authority of external parties.

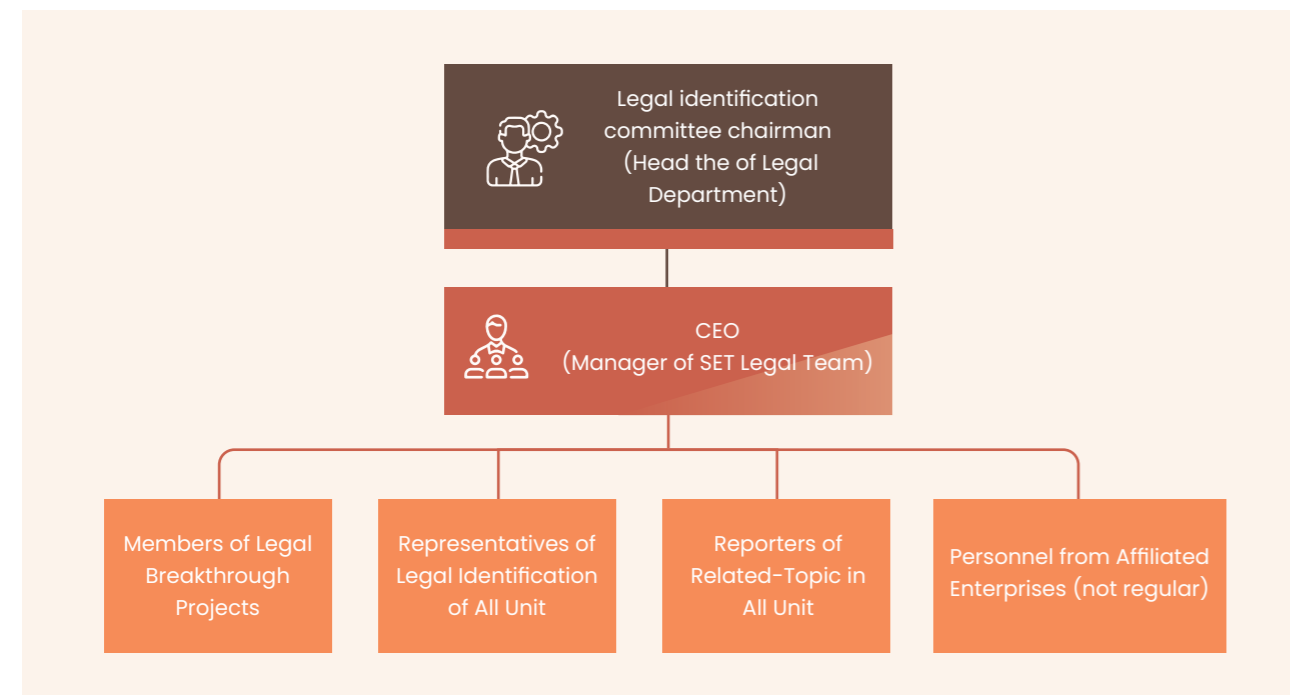
Identity	Personal Data Grievance and Contact
Consumer	<p>Integrated Services Center</p> <p>Tel: 0800-008711</p> <p>Email : <a href="mailto:public@mail.7-11.com.tw">public@mail.7-11.com.tw</a></p> <p>All President Chain Store Corporation departments have respective contact persons for reporting privacy issues</p>
Non-consumer	<p>As there are many departments within President Chain Store Corporation, it is impossible to list every point of contact for reporting privacy issues. These points of contact are also responsible for handling and responding to privacy issues. The processed cases will be reported to the Personal Data Task Force for record-keeping.</p>

## 2.4 Legal Compliance

President Chain Store Corporation has formulated the “President Chain Store Corporation Principles of Legal Control and Breakthrough”, stating that the Legal Identification Committee as the guiding body on legal compliance. The legal identification contact is included in each unit to ensure legal compliance in order to stay updated with the trends in legal revision, as well as involving all employees in the identification and countermeasures of risks to ensure the operations of each company organization comply with government regulations.

President Chain Store Corporation actively communicated with its employees on the importance of compliance with laws and regulations in 2023. To this end, training courses in “Introduction to Commercial Competition and Fair Trade Act” and “From 5G Internet of Things Trends to Enterprise Information Security Management” for management, with a total of 580 managers or management level participating. 335 managers of affiliated companies were invited to participate in these two legal compliance courses. General employees were offered 81 legal education and training courses, with a total of 18,083 people passing in 2023.

### Legal Identification Committee



### Legal Compliance Mechanism

With the establishment of the Legal Identification Committee, President Chain Store Corporation is committed to fulfilling the goals of “legal information reporting,” “regulation identification” and “legal breakthrough.” The Company also set up a cross-unit Regulation Identification Team. In addition to staying updated with legal trends, regular “regulation identification meetings” are held. In 2023, 4 regulation identification meetings were held with a total of 421 new regulations, amended bills or other major legal changes identified. The regulations mainly cover food safety, climate change, information security, product labeling and other relevant regulations, with countermeasures formulated and implemented by relevant departments.

Aspect	Legal Information Reporting	Regulation Identification	Legal Breakthrough
Target and Mechanism	1 Collect newly revised laws and draft amendments of various central and local government agencies	1 Each unit conducts an impact assessment on the Company's operations based on the laws and regulations collected within the scope of business	1 Evaluate feasible projects for laws and regulations that have a significant impact on the Company's business, and plan for changes in draft laws and regulations that can be implemented in accordance with the Company's needs, including the formation of action units, assignment of tasks, scheduling, etc.
	2 Provide each unit for identification based on its business relevance to the Company	2 Information is provided to each unit in the legal identification meeting based on the assessment result	2 Set up a new system based on the final result
	3 Encourage all units to immediately respond to new amendments to laws and drafts	3 Facilitate legal breakthroughs based on bills with impact	

### Legal Compliance in 2023

Food is a staple that has a huge impact on everyday life. Therefore, President Chain Store Corporation lays great emphasis on food safety. Food products sold through President Chain Store Corporation stores must all comply with the Act Governing Food Safety and Sanitation as well as its sub-laws. The sub-laws include “Regulations on Good Hygiene Practice for Food,” “Food Sanitation Standards,” as well as other relevant laws issued by the Ministry of Health and Welfare. In 2023, there was an issue with the labeling of BEAUTÉ de Coco Liquid Cleanse products. President Chain Store Corporation removed 617.8 kilograms of products from the shelves in accordance with the requirements stated in the official communication from the government. In 2023, two directly operated President Chain Store Corporation stores received fines for violating Article 15-1 (8. expiry date) of the Act Governing Food Safety and Sanitation for selling expired products, accounting for a total of NT\$120,000.

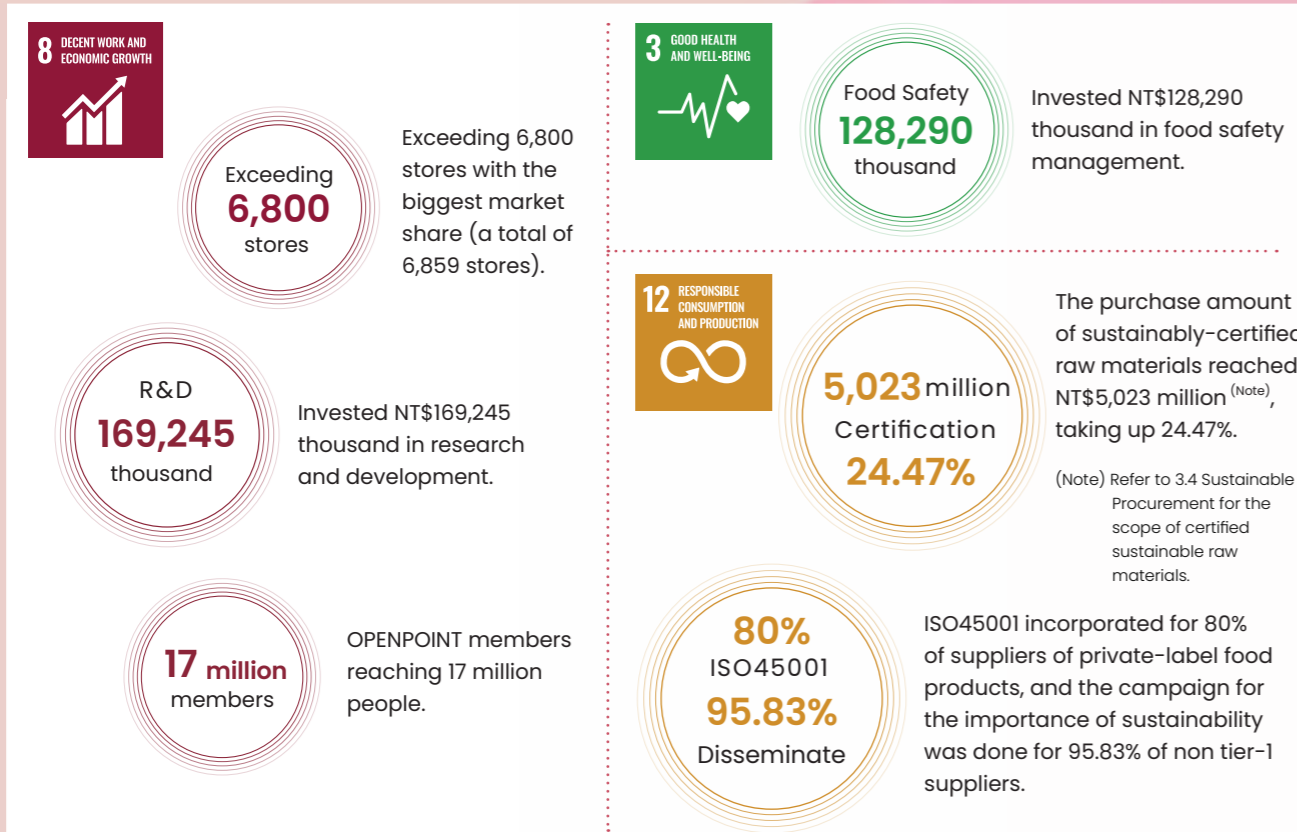
In 2023, President Chain Store Corporation paid a total of NT\$310,000 in fines due to 6 violations that year, including one major violation <sup>(Note)</sup>. There were no other penalties for products and services violating relevant laws and regulations regarding marketing communications and labeling in 2023.

(Note) The materiality of penalties for President Chain Store Corporation refers to the fines where the amount exceeds NT\$100,000.

Violations of Regulations and Irregularities	Fines Paid (NT\$)	Measures for Improvement and Response
Hsinchiahsing Store and Yuande Store violated Article 15-1 of the Act Governing Food Safety and Sanitation by selling expired goods.	120,000	Inspections of irregular stores and products nearing expiry date are inventoried each month. Weekly quality assurance inspections are conducted on products, with weekly re-inspections by district consultants. Products delivered each day are reviewed and reported back by the store manager to minimize uncertainties. The Company has also started paying for quality assurance inspection services by Capital (outsourcing) to avoid similar incidents.
Enchu, Luchou, Luya and Hsinhsia stores violated the Medical Devices Act by failing to complete the change of person in charge of medical device license within 30 days.	120,000	All business procedures and laws and regulations have been reviewed, with applications, tracking and closed cases listed in a table for inspection and prevention. So far all processes follow the regulations with no similar incident.

# 03 Commitment to Sustainable Production and Sales

Both the society and environment are experiencing rapid changes. With the consumers' environmental awareness increasing, a healthy diet becoming popular and the pace of the digitalization accelerating, President Chain Store Corporation continues to improve and optimize the products and services, as well as prioritizing the health and safety of customers is the responsibility and the highest guiding principle. To this end, President Chain Store Corporation implements various management mechanisms, including systematic management and inspection of the supply chain, as part of our effort to provide safe products with compliant labeling to our customers, and encourage suppliers to pay attention to issues such as human rights, recycling, environmental protection and carbon reduction by increasing the proportion of sustainable procurement, while strengthening consumer awareness of sustainability to co-create a new sustainable lifestyle.



**Corresponding Material Topics**

- Customer Health and Safety
- Product Labeling and Marketing Communication
- Sustainable Supply Chain Management
- Sustainable Procurement
- Product and Service Innovation

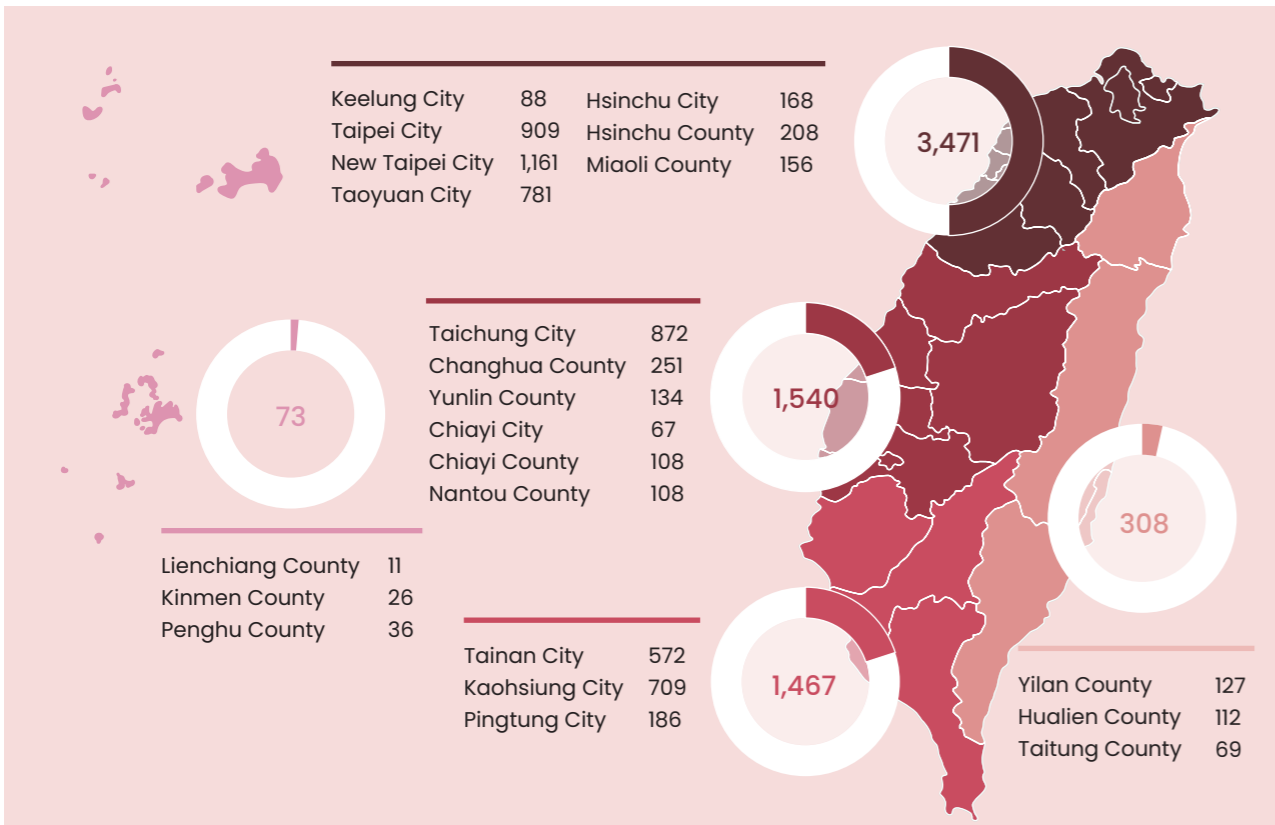
	Management Policies
<b>Policies and Commitments</b>	<ul style="list-style-type: none"> <li>Product safety management regulations</li> <li>Store management regulations</li> <li>Product safety information collection and inventory tracking SOP</li> <li>Rules for Safety on Private-label Products</li> <li>Rules for Onsite Appraisal of Manufacturers by Private-label Product Committee</li> <li>Raw Material Supplier and Raw Materials Management Rules</li> <li>Management Measures for On-site Evaluation of Suppliers of Food Safety Products in Stores</li> <li><a href="#">UNI-PCSC's Supplier Code of Conduct</a></li> <li>Food Product Manufacturer Risk Grading and Assessment Guide</li> </ul>
<b>Management Actions</b>	<ul style="list-style-type: none"> <li>Control the raw materials through raw material management and quality assurance inspection to safeguard customer health and safety, ensure the quality of delivery through the cultivation and management of logistics personnel, service quality in the stores is optimized with service evaluation, quality assurance and ethical corporate management certification training to ensure the health and safety of consumers.</li> <li>The Product Safety Management Regulations clearly stipulate that product labeling of delivered shipment must comply with the regulations of the competent authority, and the store must also check product labeling when receiving shipment to ensure the compliance of product labeling and marketing communications.</li> <li>President Chain Store Corporation strengthens supply chain management to ensure service quality by identifying key suppliers, implementing supplier management measures, requiring suppliers to sign the code of conduct, and continuing to educate and evaluate suppliers.</li> <li>Procurement Task Force to incorporate the terms of supplier ethical corporate management and environmental sustainability into the contract, and continue to increase the proportion of sustainably-certified raw material procurement.</li> </ul>

### 3.1 Product and Service Innovation

President Chain Store Corporation's goal is to provide a variety of innovative and quality products that exceed customers' expectations. To this end, it integrates internal resources to promote product and service innovation. We launched a total of 7,344 products and 1,859 services in 2023. In 2023, private-label products accounted for 23.7% of total revenue. By continuing to provide consumers with more high-quality products and convenient services, President Chain Store Corporation will become a good partner in people's daily life.

#### Stores

President Chain Store Corporation focuses on providing customer services characterized by convenience and peace of mind with stores in Northern, Central, Southern parts of Taiwan as well as outlying islands. The Stores All over Taiwan project was launched in 2019 by inventorying districts out of the total of 368 towns and villages with gaps in services where making purchases remained inconvenient. As of 2023, we have a total of 6,859 stores, 228 more compared to 2022. Among them, it was the first time for 30 towns to have 7-ELEVEN. With more than 6,800 stores connecting 368 towns and districts (with the exception of Wuqiu) to each location that needs services, we have reached a new milestone of ["24/7 Services from Our Stores All over Taiwan."](#) It is our hope that we can continue to expand the scope of services offered by President Chain Store Corporation, so we can meet the needs of customers in a timely manner with a variety of convenient and quality services and to become the service platform that customers depend on in their fast-paced lives.



#### OPENPOINT Ecosystem

President Chain Store Corporation has adopted the three strategies of membership, points and payment since 2020 to revolution business with smart technologies. Innovative services such as "points for mobile payment," "points for cash in different channels," "points for bill collection," "APP raising funds and points," as well as "point collection during trips oversea" have been launched to break the single-channel membership model in the retail industry, establishing a cross-brand and cross-channel OPENPOINT ecosystem. So far, it has served more than 17 million members. In 2023, membership services were expanded overseas for the first time, contributing to over 11 million active members. In the meantime, it combines the consumption data collected by POS machines in the stores as well as behavior and footprint in the app to gain insight of the profiles, consumption preferences and lifestyle of OPENPOINT members. We have further engaged in data projects such as attribute labeling and member grouping, applying labels to the NES model (new, existing and sleeping customers) and precision marketing, effectively increasing the proportion of member consumption and per capita contribution. The revenue from members in 2023 increased by nearly 15% compared to 2022.

The OPENPOINT ecosystem won multiple awards from Taiwan and abroad in 2023, including Taiwan Sustainability Action Awards in SDG8 Decent Work and Economic Growth, the Harvard Business Review Digital Transformation Revolution Award - Business Model Transformation Award for the Large Enterprise Category and Special ESG Award, and First Prize of the National Brand Yushan Award for Most Popular Brand. President Chain Store Corporation plans to further develop in areas such as food, clothing, housing, transport, education and entertainment to provide consumers with more diverse and convenient membership service experience as a "lifestyle service platform" that exceeds customer needs.

#### Innovative Products and Service

Based on the core concept of a comprehensive lifestyle, President Chain Store Corporation continues to uphold the principle of providing consumers with products and consumer experience that are value for money. To this end, we continue to improve the technical R&D of software and facilities, as well as further combining a number of innovative products and services to maintain its competitiveness in sustainability. In 2023, President Chain Store Corporation invested NT\$169,245 thousand in R&D to create a variety of new products and service models. Not only does President Chain Store Corporation actively build a smart retail landscape, it has launched one X-STORE, namely future convenience store each year, for a total of 6 stores as of now. In 2023, President Chain Store Corporation integrated group resources to promote automated labor-saving equipment together with the Industrial Technology Research Institute (ITRI), as well as

opening a grab-and-go unmanned store named "X-STORE 7." In the meantime, it continues to apply and promote "Smart Vending Machines" to break the barrier of time and space when providing service, as well as expanding out-of-store business opportunities. In terms of fresh food products, we continue to develop private-label brands such as Veggie Selection by introducing creative and delicious vegetarian/vegan food products to meet the consumer needs for health and nutrition. We actively collaborate with e-commerce platforms and diversify our operations through providing the most dense and fast delivery and collection service local network on our self-operated platform. The "Secure Package Pickup" service has also been launched for increased peace of mind and convenience. In terms of digital development, the brand new iOPEN Mall e-commerce platform has been launched to provide the most complete and convenient services for buyers and sellers alike. In the meantime, digital services such as iPre-order (convenience store in the e-commerce) and iGroup-buying have been put in place to meet customers' Online merge Offline (OMO) needs for everyday consumption.

### Smart Retail

Facing the two major problems of an aging population and a low birthrate, there is no limit for saving manpower in the future. To this end, President Chain Store Corporation has been proactively creating a retail market with forward-looking technologies. Since 2018, it has led the industry in promoting an experimental field for smart retail, enhancing customer interactions with technologies. The "Smart Vending Machines" have been created based on the concepts of eXplore, eXperience and eXcellent to move towards the goal of creating an unmanned shopping circle. Four types of Smart Vending Machines have been introduced, including 4°C, 18°C, CITY CAFE and freshly-made hot boxed meals, as well as creating a variety of business models based on needs of the business district. In 2023, the number of service locations and machines increased to over 1,700, attracting more than 40 million people to try the smart, convenient and diverse digital consumption experiences. In 2023, President Chain Store Corporation took the lead in developing the first "Life Beverage Machine" based on the "blind box" concept. Consumers can choose the flavor they want to try, such as "promotion," "good luck" and "change of luck" to unlock life scenarios in seconds, trying best-selling beverages as if they were different tastes of life. The concept was combined with low-contact non-cash payments to create a smart lifestyle service platform that allows you to make purchases nearby, pay safely and consume with peace of mind.



In addition, President Chain Store Corporation continues to make experiments in the area of smart retail. In 2023, it collaborated with ITRI to link the OPENPOINT Ecosystem to ITRI's Grab & Go System Service, creating the first smart convenience store X-STORE 7 that is open 24 hours a day and not next to a regular store, with the three characteristics of "easy to experience," "replicable" and "highly operational." Features such as automatic detection, real-time analysis, mobile self-service checkout have been incorporated to make queue-free checkout a reality that is part of the smart convenience store experience. As long as consumers have the OPENPOINT APP, they can enjoy shopping experience that combines multiple smart technologies such as AI and IoT.



X-STORE 7 does not require store staff to be stationed during long hours. Real-time remote monitoring of product inventory, sales status, and traffic flow can be completed with smart shelves, smart ledger systems, traffic hotspot analysis. Manpower and mobile stocking can be achieved by effective dispatch. To create a warm and smart retail experience, AI store staff were also introduced for the first time to answer basic questions in the video format. If Any in-depth questions will be directed to real people with a remote switch, satisfying customer needs with the duo customer service model.

### Veggie Selection

Due to the impact of the pandemic and climate change in recent years, we have noticed that citizens lay more emphasis on health and environmental protection. The local vegetarian population exceeds 3 million, accounting for 13-14% as the third highest in the world. To this end, President Chain Store Corporation took the lead as the first retail channel to launched its own brand, "Veggie Selection." at the end of 2020, so that consumers can have more clarity and feel assured when purchasing. In 2021, the first "Veggie Selection Compound store" opened its doors with almost 300 plant-based food items. Besides frozen box meals and microwave fresh food, home-cooked vegetarian food products at different temperature were introduced to satisfy the needs of different consumption situations. Vegetarians and vegans attach great importance to the labeling of food ingredients. To help them identify product content, we have launched 13 vegetarian/plant-based labels. Categories are distinguished by green and orange for different groups by listing whether ingredients such as spices, milk and eggs are used in the products. Vegetarians and vegans also attach great importance to food production details as well. Prior to the emergence of the vegetarian/vegan markets, most production lines produced both vegetarian and non-vegetarian food with very few strictly vegetarian ones. As a result, President Chain Store Corporation dedicated a lot of effort and cost to create special production lines for vegetarians by strictly controlling every step of the procedure from the production. Combined with the existing supply chain advantages, we have launched the first vegan production line with a Taiwan Certified Agricultural Standards (CAS) label. From the use of raw materials to the production line, we are committed to meeting the needs of various vegetarian/vegan consumers.



As of the end of 2023, 130 Veggie Selection Compound Stores have been set up, with the line sold in 2,589 stores. President Chain Store Corporation has built a vegetarian food industry chain together with its suppliers, giving consumers in all cities and counties access to vegetarian and vegan food as the top choice for vegan and vegetarian food products in convenience stores in consumer reviews. Since the launch of the brand, it has reduced carbon emissions by 57,239 metric

tonnes as of 2023, equivalent to the annual carbon absorption of 149 Daan Forest Parks. In the future, President Chain Store Corporation will create a more professional vegan/vegetarian brand for consumers based on the three strategies of “co-branded green food,” “expanding sales bases” and “optimizing vegan/vegetarian food labels.” It also plans to launch new products and collaborate with known brands to attract vegan/vegetarian consumers with a diverse product structure, as well as providing accurate information on the labels as the most convenient kitchen for vegan and vegetarian consumers. More eco-friendly and sustainable production methods will be adopted in the future, including using local raw materials to reduce carbon footprint and incorporate whole food ingredients.

(Note) According to a research by Oxford University, 2.03 kilos of carbon emissions can be reduced by replacing one meal with a vegetarian meal. When multiplied with the number of Veggie Selection products sold since the launch of the brand (28,242,777), it is equivalent to 57,238,695 kilograms of carbon emissions, approximately 57,239 metric tonnes. (The average daily carbon emissions of meat eaters is 10.24 kilograms - The average daily carbon emissions of vegetarians is 4.16 kilograms)/3 meals.



### Anti-fraud Services

Having no way to seek help regarding fraudulent packages causes inconvenience to consumers. President Chain Store Corporation actively solves the pain point by following the policies of the Criminal Investigation Bureau of the National Police Agency, Ministry of the Interior, to assist the government with promoting anti-fraud policies regarding package frauds, as well as filming anti-fraud reminder videos to raise public awareness. It became the industry forerunner in April 2022 by launching the “7-ELEVEN Secure Package Pickup.” Two policies of “preventive reminding in the stores” and “24-hour Secure Packaging Pickup online complaint platform” have been adopted to help consumers prevent, block and return fraudulent packages with the three lines of defense model. In addition to increased efficiency, online application can also significantly reduce the time and cost for consumers to directly connect with manufacturers. The service has been well received by the public since its launch with great success in preventing frauds. Online complaints have been reduced by 60% compared to before the service was launched.



### iOPEN Mall

To build a shopping mall that focuses on the common good with local areas and stable operational quality, President Chain Store Corporation has taken advantage of resource sharing and joint creation of business opportunities based on over 45 years of experience running its business in Taiwan. The brand new iOPEN Mall was launched in 2023 as the first shopping mall created by a local enterprise. In addition to providing a digital platform that is easy to understand and open at all times for micro-enterprise entrepreneurs, the platform has developed an outstanding intelligent management system with features such as simple registration, quick listing, orders, members, merchandise, accounting, logistics, etc. The platform connects to the OPENPOINT Ecosystem and its 17 million members, the group’s logistics and warehouses all over the country, and more than 6,800 7-ELEVEN stores to bring micro-enterprise entrepreneurs an influx of consumers, diversified marketing resources, and convenient delivery and pickup services. The service has so far attracted nearly 50,000 merchants to set up shop with more than 3 million items on the shelves, reducing the digital transformation risks of micro-enterprises as a strong backing for everyone who wants to run an online shopping business with ease.



### iPre-order and iGroup-buying

To meet the demand for mobile shopping and assist 7-ELEVEN stores with expanding business opportunities, President Chain Store Corporation built its own online shopping platform “iPre-order” and a store community group buying “iGroup-buying.” “iPre-order” combines consumption trends of online shopping and mobile payment, allowing people to shop online at any time on the platform and pick up the goods at nearby stores. “iGroup-buying” provides smart features such as one-click listing, order statistics in seconds, and push notifications as soon as the goods arrive to turn store managers into community group buying leaders closest to home. The combination of the two effectively expands the scale of product sales, not only meeting the needs of diverse customers, but also allowing stores to manage relationships with loyal customers with digital tools. The merge of online and offline resources contribute to a dense service network towards 24-hour omnichannel services, as well as creating a new growth curve.



## 3.2 Customer Health and Safety

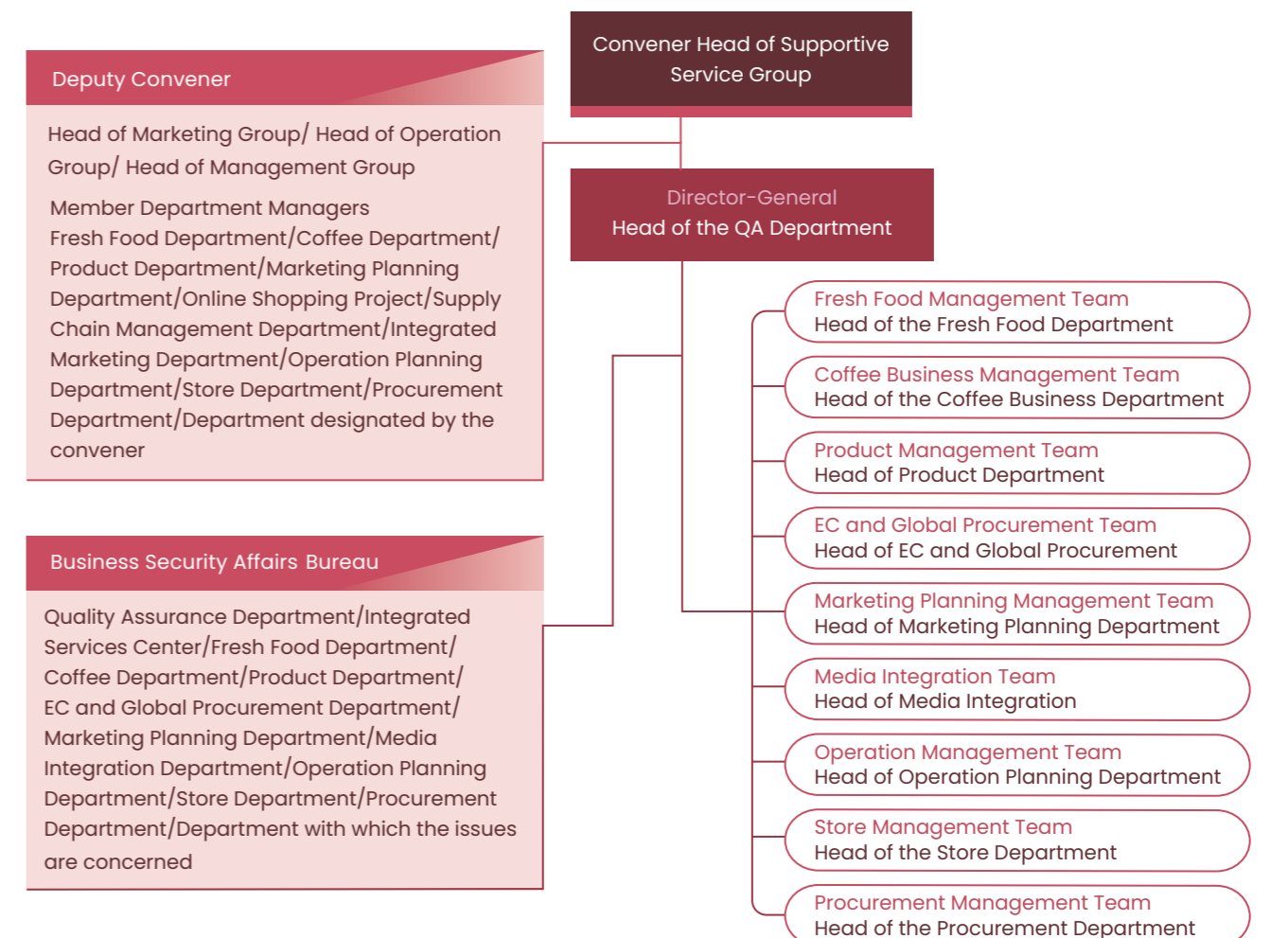
Product safety is the cornerstone of President Chain Store Corporation operations. To this end, it follows the internal “Private-label Product Policy” to stay on top of the value chain of products, from raw materials, logistics to stores with management mechanisms and continuous tracking. In the meantime, we fulfil our promise of product safety through product safety information and a comprehensive internal reporting mechanisms. In 2023, a total amount of NT\$128,290 thousand was invested in food safety management.

<p><b>1</b></p> <p>No preservatives or partially hydrogenated oils are used from raw materials to product for private label fresh food. Each product must be inspected by a third party testing agency. Fructose is also not added. If the ingredient is contained in raw materials, it will be tracked and managed internally.</p>	<p><b>2</b></p> <p>Microbiological standards for fresh food products are formulated according to the regulations, as well as requiring suppliers to provide qualified third party inspection reports and perform regular inspections of all product categories.</p>	<p><b>3</b></p> <p>For private label products that may contain GMO materials approved by the Ministry of Health and Welfare, the information will be disclosed.</p>
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A healthy diet has become one of the top priorities for consumers nowadays. As a member of the food retail industry, President Chain Store Corporation provides products with a variety of health concepts to meet the nutritional needs of consumers in their daily diets to fulfill our responsibility and obligation to consumers. In 2023, President Chain Store Corporation continued to focus on developing products with reduced saturated fat, trans fat, sodium and sugar with reference to the Daily Diet Manual published by the Health Promotion Administration. Moreover, preservatives, partially hydrogenated oils and fructose are not added to fresh food products. In the meantime, President Chain Store Corporation strengthened the voluntary labeling of health and nutrition information on private-label food products, stating whether there are added chemicals, low-fat, low-sodium, low-sugar, or other nutrient content by following MOHW’s “Guidelines for Nutrition Labeling of Packaged Foods” and “Nutritional Claims of Packaged Foods.” The revenue from the aforementioned private-label products that comply with [health and nutrition principles](#) totaled NT\$26,815 million.

### Product Safety Committee

The Product Safety Committee is divided into three main levels. The convener is appointed by the President, with the Marketing Group Vice President and Operation Group Vice President serving as deputy conveners. The Quality Assurance Department Manager serves as the Director-General on the second level. Under the Director-General, a separate Business Security Affairs Bureau is responsible for the integration and collection of issues related to product safety. The third level consists of 9 task forces with each department head as leader. Focusing on safety and quality, the Product Safety Committee set up a management system for private-label products with the scope covering 100% of private-label products. One meeting was convened in 2023, with discussions focusing on reporting and tracking important business security information, planning and responding to changes in regulations.



### Collection and Inventory for Product Safety Information

Staying abreast of the latest product safety information has been key to President Chain Store Corporation's making product quality management a reality. Product safety information is negative reports collected by President Chain Store Corporation on its private-label products, information on unqualified products, and information on regulations promulgated by relevant authorities and issued in other countries. President Chain Store Corporation manages information in different levels in accordance with our "Product Safety Information Collection and Review Tracking Standards." The system applies to 100% of President Chain Store Corporation's private-label products. In 2023, the Company collected 391 product safety-related memos, including 1 A-level information, 277 B-level information and 113 L-level information.

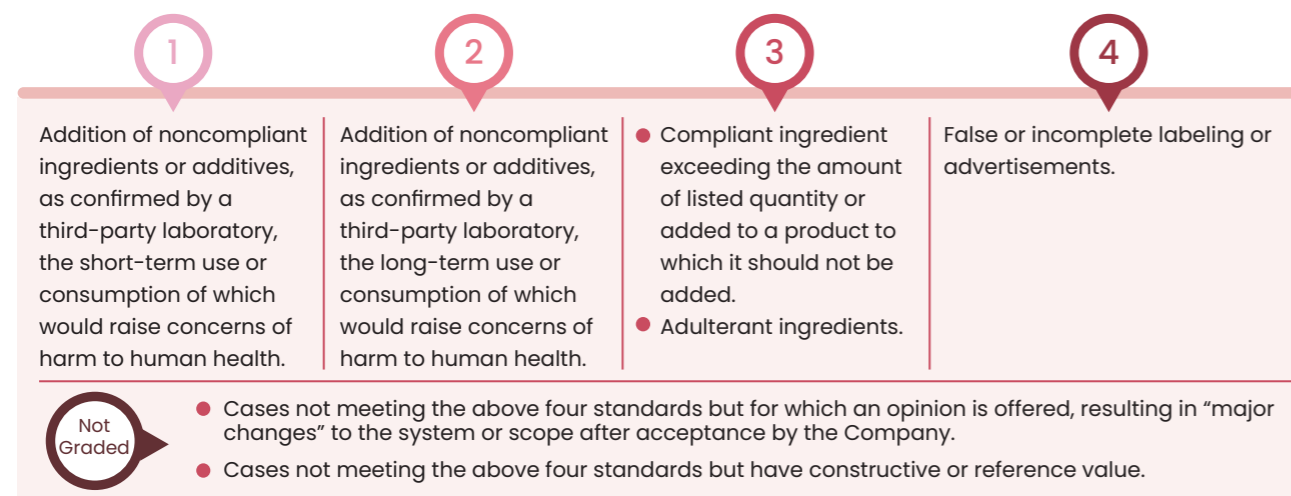
<b>A</b> level information	Negative product safety information and information on non-compliance regarding President Chain Store Corporation and its joint ventures. Information in this category must be included to be tracked and closed.
<b>B</b> level information	Product safety information other than Level A.
<b>L</b> level information	Drafts of laws and regulations issued by the government and information on foreign laws and regulations.

(Note) A-, B-, and L-level information is based on the date that the information was announced internally. The A-level information involves a sample of ice cream from joint venture failing to pass the Enterobacteriaceae test. To follow up, it was confirmed that the store identified the source of the risk and proposed improvement plans by re-examining the cleaning plan, tightening the management cleaning standards and conducting assessment and monitoring. The inspection process was also optimized. The case was closed upon the completion of improvement.

### Internal Reporting System

President Chain Store Corporation has established an internal product supervision mechanism based on the "Rules for Safety on Private-label Products." This mechanism invites employees to come together to play a role in supervising product safety. In cases where employees in logistics, directly operated stores, or franchisees have doubts or questions about ads, labeling or ingredients, they can use this mechanism to provide feedback. Issues raised in this way are forwarded to the Product Safety Committee and the person making the report receives a reward based on the severity of risk involved with the safety issue. In 2023, one incident was reported internally with an employee finding the product name not corresponding with the content. The product was removed from the shelves. However, the mistake was actually detected by the manufacturer (with the wrong plastic film) before being reported by the employee. Therefore, the incident was not graded.

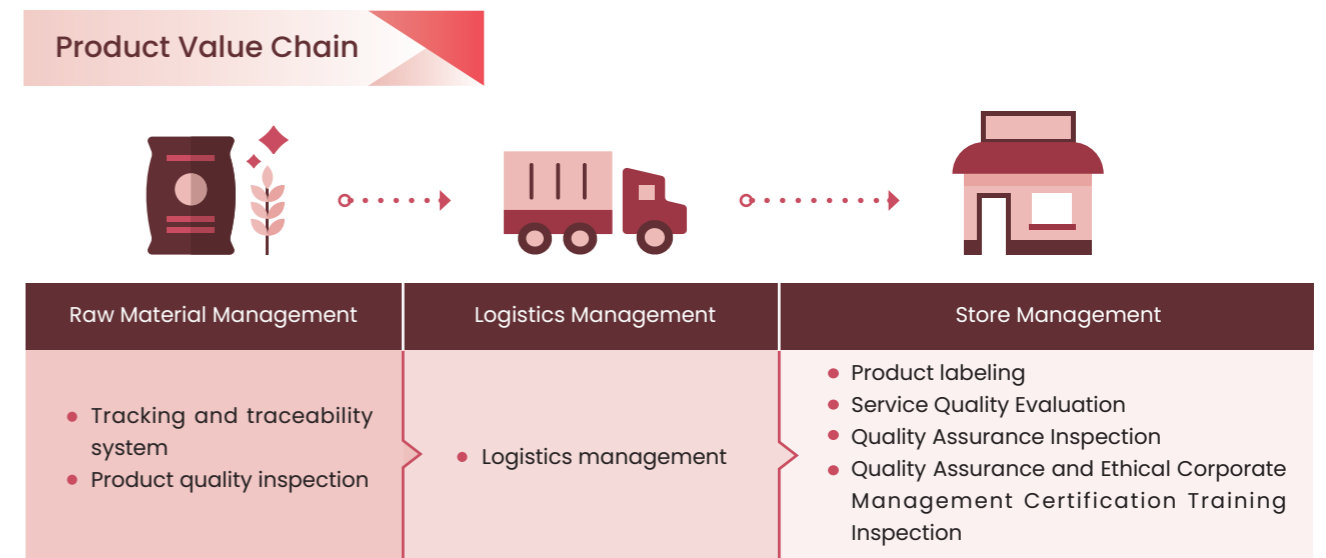
#### President Chain Store Corporation Product Safety Incident Risk Categories



### External Grievance Mechanism

President Chain Store Corporation established an "Integrated Services Center" to act as the internal and external channel for issues involving products and services. Consumers can voice their complaints or suggestions to the Integrated Services Center via hotline or email. The Center creates a file for each issue and in cases that require follow-up, cases are only closed after customers receive information on how President Chain Store Corporation responded to and handled the issue. In 2023, the Center handled 91.2% of the cases online in real time with 100% of the cases closed (Note). 100% of the stakeholder letters were answered without receiving a major complaint.

(Note) The online processing rate is the rate of giving consumers explanations online and successfully solving the problem afterwards. The case closing rate is the percentage of cases that cannot be effectively addressed online and require follow-up and settlement after being handled by the responsible unit.



### Raw Material Management

#### Tracking and Traceability

To effectively monitor product safety and take up the responsibility of President Chain Store Corporation as a retail business, President Chain Store Corporation works with the Taiwan Delica Foods Development Association to set up a Material and Quality Assurance System (MAS) for private-label products. This ensures that product raw materials and suppliers can be tracked and managed. The main document in the MAS system is the product specification document, which records the sources of raw materials and the suppliers. As of the end of 2023, 100% of the Company's private-label food products had the corresponding product specification document in the MAS system.

President Chain Store Corporation meets the definition of a vendor of box meals as set forth in Article 9 of the Act Governing Food Safety and Sanitation. To this end, it uploaded the information for a total of 543 products to the traceability system (ftracebook) in the meal box category (Note) in accordance with the official document (Food and Drug Administration Document No.1071300516 authorized by the Ministry of Health and Welfare on 26 June, 2018), taking up a total of 100% of box meal category.

(Note) Indicating the products which consist of grains (rice or noodles), processed grains, agricultural, livestock and seafood ingredients, which are processed to be served to groups or individuals. Those products are served with clear labels or pictures of the ingredients and are served in boxes or large containers. The products can be eaten shortly after reheating. The definition does not include baked goods served in a box.



Quality Certificatio

To manage and stay on top of product quality, President Chain Store Corporation's Quality Testing Laboratory obtained ISO/IEC17025:2017 certification following items specified by TFDA and TAF (ISO/IEC 17025:2017). After a product is made, the laboratory first samples and tests it for microorganisms with chemical methods, ensuring product safety before it is put on the shelf. As of the end of 2023, the laboratory conducted tests on 637 items per requirements of CNS or the competent authority. Another 125 test items that follow directives from the aforementioned requirements were also conducted.



TAF Certification Items: Scope of microorganisms for ISO/IEC 17025:2005 certification	
Microorganisms	4 items
Caffeine	1 items
Ochratoxin A	1 items
β-agonist	21 items

TFDA certification items	
Microorganisms	1 items

In 2023, a total of 937 tests were run on products and raw materials, with 929 passing the test. The passing rate was 99.15%. The aforementioned tests corresponded to a total of 608 products with a total of 600 products passing the test. Among the unqualified products, 4 passed the re-inspection, but 4 were removed from the shelves due to failing the tests. In addition to treating these incidents as stated by the contract, we also carried out follow-up inspections and monitoring to ensure that the products we sell are safe. The quality testing laboratory resulted in costs of NT\$39,081 thousand, including NT\$21,097 thousand for entrusted laboratories (Note), accounting for 0.02% of the Company's operating revenue.

(Note) The quality testing laboratory costs include tests, salaries, depreciation, rentals, equipment repair and maintenance, as well as miscellaneous purchases.

Logistics Management

President Chain Store Corporation products are shipped to stores after production. Ensuring product quality during transportation is the key to stable product quality and safety. Therefore, even though the logistics company is not a main element in the scope of disclosure in this report, its operations are still disclosed due to its impact on product safety. After President Chain Store Corporation products and raw materials are manufactured by suppliers or contract manufacturers, they are shipped to stores by a logistics company. To ensure that the quality of products is maintained and guaranteed throughout the entire process of shipping, storage, and display and to reduce potential risk to products due to temperature, employees or sanitation, we partner with logistics companies on initial logistics and in-store product management and service audits. Initial logistics involves cooperation on shipping, taking product quality management processes from the store and pushing them upstream to the supplier end to set up a comprehensive quality control mechanism. In 2023, we continued to implement a logistics mechanism for 100% of the exclusive and private-label products including rice, fresh noodles, salads, cooked food, refrigerated flavored breads, sweet potatoes and fresh foods.

Store Management

Product Labeling

Transparent product labeling is key to President Chain Store Corporation's promise to safeguard the rights and health of its customers. In addition to following MOHW's "Guidelines for Nutrition Labeling of Packaged Foods" and "Nutritional Claims of Packaged Foods," our "Product Safety Management" rules stipulate that new suppliers' product labeling must conform to the Commodity Labeling Act, Act Governing Food Safety and Sanitation or relevant government laws and regulations. We also require suppliers to sign an agreement guaranteeing that the ingredients, manufacturing, labeling and advertisements for their products all conform to relevant laws and regulations. In addition to screening potential new suppliers, product labels are the items that the logistics center must check upon receiving a shipment (including bar codes, expiration dates and Chinese labeling). President Chain Store Corporation also uses its "Packaging Internal Control Design System" to keep abreast of the information on our own brand product labels. This ensures that all products have clearly labeled information from manufacturing to shipping to final sale in the store.

In the meantime, President Chain Store Corporation is also committed to obtaining relevant labels for its own products. In 2023, the raw materials for President Chain Store Corporation's private-label products were inspected by an external body to confirm no GMOs were adopted. To make it easier for consumers to make purchase decisions, President Chain Store Corporation is also committed to clearly displaying labels relevant to GMOs on the outer packaging in accordance with MOHW's "Guidelines for Labeling Packaged Food Containing GMO Raw Materials" and Guidelines for Labeling Bulk Food Containing GMO Raw Materials." Among private-label products, the ones whose outer packaging was marked with a label stating "Does Not Contain GMO" reached a revenue of NT\$77,296 thousand in 2023.

President Chain Store Corporation High-Quality Service Qualification

President Chain Store Corporation conducts an annual President Chain Store Corporation High-Quality Service Qualification assessment on all its directly-operated stores and franchises, with items including basic service, professional service, comfort of the environment and appropriate responses. The results of the assessment are graded A (excellent), B (meets expectations) or C (needs improvement). In 2023, a total of 1,924 stores were graded A out of all the stores that were audited, accounting for 54.5% of the stores. Operations specialists visit stores receiving a grade of C to provide guidance, and hold meetings to draft improvement plans, conduct drills on the shortcomings as well as re-evaluating after 2 months to ensure improvement, providing the consumers with a great shopping environment. In the service quality evaluation in 2023, the proportion of A-level stores failed to reach our high-standard target (70%). Besides providing in-depth counseling through district consultants to improve the overall service quality, we plan to organize a quarterly training session for cadres in 2024, as well as focusing on the four tips for conversing with customers to enhance the overall service quality in the stores.

2023 Annual Initial Assessment Grade	Number of stores Audited	Percentage
<b>A</b> Excellent	1,924	54.5%
<b>B</b> Meets expectations	1,334	37.8%
<b>C</b> Needs improvement	270	7.7%

Quality Assurance Audit

President Chain Store Corporation performs quality assurance audits through the engagement of an external management consulting company. In 2023, 99.52% of all stores underwent this audit. A total of 29,173 stores were inspected with a pass rate of 93.69%. The stores were unqualified mainly due to expired products. President Chain Store Corporation provided concrete suggestions for the issue and followed up to ensure that improvements were made.

QA and Ethical Corporate Management Certification Training and Audits

To maintain the quality of the overall workforce, President Chain Store Corporation continues to provide quality assurance education and training for both new hires and existing employees in addition to the store audits described above. A total of 87,135 participants in the training in 2023 (including employees who have quit). President Chain Store Corporation hired a management consulting company to audit the quality assurance training certification status of stores, with 99.35% of the stores audited in 2023.

### 3.3 Sustainable Supply Chain Management

President Chain Store Corporation has four main types of suppliers, including private-label product manufacturers, suppliers of raw materials through direct transactions, suppliers of egg products and suppliers of items related to store food safety. We ensure that supply chain partners adhere to our stringent quality standards using our supplier management rules and evaluation system, as well as adopting measures such as supplier coaching and empowerment training to build a sustainable value chain with our suppliers.

Supplier Management Policy

**Supplier Management regulations**

In order to stay updated with and monitor supplier quality, we included a dedicated chapter on "Product Safety Management" to ensure all suppliers conform to laws and regulations and to President Chain Store Corporation's rules in terms of company incorporation, product quality and testing. President Chain Store Corporation requires all suppliers to sign a "Product Quality Guarantee Agreement." Among them, a number of the rules are set for suppliers and manufacturers of our private-label products based on the nature of each, since they have a more direct impact on our operations and brand. These rules clearly require that specific standards be adhered to for product manufacturing, packaging, testing and appraisal.

Supplier Type	Measures
All suppliers	Product Quality Guarantee Agreement
Private-label brand product manufacturers	Rules for Onsite Appraisal of Manufacturers for Private-label products
Suppliers of raw materials through direct transactions	Raw Material Supplier and Raw Materials Management Rules
Suppliers of store food safety supplies <sup>(Note)</sup>	Management Measures for On-site Evaluation of Suppliers of Food Safety Products in Stores

(Note) This refers to domestic manufacturers of disposable paper cups, bowls, and other products that come in contact with food in stores.

**Supplier Code of Conduct**

President Chain Store Corporation hopes to make itself an example to encourage suppliers to practice corporate social responsibility. In addition to the aforementioned management rules and assessment systems, we have also revised the "UNI-PCSC's Supplier Code of Conduct" based on the United Nations Global Compact (UNGC) and UN Guiding Principles (UNGPs), with requirements for suppliers' performance in Environment, Social and Governance, as well as requiring them to sign an "Agreement on Ethical Corporate Management and the Corporate Social Responsibility." For suppliers unwilling to sign the agreement, President Chain Store Corporation will examine their existing internal regulations and the scope of commitment. Additionally, they will be required to commit to certain important items. If communication fails but it is still necessary to purchase from the supplier, the supplier will be asked to sign a "Affidavit on the Ethical Corporate Management" to require our supplier to practice corporate social responsibility. In 2023, 100% of President Chain Store Corporation suppliers signed the "Agreement of the Ethical Corporate Management and the Corporate Social Responsibility."

Content of the Code of Conduct

The principles and agreement stipulate that suppliers are not to obtain inappropriate gains through bribery, monopoly, or the giving of gifts, are not to violate labor laws or regulations (including hiring rules, hiring child labor, working conditions, salary and remuneration, occupational safety and health), are to guarantee labor equality, a non-discriminatory workplace, fundamental human rights, and provide products that conform to environmental protection and food safety laws and regulations to reduce their impact on the economy, society and environment.

The highest decision-making unit of President Chain Store Corporation's implementation of supplier ESG program is the Board of Directors. The Sustainable Procurement Task Force is responsible for the management and tracking, as well as regularly reporting the progress of various supply chain assessments, management and ESG program to senior management. An integrated ESG report is compiled and submitted to the Board of Directors at the end of each year. In addition, relevant content and actions are shared from time to time at internal meetings to let the Company's buyers and relevant staff members better understand the roles and values of supply chain ESG program. Moreover, ESG management training for Carbon Reduction Task Force and internal stakeholders were organized during the second quarter of 2024 with internal company staff.

## Supplier Screening and Identification

### New Supplier Screening and Assessment

We set our standards based on the relevant legal conditions, quality certification, management systems, and plasticity of materials of new suppliers. We also include sustainability indexes such as Environment, Social and Governance in the assessment system to evaluate and stay on top of supplier quality. For the moment, new suppliers have been required to fill in the ESG assessment form to confirm that they meet the needs and considerations of President Chain Store Corporation's ESG requirements. Suppliers can only be taken on board if they pass the assessment. If the ESG documents and manufacturer assessment do not meet the minimum requirements and fail to improve within the specified timeframe, the supplier is considered to have failed and will not be taken on board. A total of 13 new suppliers and manufacturers were introduced in 2023, all of which have passed the evaluation of this system. To ensure the rights and interests of consumers and the safety of product use, we continue to improve and raise the qualification standard for new overseas suppliers of food packaging materials for store supplies to 75 points by 2025, fulfilling our responsibilities of supplier selection and management.

Contract Manufacturers		
Legal conditions	Taiwan	Hold legal business registration and factory registration, etc. (industry type listed on the registration must include processing of product types for outside organizations)
	Overseas	For manufacturers overseas, incorporation of the company must conform to relevant laws and regulations in that country.
Quality certification	Food product contract manufacturers	Manufacturers in Taiwan are required to have ISO22000 Management System Certification. The scope of inspection should include items they produce for President Chain Store Corporation. Overseas manufacturers are required to have a minimum of HACCP or ISO9001 Management System Certification or some other international food safety system certification.
	Non-food product contract manufacturers	International quality certification/verification is a priority, such as ISO9001.
Comprehensive management system	Good product quality management, own product testing capabilities, production management and sanitation management.	

Suppliers of Raw Materials through Direct Transactions	
Legal conditions	The business registration, factory registration, contract manufacturer qualification checklist, food industry supplier registration number, etc., must conform to legal conditions for registration.
Quality certification	TQF, CAS, ISO22000, HACCP certifications preferred.

Suppliers of Egg Products	
Quality certification	With egg shortage and imported eggs, management measures have been reinforced based on their sources. The egg washing sites should be CAS-certified.
Packaging and labeling compliance	Egg packaging labels should conform to national law and regulations and CAS good agricultural product egg item standards, such as product name, manufacturer and agent's name, address and telephone number.
Inspection qualification	Eggs are inspected for conformity based on announced national methods with items of inspection including salmonella, veterinary drugs, antibiotics, including tetracycline, antibiotics and other metabolites, as well as chloramphenicol.

Suppliers of Store Supplies	
Legal conditions	The business registration, factory registration, food industry supplier registration number. Industry type listed on registration must include processing of product types for outside organizations.
Quality certification	Priority is given to international quality certification, such as ISO 9001.

Additionally, we do our utmost to ask that suppliers of private-label products to obtain food safety and sanitation management system ISO 22000 certification to improve supplier quality (Note). During 2023, suppliers of private-label products (including contract manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 42 companies. If calculating using the number of the plants, there were a total of 84 manufacturing sites, among those 46 were contract manufacturers of private-label food products within Taiwan. Of these, 46 manufactures 100% obtained international food safety management system ISO22000 certification.

(Note) Verified by independent third-party verification agencies that comply with ISO 17021.

#### 2023 ISO 22000 Certification

Type of supplier	Number of suppliers for private-label food products	Number of domestic manufacturers of private-label food products	Number of ISO22000:2018 obtained by domestic suppliers for private-label food products	
			Number	Percentage
Suppliers for private-label food products	42	46	46	100%

(Note) The number in the denominator does not include factories run by suppliers abroad.

## Supplier Identification

President Chain Store Corporation has three types of suppliers, including private-label product Contract manufacturers, non-private-label product suppliers and other suppliers. Among these, private-label product suppliers have the closest relationship with President Chain Store Corporation, and President Chain Store Corporation also has a greater responsibility correspondingly. From our private-label product contract manufacturers, President Chain Store Corporation identifies “tier-1 suppliers” and “non-tier 1 suppliers.” Tier-1 suppliers are defined as suppliers that trade directly with President Chain Store Corporation’s private-label brand such as food manufacturers. Non-tier 1 suppliers are defined as suppliers of raw materials for private-label products that President Chain Store Corporation does not directly trade with.

Based on the procurement amount, product categories and corresponding ESG risks, we also take country-specific risks into consideration (such as the impact of local regulations on cross-border procurement of raw materials), sector-specific risks (such as food safety) and commodity-specific risks (such as packaging materials and other resource consumption), as well as whether they have signed the “UNI-PCSC’s Supplier Code of Conduct” to further identify “significant tier-1” and “significant non-tier 1” suppliers so as to strengthen the control mechanism of significant suppliers.

There were 34 significant suppliers in 2023 with definitions as follows:

Significant Suppliers	Definition of Significant Suppliers	Number of Significant Suppliers in 2023
Significant Tier-1	Supplying packaging and items directly related to food products in store and the suppliers have signed the UNI-PCSC’s Supplier Code of Conduct, or the transaction amount is ranked within top 5 for private-label products for the previous year and the suppliers have signed the UNI-PCSC’s Supplier Code of Conduct.	24
Significant Non-tier-1	PB raw materials suppliers that have signed the UNI-PCSC’s Supplier Code of Conduct with transaction amount reaching top 10 for the previous year.	10
Number of Significant Suppliers	Total number of significant tier-1 and significant non-tier 1 suppliers	34

## Supplier Appraisal System

President Chain Store Corporation follows the aforementioned rules to undertake periodic evaluations of suppliers of private-label products, suppliers of raw materials by direct transaction, and suppliers of egg products, drafting different assessment criteria based on the characteristics and risks of each supplier type. This rigorous assessment allows us to provide safe and quality food for customers. Our stringent standards enable us to stay on top of product quality and safety on behalf of our customers. Significant supplier assessment points, standards, frequency, and results are disclosed below.

In 2023, President Chain Store Corporation reached the target of “100% achievement rate for the PB<sup>(Note 1)</sup> joint procurement + direct transaction with stores + farm suppliers audits” and the target of “100% of PB/PL<sup>(Note 2)</sup> on-site evaluations for manufacturers.” We will continue to keep the high standards as a target in the future.

(Note 1) Refers to contracts with manufacturers for large-quantity procurement of goods, or development of products with unique specifications, such as oden, rice, instant food, bread and other fresh food products, as well as CITY CAFE.

(Note 2) Refers to private-label products designed by President Chain Store Corporation, such as iselect collection of frozen foods and snacks, etc.

In addition, President Chain Store Corporation has responded to trends in sustainable development by integrating ESG (Environment, Social and Governance) into its scope of supplier assessment in the hope of the incorporation of ESG metrics will serve to combine the efforts of President Chain Store Corporation’s supply chain to help make sustainable development a reality. An explanation of the weighting of these in assessment is as follows.

Type of Supplier	Weight in the Governance Category (%)	Weight in the Environment Category (%)	Weight in the Social Category (%)	Weight in Other Categories (%)	
Manufacturers	Non food manufacturers (including suppliers of in store supplies)	14%	3%	13%	70%
	Food manufacturers	50%	15%	14%	21%
Suppliers and manufacturers of egg product	50%	2%	2%	46%	
Raw material suppliers	Raw materials-factory	61%	30%	4%	6%
	Raw materials- trader	61%	24%	4%	11%
	Raw materials – primary farming and livestock	58%	21%	0%	21%

President Chain Store Corporation lays great emphasis on “sanitation of the operational environment” and “occupational health and hygiene of workers” in supplier ESG assessments. Since many of President Chain Store Corporation’s private-label brand suppliers are tied to food product manufacturing or raw materials, to ensure that suppliers conform to food product safety laws and regulations and President Chain Store Corporation’s private-label product quality management requirements, sanitation of the operational environment has been added to the list of assessment items for suppliers. Furthermore, we stress that suppliers protect workers and their rights by requiring suppliers to exercise their corporate social responsibility without violating the Labor Standards Act. We believe that the occupational health and hygiene of production line workers have an impact product quality. Therefore, this is an important social aspect to which we attach great importance.

## Existing Supplier Assessment

### Assessment Items

Supplier assessment items are based on the characteristics of the manufacturer, supplier of raw materials by direct transaction, egg product supplier or supplier of store supplies. Environment, society, and governance (ESG) are all included in the assessment, comprising manufacturing, quality, environmental sanitation, and management systems. The aforementioned items for inspection ensure that product safety and organizational operations are well-managed. Assessment items for different suppliers are as follows:

Contract Manufacturers	Chapter	ESG Assessment		
		Environment (E)	Social (S)	Governance (G)
	Management and laws and regulations			•
	HACCP (Hazard Analysis Critical Control Point)/Food Product Safety System			•
	Process and product control	•		•
	Non-conforming product control and tracing			•
	Environmental sanitation	•		•
	Worker health and safety	•	•	•
	Facilities and equipment	•	•	•
	Vector control	•		•
	Food safety/emergency handling			•
	Testing and measurement	•		•
	Storage and shipping		•	•
	CSR	•		•

Suppliers of raw materials through direct transactions	Chapter	ESG Assessment		
		Environment (E)	Social (S)	Governance (G)
	<b>Factory type</b>			
	Factory equipment and environmental sanitation management	•		•
	Employee safety and health management	•	•	•
	Manufacturing process control			•
	Product quality control			•
	Raw materials control			•
	Storage and shipping control		•	•
	Customer complaints and continuous improvement			•
	Formulate relevant scope of environmental protection	•		
	Quality and supply capacity assessment			•

Suppliers of raw materials through direct transactions	Chapter	ESG Assessment		
		Environment (E)	Social (S)	Governance (G)
	<b>Trade type</b>			
	Factory facilities and environmental sanitation management	•		•
	Employee safety and health management		•	•
	Manufacturing process control			•
	Product quality control			•
	Raw materials control			•
	Storage and shipping control		•	•
	Customer complaints and continuous improvement			•
	Formulate relevant scope of environmental protection	•		
	Quality and supply capacity assessment			•
	<b>Primary raw farm materials</b>			
	Raw materials control			•
	Quality and supply capacity assessment			•
	Factory cleanliness and sanitation	•		•
	Manufacturing process control			•

Suppliers of Egg Products	Chapter	ESG Assessment		
		Environment (E)	Social (S)	Governance (G)
	Factory environment	•		•
	Factory facilities			•
	Equipment and packaging materials			•
	Manufacturing process management			•
	Product quality control			•
	Sanitation management		•	
	Shipping management			•
	Product sampling results			•
	Raw materials and product audits			•
	Risk management			•

Suppliers of In store Supplies	Chapter	ESG Assessment		
		Environment (E)	Social (S)	Governance (G)
	Management			•
	Quality management			•
	Environmental conditions	•		
	Product development			•
	Procurement and raw materials intake testing			•
	Production and packaging			•
	Health, safety and work conditions		•	
	Finished products			•
	Storage and shipping			•
	Customer complaints			•
	Product specification checks			•

Conformity Standards

Assessment results are scored into four categories: A (≥ 90 points), B (80-89 points), C (70-79 points), D (<70). Passing standards are as follows:

Type of suppliers	Passing standards
Food manufacturers	<b>B</b> or above (80 points or more)
Suppliers of disposable food packaging materials used in stores	<b>C</b> or above (75 points or more)
Non-food manufacturers	<b>C</b> or above (70 points or more)
Suppliers of raw materials through direct transactions	
Suppliers of egg products	
Suppliers of other store supplies	

The rules state that existing manufacturers failing to qualify in the overall evaluation must submit a review report. In addition to requiring suppliers to provide feedback on corrective/improvement actions after the evaluation, knowledge-sharing and case-by-case response will be given through raw material sub-committee or production quality control meetings, with the hope of reducing and avoiding recurrence of such deficiencies. Meetings, discussions during unspecified site visits or video and other communications targeting the issues will be held to focus on the improvement, ensuring the factories can improve defects within a specific timeframe. Subsequent meetings/site visits will be held. Alternatively, the improvement will be verified during the next audit.

In compliance with "UNI-PCSC's Supplier Code of Conduct," "Product Quality Guarantee Agreement" or "Supplier Assessment Agreement," suppliers who fail the assessment and fail to improve within the specified time will be given a penalty or excluded <sup>(Note)</sup>.

(Note) The supplier contract and code of conduct state that if any violation of ESG standards will be deemed as a major violation of the aforementioned contract or agreement. President Chain Store Corporation reserves the right to terminate the contract or impose a fine accordingly.

President Chain Store Corporation views suppliers producing private-label products with grades of C or below and non-food manufacturers with grades of D or below as "suppliers with high sustainability risks." There was no supplier with high sustainability risks in 2023.

Frequency of Assessment

1. Food Manufacturers

Contract manufacturers are divided into food product, non-food product, domestic and overseas categories with different assessment frequency. President Chain Store Corporation formulated the "Food Product Manufacturer Risk Grading and Assessment Guide" to serve as a basis for assessing the risk levels of domestic food product manufacturer. We also completed the risk grading for private-label brand food product manufacturers in 2022 as reference for determining on-site assessment frequency in 2023.

Comparison Table of On-site Assessment Frequency for Domestic Food Product Manufacturers

Risk Level	Grading		C 80 > points ≥ 70	D < 70 points
	A ≥ 90 points	B 90 > points ≥ 80		
	Pass		Fail	
Low-risk	12 months	6 months	Suppliers receiving a C are to be assessed once a month for three consecutive months and must pass during consecutive months. Suppliers not passing two months in a row are to halt production. For those passing assessment, the most recent passing assessment serves as the benchmark for determining when the next assessment takes place.	Suppliers receiving a D are to immediately stop producing for President Chain Store Corporation or be assessed once a month and must pass three months in a row. Suppliers not passing two months in a row are to halt production. For those passing assessment, the most recent passing assessment serves as the benchmark for determining when the next assessment is to take place.
Mid-risk	6 months	4 months		

Reference Table of On-site Assessment Frequency for Overseas Food Product Manufacturing Sites

Grade	Score	Result	Assessment Frequency/Follow-up in Case of Failure to Pass
A	≥ 90 points	Pass	Assessment must be completed within the same year.
B	90 > points ≥ 80		
C	80 > points ≥ 70	Fail	Manufacturer must immediately halt production arrangements and pass a reassessment within 6 months before resuming production. Otherwise manufacturing on behalf of President Chain Store Corporation must be terminated.
D	< 70points		

2. Non-food Manufacturer

For domestic manufacturers of non-food products, an on-site assessment grade of C or above constitutes a pass. Assessment frequency is once every 12 months and assessment must be completed within the same year. If the assessment result indicates a failure to meet our standards, the case is handled as a failure on the part of domestic food product manufacturers. For overseas manufacturers of non-food products, an on-site assessment grade of C or above constitutes a pass. Assessment frequency is once every 24 months and assessment must be completed within the same year. If the assessment result indicates a failure, the manufacturer must immediately halt production arrangements and pass a re-assessment within 6 months before resuming production. Otherwise manufacturing on behalf of President Chain Store Corporation must be terminated.

3.Others (raw materials suppliers through direct transactions, egg product suppliers, suppliers of in-store supplies)

In addition to manufacturers, suppliers of raw materials through direct transactions, suppliers of egg products, and suppliers of in-store supplies are slated for assessment every 3 to 18 months, depending on their assessment grade. If an organization fails, a re-assessment is to be performed until it reaches a passing result. Follow-up action is to be taken as per relevant rules (such as the "Supplier Assessment Agreement" or the "Product Quality Guarantee Agreement")

Assessment Results

In 2023, there were a total of 43 suppliers of private-label food products with whom President Chain Store Corporation had a cooperative relationship (Note 1) (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products). 100% (Note 3) of those suppliers were audited (Note 2). A total of 130 audits were performed on the 43 suppliers on P.86-87 with 130 passing, with the compliance rate of 100%.

(Note 1) Defined as  
 (1) Suppliers that passed the assessment prior to 2023 and passed internal submission.  
 (2) New factories which passed the assessment prior to 2023.  
 (3) Those eligible to halt assessment in 2023 are also included.  
 (Note 2) Assessment items are those listed in the "Assessment Criteria."  
 (Note 3) 1 manufacturer, 3 suppliers of raw materials through direct transactions and 2 suppliers of egg products ended their transactions and cooperation with President Chain Store Corporation based on the result of the last supplier assessments. In addition, the assessment frequency as stated in the Raw Material Supplier through Direct Transactions and Raw Materials Management Rules is between 3-18 months. Therefore, audits were not necessary in 2023 according to the corresponding rules.

In 2023, there were 12 suppliers of disposable products (Note 1), with 100% (Note 2) audited. Please refer to the table on P.86-87 for these 12 suppliers. A total of 15 audits on supplier assessment items were performed, resulting in 15 passing audit results and a passing rate is 100%.

(Note 1) Refers to domestic suppliers of disposable paper cups, bowls and similar items which come into contact with food and are provided to the consumers.  
 (Note 2) 3 suppliers have stopped transactions with President Chain Store Corporation before the month of the assessment with their application of halting the evaluation approved. As a result, those entities were not required to be audited according to our rules in 2023.

	Number of Suppliers	Percentage of Audits Completed	Number of Audits	Number of Passing Results	Passing Rate
Suppliers of private-label brand food products with whom President Chain Store Corporation had a cooperative relationship (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products)	43	100%	130	130	100%
Domestic suppliers of in-store disposable products	12	100%	15	15	100%

President Chain Store Corporation hopes to work together with its suppliers to realize corporate social responsibility. We monitor whether they comply with occupational health and hygiene requirements requested by the Labor Standards Act and related regulations through our supplier assessments, as well as creating a positive social impact to protect supply chain workers' labor rights.

Supplier Development and Empowerment

In order to effectively reduce ESG risks for supply chain as a whole and raise suppliers' awareness of sustainability issues, President Chain Store Corporation has set a long-term goal of increasing the proportion of suppliers with access to the campaign on the importance of sustainability. In 2023, we communicated with tier-1 suppliers to understand the feasibility of implementing the ESG risk assessment, as well as further coaching private-label suppliers to obtain third-party certification, achieving the annual target of 80% of private-label food suppliers adopting ISO45001. Moreover, we compiled promotional materials on sustainability trends and importance, achieving the annual target of 95.83% of non tier-1 suppliers promoting the importance of sustainability.

Supplier Training

President Chain Store Corporation's Marketing Planning Department communicates regularly each year with suppliers of raw materials for its private-label products on the concepts of sustainable procurement and traceability management, as well as asking them to provide us with raw materials that meet President Chain Store Corporation's sustainable procurement standards. In addition to the signing of contracts, President Chain Store Corporation actively conducts supplier training and empowerment by providing suppliers with ESG forums, guidance for management system incorporation such as ISO 45001 and ISO 14064, introduction of FSC/PEFC-certified sustainable raw materials, examples of peers with excellent ESG performance for benchmarking, as well as working with suppliers on promoting ESG services with key technologies (please refer to [the sustainability column of the report on Intelligent Automatic Recycling Machines](#)).



President Chain Store Corporation worked with Cathay United Bank and the Circular Taiwan Network in 2023 to organize the “Circular Economy Exploration Workshop,” joining hands with 33 raw material and food processing companies in the supply chain to discuss the core concepts and feasibility of circular economy, such as applying circular economy strategies including reusing food waste and packaging materials. 95% of the workshop participants in the workshop believe that investing in circular economy will help with low-carbon transition, and that recycling will bring new opportunities for enterprises to “reduce carbon/waste,” “enhance competitiveness” and “operate sustainably.” The workshop also helped supply chain manufacturers review the current status of their own business operations and reflect on the transition opportunities that can be integrated into circular economy in the current production process, divided into three aspects of raw materials and by-products, water and packaging. The collaboration will carry on with sustainable supply chain workshops for fresh food manufacturers, helping to negotiate and explore feasible sustainable supplier project opportunities, promoting circular economy transformation of the supply chain.



### 3.4 Sustainable Procurement

To stay updated with international trends and maximize President Chain Store Corporation’s external impact in sustainability, we set up a Sustainable Procurement Task Force in 2021 to prioritize the purchase of equipment with eco-friendly or energy-saving labels. We set and review the annual procurement amount and actively increase the percentage of raw materials with sustainability certifications to enhance the benefits of sustainability for the overall supply chain in terms of environmental protection, animal welfare, energy saving and carbon reduction. The manufacturers that produce private-label products choose PB joint-purchase materials to stay in line with the principle of prioritizing the procurement of agricultural products that value environmental protection, animal welfare and traceability. We also help raw material suppliers develop the philosophy of sustainable operations to ensure effective management of the source of private-label products. The Sustainable Farm project was launched in 2023 to create a module of circular economy together with private-label brand suppliers to contribute to the development of local sustainable agriculture. Please refer to [the sustainability column “Sustainable Farm”](#) for further details.

### Green Procurement and Sustainable Raw Materials

#### Green Procurement

President Chain Store Corporation actively manages equipment, consumables and building materials by promoting green procurement. Green building materials are chosen for store renovations, and equipment and consumables that have obtained energy labels, environmental labels or certifications, or have actual environmental protection benefits are purchased for use in stores. The scope of green procurement was expanded in 2023 to adopt solely coffee cups with FSC forest management certification as a leader in the industry. The amount of procurement reached NT\$330,914 thousand with a growth of nearly 5 times compared to 2022, with the hopes of reducing the consumption of natural resources and negative impact on the environment while maintaining smooth operations and service quality. The total amount for green procurement in 2023 reached NT\$1.784 billion, accounting for 15.91% of the total annual procurement amount of President Chain Store Corporation and reaching the 12% annual target. The target for 2025 has been increased to 16%.

Categories of Green Procurement	Items for Procurement	Amount (NT\$ thousand)
Energy Star	Meets the requirements of the United States’ Energy Star product energy efficiency	LCD screens, laser printers 84,415
RoHS	Verifying that electrical and electronic products comply with the EU’s RoHS Directive (Restriction of Hazardous Substances Directive)	Uninterruptible power supplies, ST, Switch, WAP, POS cash registers/back-office computers 768,511
Energy-saving Label	Air Conditioner Efficiency Label – Cooling Seasonal Performance Factor (CSPF) Level 1 Energy Label, Bureau of Energy, Ministry of Economic Affairs	Inverter air conditioners, circulation fans, LED lamps 397,319
Green Building Material Label	Obtaining the Green Building Material Label of the Taiwan Architecture & Building Center or adopting patented eco-friendly construction methods	Green building materials 88,448
Actual environmental protection benefits	1. Plastic replacement 2. Customized equipment that has been tested by President Chain Store Corporation and proven to have energy-saving benefits	Eco-friendly packaging materials used in stores: PLA coffee cups, ice cream/slushy cups, PLA/paper straws 114,639
FSC, PEFC certification	The manufacturing process of wood products is in compliance with FSC and PEFC requirements for sustainable operations	Coffee cups, paper bags, stirrers, disposable chopsticks for boxed meals, Paper Star copy paper 330,914

Total amount of green procurement **1,784,246**

In 2023, 61.49% of the total procurement amount of paper food packaging materials such as paper cups, paper bags, cartons and paper bowls used in the stores are produced by factories verified by FSC™/PEFC™.



## Sustainable Raw Materials

President Chain Store Corporation prioritizes the procurement of raw materials with environmental protection, animal welfare and energy-saving or carbon reduction labels, as well as working with suppliers to provide customers with more sustainable choices. Joint-purchase raw materials are mostly used for private-label products, including boxed meals, cold noodles, sandwiches, coffee and freshly-brewed tea. In 2023, the procurement amount for sustainably-procured raw materials reached NT\$ 5,023 million (Note), reaching 24.47%. Moreover, coffee with rainforest certifications are sold in the stores, and FSC certification has been introduced to the iselect refrigerated beverage packaging materials. Revenue from the two aforementioned types of products reached NT\$151.88 million.

(Note 1) This includes the amount for sustainable procurement with international and local certifications. In addition to the relevant category certifications listed in the table below, processed products derived from those certifications are included (for example, directly processed products of raw materials such as fried pork ribs, roasted beef, or processed condiments using soy from certified sources are included in the calculation).

Category	Certification	Certification/Label
Soy	U.S. Soy Sustainability Assurance Protocol	
Vegetables and rice	TGAP	
Aquaculture	ASC (The Aquaculture Stewardship Council)	
Beef	PAACO (Professional Animal Auditor Certification Organization), AAWCS (The Australian Livestock Processing Industry Animal Welfare Certification System)	
Wild fish	MSC (Marine Stewardship Council)	
Poultry	Taiwan Animal Welfare System, PAACO (Professional Animal Auditor Certification Organization)	
Pork	Better Life Label, Certified Humane®, G.A.P Certification, IAWS (Interporc Animal Welfare Spain)	
Dairy	ISO 14067 Product Carbon reduce	
Packaging	FSC · PEFC	

## Local Procurement

President Chain Store Corporation supports local agriculture, fishery, vegetables and fruits with three strategies of “stable procurement,” “sustainability” and “planned support.” We believe that supporting local products not only reduce carbon footprint to realize environmental sustainability, it also brings economic benefits to local farmers as a way to help the society. In 2023, over 60 products in our own private-label products use Taiken 9 and Tainan 11 rice certified with a “Taiwan Rice Label” from the Agriculture and Food Agency, Council of Agriculture, Executive Yuan. In the meantime, President Chain Store Corporation works on building a high-quality fresh vegetable and fruit supply chain by cooperating with more than 40 production and marketing groups as well as over 300 fruit farmers. The products are sold on the “iPre-order” platform. President Chain Store Corporation also launched the Youth Deep Roots Program together with the Good Neighbor Foundation to turn the stores into a platform for young local entrepreneurs by helping them put great products on the shelves.

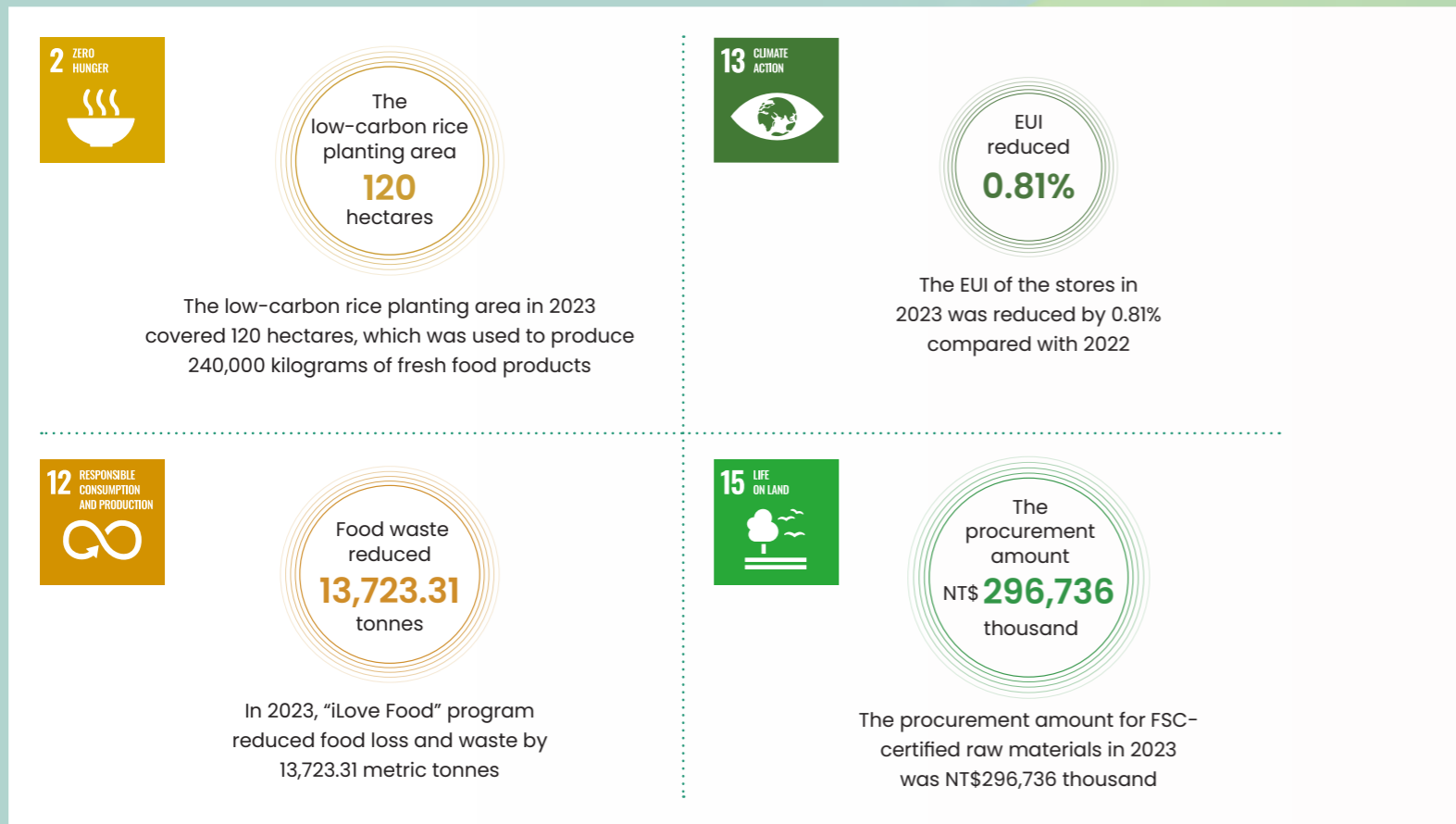
In 2023, President Chain Store Corporation procured and used a total of 103,000 metric tonnes of special agricultural products worth NT\$10.82 billion, including rice, chicken, pork, eggs, vegetables and fruits. The percentage of agricultural products procured by suppliers in Taiwan accounted for 79% of the total at NT\$7.34 billion, which was 68% of the overall procurement amount. In the future, we will continue to increase the proportion of local procurement, actively cooperate with stakeholders, and maximize our sustainability impact as a retail business by providing consumers with more benign choices that are friendly to the environment and society.

Area	Procurement quantity (metric tonnes)	Percentage of suppliers by area (%)	Procurement amount (NT\$100 million)	Proportion of procurement amount (%)
Locally sourced agricultural products (Local)	81,814	79%	73.4	68%
Non-locally sourced agricultural products (foreign origin)	21,507	21%	34.8	32%
<b>Total</b>	<b>103,321</b>	<b>100%</b>	<b>108.2</b>	<b>100%</b>



# 04 Creating a Sustainable Planet

At present, various environmental issues such as climate change, plastic pollution, food loss and waste, and waste management are closely related to sustainable corporate operations. Effectively adopting green operations, optimizing resource efficiency and realizing environmental sustainability are important elements in President Chain Store Corporation's overall operating value chain. As the leader in convenience stores, we hope to strike a balance between convenience and environmental impact by being committed to reducing the negative impact of plastics, waste disposal, food loss and waste in our operations, as well as actively improving our ability to address climate change issues.



<p><b>Policies and Commitments</b></p>	<p><b>Management Policies</b></p> <ul style="list-style-type: none"> <li>● Environmental policy</li> <li>● GHG policy</li> <li>● Energy policy</li> <li>● Packaging material management</li> <li>● Waste management</li> <li>● Food loss and waste management</li> </ul>
	<p><b>Management Actions</b></p> <ul style="list-style-type: none"> <li>● Inventory and management of environmental information (greenhouse gas emissions, packaging material consumption, waste removal and food loss and waste production in the stores)</li> <li>● Energy-saving and carbon reduction actions and low-carbon transition plan for own operations and value chain</li> <li>● Adaptation strategies for climate-related physical and transition risks</li> <li>● Actions towards plastic reduction (reducing product packaging and single-use plastic used for in-store services, expanding recycling mechanism, building a model for recycled cups, procuring packaging materials with sustainability certifications)</li> <li>● Food loss and waste management (reducing the scrap rate of fresh food, improving the management mechanism of the manufacturers, improving the recovery rate of food waste, upgrading order-to-deliver system)</li> <li>● Waste management (setting up a convenient recycling platform in stores, refurbishment and reuse of store equipment, waste reduction for all operating locations, managing waste flows with suppliers)</li> </ul>



# 4.1 Environmental Management

## Policies and Commitments

To realize the vision of green operations, President Chain Store Corporation has formulated policies and plans about environment management, covering areas such as energy, greenhouse gases, water resource, biodiversity, waste and food waste management as the guiding principles for the Group's actions on environmental issues. Short, medium and long-term targets have been set based on this foundation (see [1.4 Process Management of Sustainable Targets](#)) to incorporate the concept of environmental sustainability into all aspects of the value chain. Year 2021 was declared as the "Year One of Sustainability" for President Chain Store Corporation. We have incorporated different sustainability policies such as plastic reduction, carbon reduction, and food waste reduction to our operations and business model in order to make green consumption a part of daily life based on the concept of "Planet Sustainability In Our Everyday Life." Moreover, President Chain Store Corporation has set up the Integrated Services Center hotline (0800-008-711) and email (public@mail.7-11.com.tw) as convenient channels to further communications with stakeholders.



President Chain Store Corporation is dedicated to becoming the best retailer, providing the most convenient lifestyle services and fulfilling our responsibilities as a corporate citizen. To this end, four task forces of "Plastic Reduction," "Carbon Reduction," "Food Waste Reduction" and "Sustainable Procurement" under the Environmental Group of the Sustainable Development Committee have been selected to take charge of ESG policies, systems or management regarding various environmental aspects as well as proposing and formulating concrete action plans. Our commitments are as follows:

- Comply with environmental protection laws and regulations and prohibit any behavior that may harm the environment.
- Continuously improve our environmental protection performance, as well as optimizing our surrounding environment.
- Cherish the use of resources and increase recycling and reuse, sticking to the principle of "making the most of resources."
- Endeavor to reduce the amount of waste based on the concept of "pollution prevention."
- With consideration to the environmental impact of our products and services in each phase of the life cycle from R&D, design, manufacturing, packaging to delivery, we will reduce resource consumption and increase the efficiency of resource use.
- Build up an eco-friendly value chain step-by-step, take environmental aspects into the suppliers screening, new projects developing and decisions making of merge and acquisition.
- Care for community development and manage sustainable relationships with local communities.
- Promote environmental education and training, share environmental protection concepts with stakeholders like employees and customers in order to protect the environment together
- Set short- and medium-term environmental management goals to actively reduce the negative impact on the environment from the production process to the value chain of distribution and logistics.
- Promise to achieve the net-zero emissions target for Taiwan's store operations by 2050 in response to the Paris Agreement's global strategy of limiting global warming to within 1.5°C.
- Commit to reducing 30% of plastic consumption for President Chain Store Corporation's private-label packaging/materials by 2030 compared to 2019, in line with the Global Plastics Treaty.



As we strive to meet customer needs, we have made energy conservation and carbon reduction actions a core value of our business strategy. We use our stores as a base for energy conservation and carbon reduction by maximizing our advantage as a retail channel. We also exert our influence through the benefits of energy conservation.

Our commitments:

- Complying with the government's energy laws and regulations and continuing to make energy improvements.
- Expanding stores with energy saving designs and developing and selling energy-efficient products.
- Optimizing our energy use to achieve sustainable corporate development.



As a member of the global village, President Chain Store Corporation lays great emphasis on the use of energy and resources, as well as the environmental impact. To fulfill our corporate responsibilities, we will control and manage the current status of greenhouse gas emissions and promote energy-saving and carbon-reduction plans based on the result of the inventory. President Chain Store Corporation has committed to achieving net-zero for Scope 1 and 2 greenhouse gases within its operations by 2050.

## Communications and Incentives

President Chain Store Corporation shares ideas with store employees by integrating policy with practice through a variety of campaigns, online courses and education and training, helping each employee incorporate environmental management in their daily routines. In 2023, a total of 17,975 store employees completed the campaign and training course related to environmental protection, including employees of directly operated stores and franchisees with a total of 3,376 hours. In order to increase the awareness of procurement personnel on sustainability issues, a session on trends in carbon reduction and sustainability in the retail industry was organized with a total of 200 man-hours.

Environmental Protection Campaigns or Training Courses in 2023

Topics	Targets	Man-Hours
Plastic Reduction Online Course	All employees/franchisees	677
Compliance campaign: eliminating plastic straws	All store employees	45
In-store recycling and coffee ground reuse	All store employees/franchisees	167
In-store energy-saving and carbon reduction measures	All store employees/franchisees	785
Coffee quality assurance and raw material management of regulations on the use of plastic straws, encourage the use or reusable cups	All store employees/franchisees	1701
Trends in carbon reduction and sustainability in the retail industry	Procurement unit	200

To encourage employees to actively manage energy use in stores, President Chain Store Corporation has formulated the "Energy Conservation Incentive Measures for Stores." The measures include the electricity fee management outcomes of newly opened and renovated stores, and take the power consumption management of existing stores and energy conservation improvements into employees, store and regional engineering performance appraisal items. Monetary rewards are given to those who discovered abnormal store electricity bills. In 2023, NT\$31,755 was given out as reward to those discovering abnormality in store electricity bills. As Taiwan Power Corporation adjusted peak and off-peak hours this year, the employees attempted to mitigate the impact of this measure on store electricity consumption through reviewing abnormalities in bills. As a result, reward money increased compared to previous years. As of 2023, the cumulative of NT\$49,484 was given out as reward money.

In addition to internal training for store employees, President Chain Store Corporation continues to launch various sustainable initiatives to integrate sustainable actions into consumer behavior. This includes taking the initiative to stop offering single-use cutlery in the stores, recycling plastic packaging for shopping discount and waste batteries and electronics for cash back, double points for plastic reduction products and so on. In 2023, we continue to expand the OPEN iECO Recycled Cups Renting Service to include affiliated companies such as Starbucks and 2iPlus. In addition, we launched the Intelligent Automatic Recycling Machine service to exchange for monetary reward for recycling, as an attempt to increase the consumers' willingness to recycle PET bottles and batteries. President Chain store Corporation hopes to encourage consumers of all ages to support eco-friendly actions through the stores as well as online and offline channels, making sustainability part of everyone's daily life.

### Water Resource Management

Water supply and quality have a direct or indirect impact on the business model of chain stores regarding the products and services we can provide to the consumers. Especially in areas with tight water resources, how to reduce the operational impact on the local water resources is one of the key focus in overall operating value chain. All operating locations of President Chain Store Corporation use tap water. Besides for the fresh-brewed beverages, the overall water consumption is the most for store cleaning. For the moment, water-saving taps and toilets have been introduced in all stores. Some stores are also running a pilot program to use RO (reverse osmosis) residual water and collected rainwater for cleaning the stores.

After analyzing the correlation between operating activities and water consumption of stores, we deducted the water used for fresh-brewed beverages as the base for managing store water consumption. President Chain Store Corporation commits to reduce the water consumption per store by 1% compared with previous year and set the base year as 2019 (after deducting the water used to fresh-brewed beverages). By 2025, the water consumption should be reduced by 5% compared to the base year. In 2023, the total water withdraw of President Chain Store Corporation was 3,272,705.04 cubic meters, and the total water consumption was 129,723.72 cubic meters. The scope covers stores, head office, shopping centers and regional offices. The scope covers stores, headquarters, shopping centers and regional offices. Moreover, the average water consumption per store in 2023 was 433.93 cubic meters, a decrease of 4.87% compared with the base year. In the future, we will continue to track the changes in water consumption as a reference for future target setting and water management.

Although the headquarters building accounts for a relatively small amount of water consumption, we set an example by closely monitoring the annual water consumption as an internal management indicator, as well as reducing water consumption through water-saving actions. For example, in order to reduce the amount of water coming out of the taps in restrooms and coffee rooms, we installed water-saving devices at the urinals, adjusting the optimal water output of the toilets, reducing the frequency of sprinklers and so on.

### Biodiversity Management

In the current era of rapid globalization and urbanization, chain convenience stores have long been part of people's daily lives. President Chain Store Corporation clearly understands that in addition to the impact on nature, our value chain activities also have a high degree of impact on natural resources. Therefore, protecting biological diversity is the embodiment of our environmental responsibility, as well as the key to sustainable development.

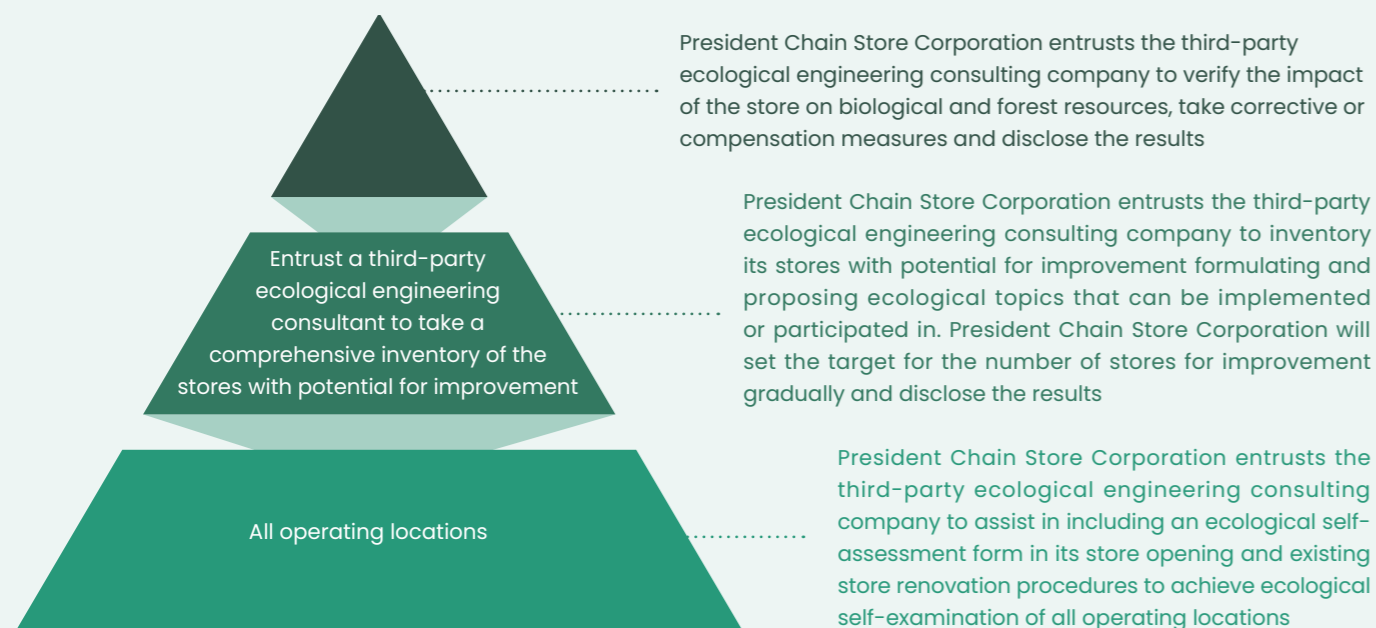
From 2022, President Chain Store Corporation passed the Biodiversity Policy and No Deforestation Commitment, promising all operating locations and its supply chain will follow the principles of biodiversity protection and no deforestation.

Items	Biodiversity
Scope	All operating locations and the supply chain
Target year	Complete the process formulation and degree of quantifiable impact by 2025
	Net Positive Impact by 2050
Execution Policies	Commitment to include a biodiversity assessment in the system
Principle	Conducting a biodiversity risk assessment for the value chain by following the mitigation hierarchy, covering operating locations, supply chain and partners (manufacturers and franchisees), as well as selecting material issues based on risk levels, set measurable management goals, take mitigation actions, as well as publicly disclose relevant results and share them with stakeholders.
	Requirement for the value chain to commit to avoiding operating activities in areas with important biodiversity at home and abroad. The value chain includes operating locations, supply chain, and partners (manufacturers and franchisees).
	Commitment to play an active role in the value chain of President Chain Store Corporation, covering operating locations, supply chain and partners (manufacturers and franchisees). In addition to entrusting a third-party ecological consulting company to assist in reducing damage to ecological resources with correction, minimization, or compensation measures, the goal of no net loss (NNL) is set in priority areas.
	Commitment to actively engage in biodiversity discussions with stakeholders to ensure that President Chain Store Corporation and all stakeholders move towards the goal of achieving a net positive impact by 2050.

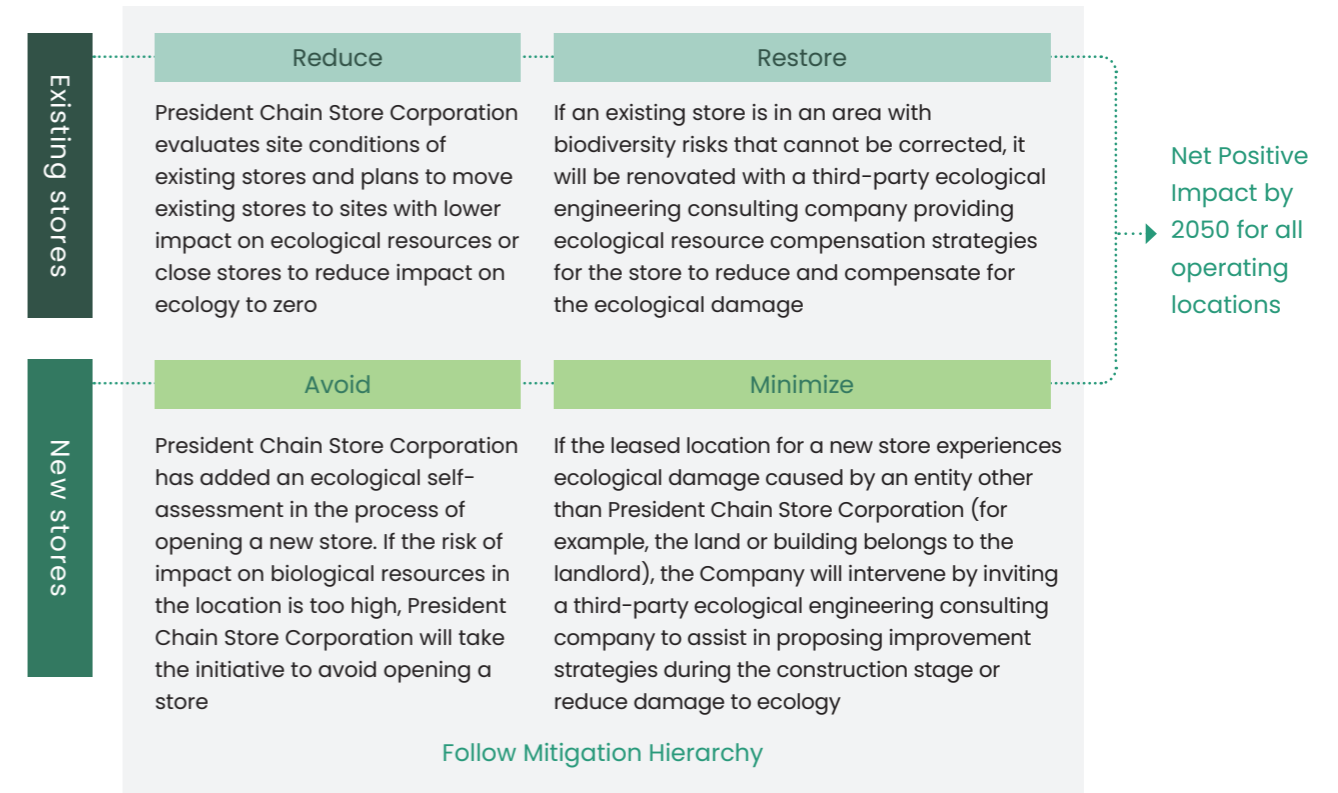
Items	No Deforestation
Scope	All operating locations and the supply chain
Target year	Complete the process formulation and degree of quantifiable impact by 2025
	No Net Deforestation by 2035
	No Gross Deforestation by 2050
Execution Policies	Commitment to include a no deforestation verification mechanism in the system
Principle	Completion of inspections in order of levels and risks year by year with results published.
	Commitment to follow the principle of no net deforestation for our operating locations, areas adjacent to scope of our operations, supply chain, partners (manufacturers and franchisees) and stakeholder activities.
	Commitment that the Company will play an active role, participate in afforestation activities, and follow the principle of zero net deforestation.
	Commitment that the Company's operating locations and supply chain will meet the principle of zero gross deforestation by the target year.
	Commitment to engage in biodiversity discussions with stakeholders.





To effectively carry out actions towards biodiversity protection and mitigation, President Chain Store Corporation has set up our biodiversity risk assessment process. In 2023, we conducted a biodiversity risk analysis using the International Biodiversity Assessment Tool (IBAT). The results showed 10 stores located in nature reserves designated by the government, national parks, national natural parks or important wildlife habitats.

 Level inventory



We follow four major mitigating principles when planning our actions towards biodiversity protection.



Mitigation Hierarchy	Performance in 2023
 Avoid	President Chain Store Corporation has added an ecological self-assessment in the process of opening a new store, avoiding opening new stores in locations where the risks for biological resources are too high. This measure helps us identify and avoid potential risks for biodiversity in advance.
 Reduce	President Chain Store Corporation evaluates site conditions of existing stores and plans to move existing stores to sites with lower impact on ecological resources or close stores to minimize the impact on ecology when necessary. If the leased location for a new store experiences ecological damage caused by an entity other than President Chain Store Corporation (for example, the land or building belongs to the landlord), the Company will intervene by inviting a third-party ecological engineering consulting company to assist in proposing improvement strategies during the construction stage to reduce damage to biodiversity.
 Regenerate	President Chain Store Corporation invests in the "Sustainable Farm" program to recycle food waste from the stores, turn it into organic fertilizer for crops while promoting soil regeneration (for detailed management measures, please refer to <a href="#">the Sustainability Column - Sustainable Farm</a> ).
 Restore	President Chain Store Corporation procures sustainable raw materials, such as FSC-certified paper packaging materials, coffee with rainforest certification, etc. This type of procurement not only ensures our raw materials have limited impact on the environment but also supports the recovery of the ecosystem for the raw material (for detailed management measures, please see <a href="#">3.4 Sustainable Procurement</a> ).
 Transition	President Chain Store Corporation continues to promote various transition programs to reduce the impact of its operations on the eco-system. In 2023, we collaborated with the industry, government and academia on a low-carbon rice project. Low-carbon rice planting can reduce water use for irrigation by 30% compared with conventional farming practices, as well as improving soil microbial diversity in rice fields (for detailed management measures, please refer to <a href="#">the Sustainability Column - Low-Carbon Diet</a> ).

## 4.2 Packaging Material Management

### Policies and Commitments

As plastic is one of the most common choices among packaging materials in retail industry with its durability and low costs, the society has been closely examining the use of plastics in packaging and packaging materials at supermarkets, convenience stores and hypermarkets that are closely related to everyday lives. In 2022, a total of 175 countries around the world signed the Global Plastics Treaty to formulate specific and mandatory regulations for solving the problems of plastic waste in various countries from production, consumption to disposal, as well as gradually limiting and reducing the use of plastics.

To respond to the global trend in plastic reduction, stakeholders' concerns about plastic pollution and strengthen sustainable operations, President Chain Store Corporation hopes to strike a balance between convenience and environmental impact by committing to reducing plastic pollution in its own operations.

To this end, President Chain Store Corporation has planned ahead of the schedule for international conventions. It set up a Plastic Reduction Task Force in 2020 to formulate a comprehensive management policy for private-label product packaging materials to achieve a business model striving for plastic reduction and environmental protection from top to bottom. Starting from the private-label product, we actively carry out plastic reduction management actions, integrate various operations strategies such as products, services, logistics and e-commerce in order to achieve the vision of completely phasing out single-use plastics in our operations by 2050. For the detailed plastic reduction progress in 2023, please refer to [1.4 Process Management of Sustainable Targets](#).



The procurement of eco-friendly, certified packaging materials and lightweight packaging design should be prioritized in consideration of environmental and ecology protection, while achieving sustainable operations. A target for packaging reduction for private-label products has also been set.



Reduce the amount of single-use plastic at the source:

- The stores no longer offer customers straws. Without providing plastic net bags for free, plastic consumption reduced by 22.62 metric tonnes, resulting in a 94.61% reduction compared to 2022.
- Ice makers were introduced to reduce the amount of plastic packaging used for ice cubes. A total of 62.8 million plastic bags were reduced in 2023, the equivalent of 125.6 metric tonnes of plastic reduction.



President Chain Store Corporation worked with President Packaging Ind. Corp., an affiliated company, to establish and develop recycled cup renting services to transit from manufacturing single-use containers to developing reusable containers:

- Introduced the "OPEN iECO Recycled Cups Renting Service" as part of the recycling mechanism in compliance with regulations. 1,042 stores adopted the "OPEN iECO Recycled Cups Renting service" in 2023, exceeding our target of 1,000 stores. 18.90% of consumers brought their own cups, exceeding the annual target of 15.00%.
- We also encourage the consumers to use reusable packaging materials (or containers). A reward is also given for consumers who use their own reusable cups for fresh-brewed beverages. President Chain Store Corporation responded to the regulation in advance, bringing own reusable cup according to the regulations of the Ministry of Environment will entitle the customers to a discount of NT\$5. Moreover, on the first of each month, bringing own reusable cup for "CITY" brand fresh-brewed beverages will entitle them to an NT\$7 discount.



Packaging materials for cup sleeves and cup holders are made of recycled materials, with the cup sleeves consisting of 65% recycled paper and the cup holders consisting of 100% recycled paper.

- FSC-certified paper cups were introduced and used in retail stores in 2023.



President Chain Store Corporation has set up Plastic Reduction Task Force as an internal cross-functional team to consolidate the Company's efforts in plastic reduction. By combining the power of internal employees and external suppliers, the Plastic Reduction Task Force promotes packaging plastic reduction strategies, targets, and action plans, while holding regular meetings to ensure the progress of each actions. The task force took about NT\$2.5 million each year in manpower and testing resources, such as task force operations, R&D, testing costs in manpower and raw materials. The Plastic Reduction Task Force also stays on top of information on external competitiveness and the industry with the assistance of consulting company.

Plastic Reduction Task Force	Missions
Coffee Division	Reduce the packaging of fresh-brewed beverages, and introduce incentive scheme for reusable cups
Fresh Food Division	Reduce the weight of plastic used in fresh food packaging and increase the percentage of paper containers
Product Division	Introducing products with lightweight plastic containers
Marketing Division	Collaboration and communications with private-label suppliers, development of alternative materials and optimization of packaging weight reduction
Operations Division	In-store recycling mechanism optimization and store employees' awareness of plastic reduction build
Procurement Division	Procurement of store supplies, weight reduction for cutlery, development and introduction of alternative materials
Public Affairs Division	Internal and external communications, raising awareness for consumers
Human Resources Division	Internal education and training to increase the awareness of plastic reduction
Administrative Service Division	Internal plastic reduction action planning

### Statistics of Packaging Material Consumption

#### Plastic Packaging Material

To enhance the efficiency of packaging material management, President Chain Store Corporation has redefined the classification of plastic packaging materials. Plastic consumption in each stage is inventoried for private-label products and services according to "usage" and "material." The performance and goal achievement is reviewed every quarter with corresponding plastic reduction action plans formulated.

Plastic Classification		Description
Usage	Reusable plastic	Packaging that can be refilled or reused for the same purpose without ancillary products after cleaning. They can circulate on the market to make the packaging reusable and refillable
	Single-use plastic	Plastic packaging that is single-use or for short-term use, and not reusable <sup>(Note 1)</sup>
Material	Recyclable plastic	Recyclable plastics as defined by the Ministry of Environment <sup>(Note 2)</sup>
	Compostable/decomposable plastic	Compostable and technically recyclable plastic packaging has been developed
	Plastic with recycled content	Plastic products containing recycled plastic
	Other plastic	Plastics that cannot be recycled, composted/decomposed or without recycled content

(Note 1) Even if the garbage bags in the stores and plastic straws are made of recycled materials, they are still considered as single-use plastics.

(Note 2) The Ministry of Environment defines recyclable plastics as PET, PVC, PE, PP, PS, unexpandable PS and others. If the material itself is recyclable without having obtained the recycling label from the Ministry of Environment, or if it cannot be properly recycled in the current waste disposal system, it is not considered as recyclable.

President Chain Store Corporation has publicly announced a phased reduction targets for “single-use plastics,” with the proportion of “other single-use plastics” being less than 20% in 2023, 10% by 2028 and completely eliminated by 2050. The total plastic packaging materials consumed by President Chain Store Corporation in 2023 was 10,292.92 metric tonnes, an increase of 1.2% compared to 2022. The consumption of “recyclable plastics” increased by 5.3% compared to 2022, mainly due to the increase in sales of coffee and other fresh food products. The consumption of “plastic with recycled content” increased by 15.6% compared to 2022, mainly due to the increase in the number of stores and garbage bags consumption. “Compostable/decomposable plastics” will be phased out in compliance with regulations starting from 2022 on PLA cups for cold beverages, as well as the PLA material of tea egg cartons gradually replaced by recyclable PET material in 2023. The overall consumption decreased 51.8% compared to last year, as well as increasing the amount of recyclable plastics. “Other single-use plastics” accounted for 22.47% of the total plastic consumption in 2023, mainly due to the increase in the consumption of shopping bags and cutlery due to the increase in customers. However, it is still higher than the 20% target. We will continue to monitor the consumption of single-use plastics and implement improvement measures. Please refer to the “[Plastic Reduction Management Actions](#)” paragraph for detailed management measures.

Changes in Plastic Packaging Material Consumption for President Chain Store Corporation’s private-label products from 2022 to 2023

Plastic Classification	Weight (Metric Tonnes)		Differences between the Two Years	
	2022	2023		
Usage	Reusable plastic	420.03	22.62	-94.6%
	Single-use plastic	9,748.37	10,270.30	5.4%
Material	Recyclable plastic	7,040.76	7,410.76	5.3%
	Compostable/decomposable plastic	193.53	93.24	-51.8%
	Plastic with recycled content	392.33	453.65	15.6%
	Other plastic	2,541.77	2,335.26	-8.1%
Total Weight		10,168.40	10,292.92	1.22%

## Non-plastic Packaging Materials

President Chain Store Corporation strives to reduce the consumption of plastic packaging materials for private-label products and services, as well as looking to incorporate non-plastic packaging materials with sustainability certification. In line with President Chain Store Corporation’s Sustainable Procurement Policy, the targets for private-label products packaging by paper materials with sustainability certification have been set for 2030 and 2050 to reach 70% and 100%, respectively. We also continue to work towards getting sustainably-certified materials for paper bowls and cup sleeves used in the stores. In 2023, the consumption of non-plastic packaging materials (including paper/wood, metal) increased by approximately 5.2% compared with 2022, mainly due to the increase in coffee sales increasing the consumption of paper cups and outer packaging for coffee beans. In addition, the increase in fresh boxed meal sales has also increased the consumption of paper box packaging materials.

Statistics of Packaging Material Consumption in Each Life Cycle Stage for Private-label products and services in 2023

The Life Cycle Stage of Private-label Products and Services		Manufacturing and Production	Supplier/Manufacturer	Logistics Delivery to Stores	Store Sales and Services	Total Weight (Metric Tonnes)
Packaging Material		<ul style="list-style-type: none"> <li>Fresh food packaging, fresh-brewed beverages supplies, cutlery</li> </ul>	<ul style="list-style-type: none"> <li>Fresh food sealing film</li> </ul>	<ul style="list-style-type: none"> <li>Delivery cartons</li> </ul>	<ul style="list-style-type: none"> <li>Store supplies, such as shopping bags, cutlery, “MyShip”/E-commerce packaging, tapes, buffer packing material, store garbage bags, etc.</li> </ul>	
		<ul style="list-style-type: none"> <li>Outer packaging for coffee and tea</li> </ul>	<ul style="list-style-type: none"> <li>Box packaging, paper container for fresh food</li> </ul>	<ul style="list-style-type: none"> <li>Shipping film</li> </ul>	<ul style="list-style-type: none"> <li>Online shopping center distribution cartons, “MyShip” boxes, fresh food cartons, paper bowls and store supplies</li> </ul>	
Classification		Weight (Metric Tonnes)				10,292.92
Usage (Plastic)	Reusable plastic	0.00	0.00	0.00	22.62	
	Single-use plastic	6,453.99	0.00	25.97	3,790.34	
Material (Plastic)	Recyclable plastic	5,685.60	0.00	0.00	1,725.17	10,292.92
	Compostable/decomposable plastic	93.24	0.00	0.00	0.00	
	Plastic with recycled content	0.00	0.00	0.00	453.65	
	Other plastic	675.15	0.00	25.97	1,634.14	
Material (Others)	Paper/wood	1,142.88	855.22	366.44	9,770.61	12,135.15
	Metal	274.87	-	-	-	274.87

● Plastic ■ Paper/Wood ◆ Metal (composite material)

(Note 1) The scope of statistics includes the packaging of private-label products of President Chain Store Corporation and the items sold and serviced in the store (in addition to the outer packaging of the items, the materials used for the items and the packaging used for logistics and distribution are also included). The statistics of plastic packaging materials cover 100% of private-label products. The statistics of non-plastic packaging materials cover 100% of private-label products.

(Note 2) The inventory of paper/wood includes the statistics of general cartons, paper containers with coating, as well as materials for cutlery packaging and content for store supplies.

## Plastic Reduction Management Actions

President Chain Store Corporation has engaged in three aspects to reduce plastic, including “reduction at the source,” “innovative packaging” and “encouraging customers to bring their own containers” since 2019. The Plastic Reduction Task Force was set up in 2020 to integrate strategies related to plastic reduction. We have started with the reduction of single-use plastics in private-label products and services, redesigned product packaging to reduce plastic consumption, introduced certified paper materials and recycled plastics, as well as reducing single-use containers by offering discounts for customers. In addition, President Chain Store Corporation integrated Group resources to set up the “OPEN iECO Recycled Cups Renting Service” in 2022. By the end of 2023, a total of 1,042 stores have been incorporated with the hope of providing convenient services while working towards environmental protection.

### 2019

- All fresh-brewed beverages in the stores adopted paper cups with strawless sip-lids
- All stores stopped offering plastic straws

### 2021

- Launch of lightweight and reusable shopping bags
- Redesign of the packaging of fresh food such as rice served with meat on top, cold noodles, hot dog buns, etc. to make it lighter
- All garbage bags used in stores are made of 100% recycled materials
- “Unlabeled mineral water” was launched in collaboration with Uni-President Enterprises Corporation
- Launch of circular packaging used for e-commerce in collaboration with the social enterprise PackAge+
- The reward for bringing your own cup on the 1st of every month increased from NT\$3 to NT\$5
- President Chain Store Corporation recycled PET bottles and empty milk bottles to be made into handmade drink carriers and newsboy bags by Story Wear

### 2023

- Ice makers have been expanded to 2,457 stores
- “OPEN iECO Recycled Cups Renting Service” introduced to over 1,000 stores
- Packaging for two salads was replaced with certified rPET

### 2020

- President Chain Store Corporation set up the “Plastic Reduction Task Force” to formulate and manage plastic reduction actions
- President Chain Store Corporation announced its long-term plastic reduction goal to “completely eliminate other single-use plastics by 2050.”
- Launched the “Packaging Material Weight Reduction Project” to promote lightweight fresh food packaging
- Launched the “Cups for Rent Project” in collaboration with the social enterprise Good to Go
- Pilot program for recycling PET bottles with the “Automatic Recycling Machine”

### 2022

- Redesigned sandwich packaging to reduce plastic consumption by approximately 12.5% on average
- Produce planting bags were replaced by kraft paper bags, reducing approximately 0.96 metric tonnes of plastic
- Fresh food packaging such as tea egg bags, Oden bowl lids and disposable tableware were resigned to be lightweight
- Ice makers were introduced into 750 stores to reduce the consumption of packaged ice cubes
- “Intelligent Automatic Recycling Machine” introduced to recycled PET bottles and batteries in the stores
- President Chain Store Corporation integrated group resources to introduce “OPEN iECO Recycled Cups Renting Service” to 500 stores

## Single-use Plastic Reduction

### Plastic Reduction for Product Packaging

President Chain Store Corporation are committed to reducing the burden on the earth from product packaging. Since 2019, President Chain Store Corporation has been working on reducing the environmental impact by expanding the use of recycled plastics and continuous promotion of the “Packaging Material Weight Reduction Project.” In 2022, the plastic packaging material for our sandwiches was redesigned with a weight reduction of 12.5%. Moreover, we worked together with Uni-President Enterprises Corporation to launch the label-free bottled water, reducing plastic consumption by 0.46 tonnes compared to regular bottled water. In 2023, roughly 592,000 reusable shopping bags were sold, estimated to reduce plastic consumption by 4.47 tonnes. In the future, we will continue to reduce the consumption of single-use plastic.

In recent years, President Chain Store Corporation has actively collaborated with suppliers on ways to reduce plastic in fresh food packaging materials. We increased paper packaging for boxed meals in 2023, reducing approximately 894 metric tonnes of plastic. In 2024, we will further replace lids of boxed meals with sealing films. Moreover, recycled PET (rPET) made from recyclable materials such as PET bottles has been adopted in two fresh salad packaging containers. We continue to source new composite paper materials to reduce the use of plastic packaging materials for fresh food.



### Plastic Reduction for Store Services



To further reduce plastic consumption in the stores, President Chain Store Corporation actively followed regulations from the Ministry of Environment in 2023 to ensure the stores comply with the rule of not offering disposable cutlery, as well as adopting more lightweight packaging for fresh food cutlery. Starting from 2022, we reduced plastic consumption by 28% for each fork and 15% for each spoon. In 2023, the average monthly weight of cutlery used in a single store decreased by 30% compared to the year before. In addition, President Chain Store Corporation started introducing ice makers in the stores in 2022 to reduce packaging materials used for ice cubes in fresh-brewed beverages. In 2023, the ice makers were introduced to a total of 2,457 stores, reducing a total of 125.6 metric tonnes of single-use plastic. We will continue to move towards the goal of introducing ice makers to all stores in the future. President Chain Store Corporation switched to the users pay approach for coffee and fresh food net bags at the end of 2022 with a significant impact on reducing the number of net bags consumed by 94.61%. In addition, starting from 2023, film sealing machines were gradually introduced in stores to reduce the consumption of single-use cup lids. In comparison with a cup lid, the film is expected to reduce plastic consumption by 53.62%.

### Packaging Recycling and Reduction for E-commerce Orders

In 2022, President Chain Store Corporation reduced the weight of the “MyShip” delivery bags (by about 14.86% per piece), as well as developing and using decomposable materials for delivery bags. In 2023, these delivery bags reduced plastic consumption by approximately 2.58 metric tonnes compared to the year before, with the proportion of biodegradable materials reaching 10.86%. In addition to reducing the weight of the delivery bags, President Chain Store Corporation also optimized the service process by incorporating the OPENPOINT app. Traditional barcode slips were replaced by mobile phone barcodes, and the label sticker replaced the document holder bag to reduce the consumption of unnecessary paper and plastic. In 2023, these measures reduced the consumption of paper by 18.9 metric tonnes of paper and 18.06 metric tonnes of single-use plastic.

President Chain Store Corporation continues to work with social enterprise PackAge+ to launch “circular packaging recycling stations,” encouraging consumers to return circular packaging bags to 20 President Chain Store Corporation stores, reducing resource consumption through recycling. Starting June 2022, President Chain Store Corporation has been working with Gamania Digital Entertainment Co., Ltd. on customer gifts. The customers who receive gifts can recycle circular bags in our convenience stores, thus upgrading the recycling service.





### Expansion of the Recycling Mechanism

In response to the international ESG trend, the demand for renewable resources will increase year by year. The global plastic consumption has increased since the post-pandemic period. Some European countries have started planning to tax disposable or non-reusable plastic products from 2022, meaning disposable plastic will eventually phase out and become recyclable. Plastic wastes that are challenging to be regenerated with the current recycling mechanism are expected to become resources in the future. To stay updated with the trend, automatic recycling machines were gradually introduced to the stores in 2020, and the Intelligent Automatic Recycling Machine that can recycle PET bottles and batteries were incorporated in 2022. The scale was further expanded in 2023 with 140 stores adopting the machine, recycling a total of 7.912 million PET bottles and 2.748 million batteries. For further details, please refer to the section on [“Intelligent Automatic Recycling Machine” in the sustainability column.](#)

### Reducing Disposable Containers – Bring Your Own Cups and Reusable Cups

Reuse is the fundamental measure of reducing the amount from the source. President Chain Store Corporation encourages consumers to contribute to environmental protection by providing cups on loan, cups for on-the-spot consumption, and a discount for consumers who bring their own cups. The measures are rely on the member barcode in the “OPENPOINT” app. A pre-paid fee is charged when renting a recycled cup. If the cup is not returned in time, the pre-paid fee will be automatically deducted to make sure customers return the cups to make the service sustainable. Since 2022, in response to the increased awareness of plastic reduction and regulations, President Chain Store Corporation integrated group resources to set up the OPEN iECO Recycled Cups Renting Service. In 2023, the recycled cups renting service has been adopted by over a thousand stores as the renting serve of the largest scale provided by one single channel. The service has also gradually adopted “OPEN iECO Recycled Cup Lids” in certain stores prior to the promulgation of the Ministry of Environment regulations, hoping to make both cups and lids recyclable. To make OPEN iECO Recycled Cups Renting Service even more user-friendly, consumers can rent the cups in one store and return them to another. For further details, please refer to [the Recycled Cup Life Circle Service section in the sustainability column.](#)

## 4.3 Climate Change Mitigation and Adaptation Management

Facing the global challenges brought about by climate change, President Chain Store Corporation actively responds and adapts to the impact of climate change, not only embodying our environmental responsibilities but also ensuring the key to sustainable development.

### Climate Governance

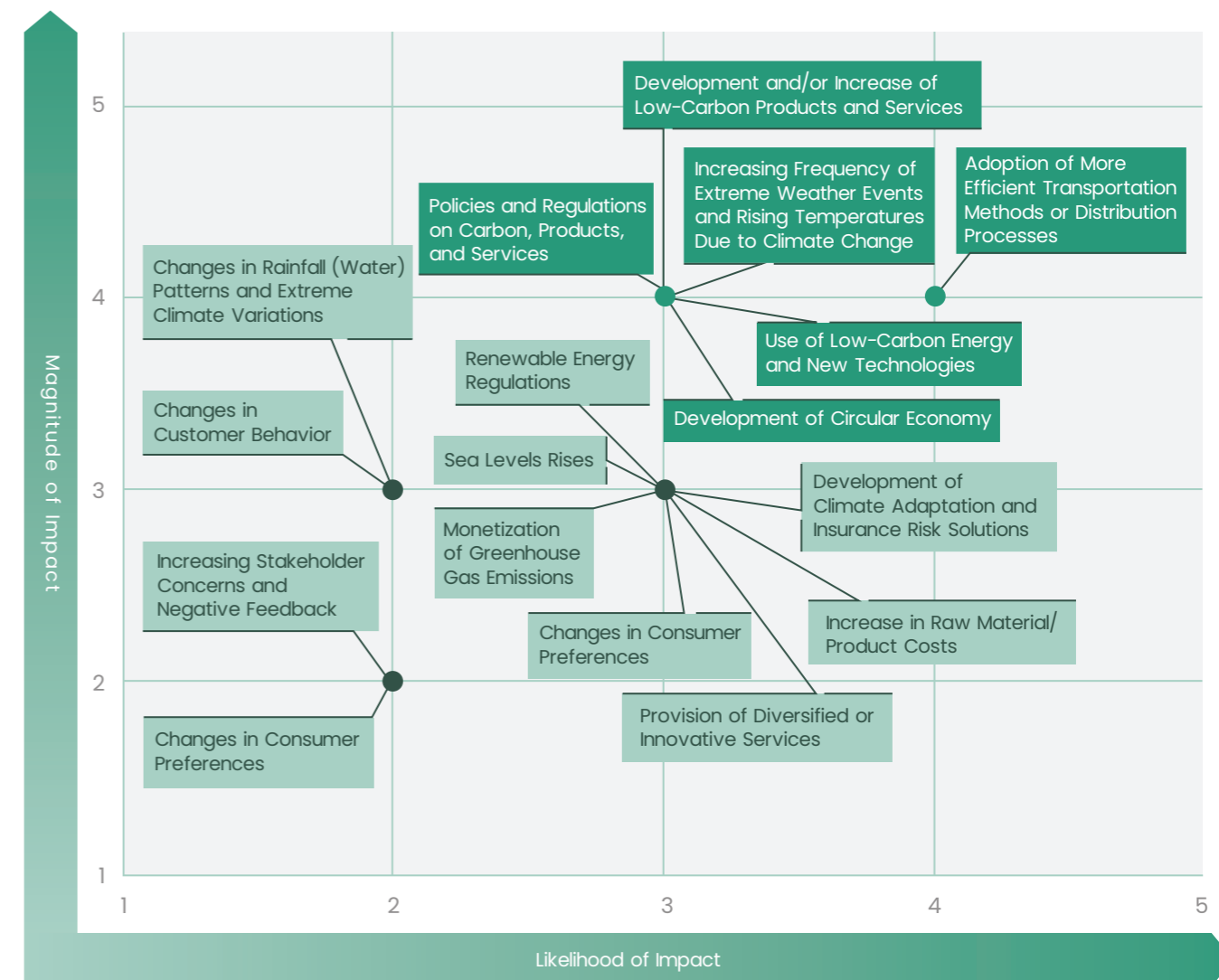
Based on this concept, we respond to domestic and foreign climate initiatives, commit to abiding by the principles of the Paris Agreement to limit global temperature rise to a maximum of 1.5°C above pre-industrial levels, as well as declaring our support for Taiwan’s Pathway to Net-Zero Emissions in 2050. To this end, we follow the PDCA cycle to formulated a net-zero transition plan for President Chain Store Corporation and developed a comprehensive climate governance structure, so as to gradually make our pathway to net-zero emissions a reality and exert a positive influence. President Chain Store Corporation’s governance structure of climate change issues has the Board of Directors as the highest governing body, with the Sustainable Development Committee underneath supervising and reviewing climate-related issues. The Carbon Reduction Task Force is the organization dedicated to assessing and managing climate change risks and issues. The Task Force plans relevant actions and reports progress to the Sustainable Development Committee. The Task Force is convened by member of the Sustainable Development Committee, with task forces specific to each department’s functions. Please refer to the President Chain Store Corporation Climate-related Disclosures Report for more details.

### Assessment for Climate Risks and Opportunities

To understand the impact of climate change issues on the operations of President Chain Store Corporation, we have re-assessed major risks and opportunities this year based on the following procedure. Three major risks and 3 major opportunities were sorted from the process. Please refer to the President Chain Store Corporation Climate-related Disclosures Report for details on the identification process.



### 統一超商氣候風險與機會



Results of Impact Assessment of Major Climate Risks and Opportunities

Description of Impact from Major Climate Risks

Category	Description	Timeline	Impact on Value Chain	Impact Assessment on Operations and Finances
Transitional risk	Low carbon energy and new technologies  In response to international net-zero trends, Taiwan's Climate Change Response Act, and the increase in electricity prices, businesses are gradually moving towards the use of low-carbon energy. President Chain Store Corporation operations primarily rely on electricity usage in our stores. However, the transition to low-carbon energy is constrained by the business nature and operational model of President Chain Store Corporation. The initial investments required may incur substantial costs, potentially posing risks to the operations of President Chain Store Corporation.	Long-term	Own operations	<ul style="list-style-type: none"> <li>In the future, President Chain Store Corporation may be impacted by rising electricity costs, leading to increased operating expenses.</li> <li>Investing in renewable energy equipment and purchasing green electricity will also contribute to higher operating expenses.</li> </ul>
Physical risk	The number of extreme weather events and temperature continue to increase with climate change  The temperature continuing to rise and extreme weather events such as droughts, floods, typhoons or landslides occurring more frequently could cause: <ul style="list-style-type: none"> <li>Damage to President Chain Store Corporation's equipment</li> <li>Road disruptions will increase, causing interruptions in product transportation and supply.</li> <li>Changes in the sales of seasonal products will affect the product revenue in specific seasons.</li> </ul>	Long-term	Upstream, own operations, downstream	<ul style="list-style-type: none"> <li>Implementing management measures in response to extreme weather events will lead to increased operating costs.</li> <li>Damage to store equipment and interruptions in product supply will also increase capital expenditures and impact revenue.</li> <li>Climate change causing changes in the sales performance of seasonal products may affect the revenue from these seasonal products.</li> </ul>

Category	Description	Timeline	Impact on Value Chain	Impact Assessment on Operations and Finances
Transitional risk	Policies and regulations concerning carbon, products, and services.  <ul style="list-style-type: none"> <li>Taiwan's Climate Change Response Act has been amended and is expected to impose carbon fees on major carbon emitters starting in 2025. Although the current regulations do not yet cover the residential and commercial sectors, with the government's policies moving towards net-zero emissions, President Chain Store Corporation may be subject to carbon fees in the future. Considering operational growth, this could potentially bring significant financial impact.</li> <li>In response to global plastic reduction trends and Taiwan's related regulations, such as the ban on single-use straws, incentives for customers who bring their own cups, and requirements for stores to gradually increase the proportion of reusable cups, President Chain Store Corporation is already impacted by plastic reduction regulations. The company has been actively taking measures to comply with these regulatory requirements.</li> </ul>	Mid-term	Own operations	<ul style="list-style-type: none"> <li>If President Chain Store Corporation fails to comply with regulatory requirements, it may face government fines or fees, leading to increased operating costs.</li> <li>To provide reusable cup services, the company will need to invest in system development and the procurement of reusable cups, which will incur capital expenditures and operating costs.</li> <li>Additionally, maintaining the operation of reusable cups will require extra investments in cleaning, logistics, and manpower, thereby increasing management costs.</li> </ul>

Description of Impact from Major Climate Opportunities



Category	Description	Timeline	Impact on Value Chain	Impact Assessment on Operations and Finances
Resource efficiency	Adopting more efficient shipping methods or distribution processes  Choosing energy-efficient vehicles and optimizing routes to reduce transportation or distribution costs.	Short-term	Upstream and downstream	Adopting efficient transportation methods or distribution processes will reduce fuel and labor costs, thereby reducing operating costs. However, this may also increase costs for vehicle replacement and R&D.

## Description of Impact from Major Climate Opportunities

Category	Description	Timeline	Impact on Value Chain	Impact Assessment on Operations and Finances
Products and services	Develop and/or increase low-carbon products and services	Short-term	Own operations and downstream	<ul style="list-style-type: none"> <li>Increasing the range of low-carbon products and services can boost consumer purchasing intent, thereby enhancing revenue.</li> <li>Developing low-carbon products and services will require additional investments in research and development, as well as management costs.</li> </ul>
Resource efficiency	<p>President Chain Store Corporation has implemented circular economy actions to reduce the environmental impact of its operations. This not only lowers operational risks but also attracts positive attention from sustainability-conscious consumers, enhancing the brand image and creating new business opportunities.</p> <ul style="list-style-type: none"> <li>By introducing circular packaging, the company aims to reduce the use of single-use packaging generated by its operations. For example, the implementation of a reusable cup system helps to decrease the use of disposable paper cups and lids.</li> <li>The company also promotes resource recycling and reuse through incentive mechanisms. For instance, by installing efficient smart recycling machines, consumers are encouraged to recycle PET bottles, and their willingness to spend is boosted through reward mechanisms, thereby increasing the recycling rate.</li> <li>Additionally, efforts are made to reduce or repurpose food waste generated by our operations. Initiatives like iLove Food offer discounts on near-expiry fresh food to increase consumer purchase intent. We also turns used coffee grounds and discarded fresh food items into organic fertilizer for crop cultivation, or converts near-expiry fruits and vegetables into freeze-dried treats for pets, thus minimizing food waste.</li> </ul>	Short-term	Down-streams	<p>Recycled Cup Service</p> <ul style="list-style-type: none"> <li>Reduces the use of single-use paper cups for freshly prepared beverages, thereby lowering material procurement and other operational costs.</li> <li>Offers price discounts to encourage consumer behavior change, attracting more consumers and subsequently increasing revenue from freshly prepared beverage products.</li> </ul> <p>Efficient Smart Recycling Machines</p> <ul style="list-style-type: none"> <li>The rewards for recycling PET bottles provided by efficient smart recycling machines increase the likelihood of consumers spending at President Chain Store Corporation, leading to revenue growth.</li> <li>Recycled PET bottles (rPET) can be transformed into marketable products, further driving revenue growth.</li> </ul> <p>iLove Food and Sustainable Farms.</p> <ul style="list-style-type: none"> <li>Promoting iLove Food products reduces the weight of food waste disposal, thereby lowering waste disposal costs and increasing revenue from fresh food products.</li> </ul>
		Mid-term	Own operations	

## Climate Adaptation and Transition Strategies

President Chain Store Corporation identifies climate-related risks and opportunities across the entire value chain. However, we realize that the risks and opportunities faced by each stage of the value chain are not the same. To this end, we have integrated major climate risks and opportunities into two main themes, including net-zero transition and climate adaptation. We target financial impact and management costs by doing quantitative analysis on risks and opportunities to understand their impact on President Chain Store Corporation operations. Our action plans and summary of implementation are as follows. Please refer to the President Chain Store Corporation Climate-related Disclosures Report for details on the identification process.

Climate change response strategies	Value Chain Action Plan		
	Upstream	Own Operations	Downstream
 Energy transition	Setting energy efficiency specifications for store equipment procurement	<ul style="list-style-type: none"> <li>Introducing renewable energy with the photovoltaic system generating a total of 3,000 kWh of electricity in 2023</li> <li>Introducing the energy management system</li> <li>Introducing 7 energy-saving measures in the stores with a total of 420,257 GJ saved in 2023</li> <li>Coaching for stores with high electricity bills</li> <li>Introducing energy-saving measures in the headquarters building</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging consumers to reduce the consumption of paper and plastic cups through recycled cups service</li> <li>Encouraging consumers to recycle PET bottles through efficient PET bottle recycling machines and incentive mechanisms</li> <li>Sharing knowledge on carbon reduction, plastic reduction, food waste etc. through Good Neighbor Funfest to communicate President Chain Store Corporation's sustainability philosophy with consumers</li> <li>Participating in the Ministry of Economic Affairs' "Micro-carbon Offset" initiative to conduct lighting tests at 4 stores in Taipei City. The lamps were replaced with LEDs. The external verification unit BSI was entrusted to verify the amount of carbon reduction and before submitting to the Environmental Protection Administration for review in line with relevant guidelines</li> </ul>
 Industrial Transition	<ul style="list-style-type: none"> <li>Requiring affiliated logistics companies to optimize routes</li> <li>Requiring affiliated logistics companies to purchase new vehicles with high energy efficiency</li> <li>Requiring affiliated logistics companies to save energy and reduce carbon emissions in logistics centers, with a total energy saving of 4,350 GJ in 2023</li> <li>Purchase low-carbon raw materials such as FSC, low-carbon rice, etc.</li> </ul>	Selling low-carbon products such as Veggie Selection, low-carbon rice and fresh boxed meal with paper packaging	


Climate change response strategies	Value Chain Action Plan		
	Upstream	Own Operations	Downstream
 Lifestyle Transition	<ul style="list-style-type: none"> <li>Managing food waste at the manufacturers to reduce wasting raw materials</li> <li>Using rPET for food containers</li> <li>Converting food waste into organic fertilizer through sustainable farming practices to be used for contract agricultural products</li> </ul>	<ul style="list-style-type: none"> <li>Reducing fresh food scraps in the stores with iLove Food to increase revenue</li> <li>Increasing consumers' willingness to spent at the stores and further increasing revenue through incentive mechanism for circular economy services, including recycled cups service and efficient PET bottle recycling machines</li> </ul>	<ul style="list-style-type: none"> <li>Participating in the Ministry of Interior's "Store Energy Consumption Classification" program to support the government's building energy conservation and carbon reduction policies, as well as becoming the first convenience store to receive the "Nearly Zero-Carbon Building" label issued by the Ministry of Interior</li> </ul>
 Climate Adaptation	<ul style="list-style-type: none"> <li>Understanding the quality and supply of each raw material, actively developing diverse and alternative material sources to ensure smooth operations of the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Formulating "Construction Specifications for Flood Control Gates and Dwarf Walls in the Stores Located in Low-lying Areas"</li> <li>Setting up the "Weather Information Distribution System" to immediately notify the stores of the weather and issue flood warnings, so as to reduce the risks caused by flooding</li> <li>Formulating emergency response procedures for risks, standardizing the logistics and distribution contingency mechanisms, and purchasing property insurance against natural disasters for the stores to reduce the financial impact of losses</li> <li>In response to the rising temperature, President Chain Store Corporation actively introducing energy-saving measures in the stores and headquarters to optimize energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Participating in the Environmental Protection Administration's "Plastic Reduction" &amp; "Guidelines for Best Practice Regarding Circular Cups" programs and actively promoting plastic reduction actions</li> <li>Taking part of the Society of Wilderness' "Earth Hour" initiative</li> </ul>

### Store and Logistics Energy Conservation and Carbon Reduction Actions

In order to effectively improve the energy efficiency of stores, President Chain Store Corporation has formulated basic requirements for equipment and store environment management for new stores by incorporating 7 energy-saving designs such as heat insulation, energy-saving signboards, lamp reduction, reduction of window area, frequency conversion system and LED lamps, and indoor lighting management, and energy-saving windbreak rooms as well as introducing the energy-saving windbreak room depending on the stores. Existing stores actively evaluate the feasibility of introducing various

energy-saving measures and gradually replace high-efficiency equipment. In 2023, President Chain Store Corporation stores successfully saved 116,738,104.52 kWh of electricity through the energy-saving program, the equivalent of 57,669 metric tonnes of CO<sub>2</sub>e direct emissions. In addition to the replacement of energy-saving equipment, all store employees have been trained to conduct regular inspections on air-conditioning, circulation fans, lighting, refrigerators and freezers, signboard windows and other equipment in accordance with the "Self-Inspections on Store Energy-Saving" to ensure that the equipment can maintain efficiency. We also cooperate with the government and relevant academic institutions to improve the energy efficiency of our stores.

President Chain Store Corporation's commitment to energy conservation and carbon reduction extends beyond its operations. In order to take advantage of opportunities brought by the climate and low carbon, we also actively influence long-term affiliated logistics partners to gradually invest in corresponding management plans or actions. Various energy-saving and carbon-reduction methods have been adopted to improve energy efficiency and reduce environmental impact, as well as continuously adapting operations strategies so as to respond to the needs of low-carbon operations and increasing the positive benefits brought about by addressing climate change issues in a timely manner. For detailed information on energy conservation and carbon reduction in our stores and logistics network, please refer to President Chain Store Corporation Climate-related Disclosures Report .

	Store Energy-saving Actions	Quantity in 2023	Energy Saved (kWh)	GJ Energy Saved (GJ)	Greenhouse Gas Emission Reduction (Metric tonnes of CO <sub>2</sub> e)	Contribution to Energy-Saving Project Results
Inverter system	Inverter air-conditioning	2,944	63,266,265	227,759	31,254	54.82%
	Third-generation combination refrigerator	1,534	26,164,367	94,192	12,925	22.67%
	New energy-saving freezer	219	687,346	2,474	340	0.60%
Reduction in lamp number, LED lamps and indoor lighting management	Arcade lighting energy-saving upgrade	22,789	14,929,653	53,747	7,375	12.94%
	Lighting upgrade in stores	17,715	4,864,660	17,513	2,403	4.22%
Energy saving for signboards	Energy-saving improvement of horizontal signboard	21,939	6,194,325	22,300	3,060	5.31 %
Improve heat exchange environment	Energy-saving windbreak room	111	631,489	2,273	312	0.55%
Total		67,251	116,738,105	420,257	57,669	100.00%

(Note 1) The calculation of carbon reduction is based on the latest announced 2023 electricity emission factors for determining the amount of emissions reduced.  
 (Note 2) The annual energy saving of each program is estimated by multiplying the measured value before and after the improvement of a single equipment by the total number of equipment replacements.

Logistics Company	Energy-saving Action	Amount of Energy/Resource Saved	Amount of Energy Saved (GJ)	Greenhouse Gas Emission Reduction (metric tons of CO <sub>2</sub> e) <sup>(Note 2)</sup>
UPCC	Replacement of 208 LED lamps and 18 Inverter air conditioners	32,017	1,153	16
Retail Support International	Replacement of air conditioners/shut down pending replacement	47,426	1,707	23
Wisdom Distribution Service Corp.	Installed 45 large MagLev fans to replace traditional industrial ones, adjusting the timings and ways of using water chillers at the bases	1,281,232	1,490	633
<b>Total</b>		<b>1,360,675</b>	<b>4,350</b>	<b>672</b>

(Note 1) Each replaced lamp is estimated to save 24 kWh of electricity for UPCC, calculated based on the daily time of use at the locations 365 days a year. The 26 air-conditioners are expected to save consumption by 70kWh, calculated based on 6 hours of use a day and 365 days a year.  
 (Note 2) Retail Support International corp replaces old air conditioning equipment and calculates the energy savings based on the difference in energy usage before and after replacing and decommissioning the air conditioning units. The formula for calculating energy usage is:  
 Energy Usage = Number of Units \* Hours of Use \* Usage Rate \* Number of Months.  
 (Note 3) Wisdom Distribution Service Corp. replaced traditional industrial fans with 45 large MagLev fans in distribution centers located in Shulin, Yangmei, Dadou and Benjhou. The statistics is calculated based on the daily time of use at the locations 365 days a year.  
 (Note 4) The calculation of carbon reduction is based on the latest announced 2023 electricity emission factors for determining the amount of emissions reduced.

### Key Performance Metrics and Targets

### Greenhouse Gas Emissions

President Chain Store Corporation's main business locations include stores (including retail stores and shopping centers) and offices (including the headquarters, regional offices and training centers) around Taiwan and on outlying islands. We have conducted greenhouse gas inventory in line with ISO 14064-1:2006 since 2017 to stay updated with the overall greenhouse gas emissions. In 2020, we adopted the updated ISO 14064-1:2018 as reference for greenhouse gas inventory as well as passing third-party certification. We have also continued to expand the scope of sites on inspection. The scope of the greenhouse gas inspections in 2023 covered 7,009 bases, with the coverage rate of 99.45% for the greenhouse gas inspection boundary.

#### Operating Locations with ISO 14064-1:2018 Certification in 2023

Stores (convenience stores and shopping centers)	Offices and training center	7,009 operating locations in total
6998	11	

(Note) The 6,980 stores inventoried in 2023 include the 137 stores that have moved or closed in 2023.

Type of Emissions	Description	Volume (Metric Ton of CO <sub>2</sub> e)
Direct Emissions (Scope 1)	Refrigerant, marsh gas, company vehicles, CO <sub>2</sub> for beer on tap	30,177.03
Indirect Emissions (Scope 2)	Electricity consumed by stores, the headquarters, shopping centers and regional offices, training center	513,790.60
Indirect Emissions (Scope 3)	Procurement of upstream commodities, gas used for deliveries by the logistics center, waste disposal in stores and the headquarters, power loss during power distribution and disposal of product packaging materials	4,556,627.93
<b>Total Greenhouse Gas Emissions</b>		<b>5,100,595.56</b>

(Note 1) Greenhouse gas inventory adopts the ISO 14064-1:2018 methodology. The organization boundary is set using operational control. The greenhouse gas emission coefficient refers to USEEIO, Electricity Emission Coefficient set by the Bureau of Energy of the Ministry of Economic Affairs, Environmental Protection Administration's Emission Coefficient Management Table 6.0.4 and the Environmental Protection Administration's Product Carbon Footprint Information Network. GWP adopts AR6 values.

(Note 2) The calculation for indirect emissions from purchased electricity is based on location. Since the grid emission coefficient for 2023 has not been announced, the coefficient of 0.495 kg CO<sub>2</sub>e/kWh in 2022 is adopted as the calculation parameter.

(Note 3) The types of greenhouse gas covered by the inventory include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

(Note 4) The carbon dioxide emissions from biological sources are zero.

### Direct Emissions

The main source of direct emissions from President Chain Store Corporation is the refrigerant leaked from store freezing, refrigeration and air-conditioning equipment. The emissions are calculated based on the refrigerant refill of the equipment warranty system for the refrigerant equipment failure maintenance. The result accounted for 90.87% of the direct emissions, with the proportion of refrigerant not containing ozone-depleting refrigerant as 100%.

### Indirect Emissions

The 2023 indirect emissions survey was evaluated in accordance with the principle of materiality. Significant indirect greenhouse gas emission sources include indirect greenhouse gas emissions from purchased electricity, upstream emissions, cargo distribution and waste treatment. Among them, the emission of purchased electricity is the main source of indirect greenhouse gas emissions.

The greenhouse gas inventory shows total purchased electricity used by all the inventoried operating locations in 2023 was 103,796 kWh, resulting in indirect greenhouse gas emissions of 513,790.60 tonnes of CO<sub>2</sub>e, an increase of 1.8% compared to 2022 emissions. The amount of purchased electricity increased by 4.7% compared to 2022, mainly due to 349 new stores and additional freezers, electronic displays, and ice makers in response to changes in the customers' shopping habits during COVID-19 pandemic. President Chain Store Corporation will continue to promote energy saving in stores and offices, carbon reduction in logistics and transportation, as well as evaluating the expansion of photovoltaics or the purchase of renewable energy so as to gradually achieve the reduction target for 2025.

Indirect Emission Source		Indirect Emissions (Metric Tons of CO <sub>2</sub> e)	Percentage of Indirect Emissions (%)
Electricity	Emissions from purchased electricity <sup>(Note)</sup>	513,790.60	10.13%
	Upstream emissions from purchased electricity	101,041.71	1.99%
Purchased products	Emissions from purchased products	4,368,313.78	86.15%
Emissions from upstream transportation and distribution of goods	Diesel used for transportation from the logistics center to the stores	59,944.46	1.18%
Emissions from solid and liquid waste disposal	Waste disposal in the stores	17,843.10	0.35%
Emissions from business trips	Emissions from transportation during employee business trips	1,863.80	0.04%
Emissions from employee commute	Emissions from transportation during employee commutes	6,532.63	0.13%
Emissions from end-of-life stage of products	Disposal of packaging materials	1,088.45	0.02%

(Note) 100% of purchased electricity comes from electric grid.

## Energy Use

The President Chain Store Corporation Yawan store opened its doors in 2023, with renewable energy integrated into the store design. The photovoltaic system was incorporated to increase the use of renewable energy in the future. A total of 3,000 kWh of electricity was generated in 2023.

In 2023, the total electricity consumption of all the inspected locations reached 103,796,000 kWh, with the 3,737,432.37 GJ energy consumption. Purchased electricity accounts for 99.93%. As for the upstream transportation, energy consumed for diesel used for distribution and transportation from the logistics center to the stores, totaling 18,055,560.40 liters of diesel, the equivalent of 635,028.50 GJ.

Energy-consuming Equipment	Source of Energy	Energy Consumption (GJ)	Consumption	Percentage of Energy Use	Energy-consuming Equipment
Gas used for company cars	Gas	79.68	liters	2,600.27	0.07%
Electricity consumed by operating locations	Purchased electricity	103,796	kWh	3,734,832.10	99.93%
Total Energy Consumption				3,737,432.37	100.00%

## Energy Efficiency Indicators and Targets

Since most stores are open around the clock, their electricity consumption pattern is different from that of the headquarters, regional offices and training center. To effectively monitor the electricity consumption of stores and gradually improve their energy efficiency, we set up an EUI and reduction targets for stores as well as tracking the progress each month.

The electricity intensity reduction target for stores in 2023 was 829.0 kWh/m<sup>2</sup>, a decrease of 0.5% compared to 2022. The actual energy intensity of our stores was 827 kWh/m<sup>2</sup> in 2023, showing a 0.81% decrease from 2022. We have reached our energy intensity reduction target this year.

Year	EUI <sup>(Note)</sup>							
	2016	2017	2018	2019	2020	2021	2022	2023
EUI	1,011	1,008	962	947	919	891	833	826
Percentage of Decrease	-3.35%	-0.30%	-4.56%	-1.56%	-2.96%	-3.05%	-6.46%	-0.81%

(Note) The EUI of stores is calculated as the electricity consumption per ping (approximately 3.3 square meters) based on the data provided by Taiwan Power Company each month. The EUI for stores in areas without any data from Taiwan Power Company is estimated on the same basis. The two are added to produce the total electricity consumption that month, which is then divided by total floor area before adding up the EUI value of 12 months.

## Greenhouse Gas Emission Intensity Metrics and Targets

Considering that the largest greenhouse gas emission source of President Chain Store Corporation comes from electricity consumption of the stores, and that the electricity consumption is intertwined with the store size, equipment and business model, which will eventually be reflected by the revenue, we calculated the emission intensity per NT\$ million in revenue as reference for the reduction target for overall greenhouse gas emissions. To effectively manage greenhouse gas emissions of President Chain Store Corporation's own operations and its value chain, we re-examined the goal setting method in 2022 and separated the greenhouse gas emissions of our own operations and value chain management in target setting. In our own operations, the greenhouse gas emission intensity of Scope 1 and Scope 2 is set to be reduced by 7% in 2025 and 14% in 2030, using the 2020 greenhouse gas inventory of 2.99 tonnes CO<sub>2</sub>e/NT\$ million turnovers, as the benchmark to set the greenhouse gas emission intensity target. The greenhouse gas emission intensity was 2.75 tonnes CO<sub>2</sub>e/NT\$ million turnovers, a decrease of 8.04% compared with the base year. In addition, in

terms of value chain management, we are actively optimizing the inventory items and methods of Scope 3 emissions. In the future, we expect to introduce Science-Based Targets (SBT) to strengthen the carbon management of the entire value chain with updated medium- and long-term targets. It is hoped that President Chain Store Corporation can be the pioneer in the industry as well as an important partner for Taiwan in achieving its net-zero emission goal.

## 4.4 Food Waste and Waste Management

### Food Waste and Waste Management Strategy

The busy pace of modern life gave rise to the services of compound retail stores such as convenience stores. The introduction of new products and services has made convenience stores an indispensable part of a convenient modern life. However, convenience also gives rise to the use of more disposable commodities and packaging consumables. As the leader with a large number of stores in a wide range of locations, President Chain Store Corporation cannot shy away from the responsibilities regarding food waste and waste disposal.

## Food Loss and Waste

The food loss and waste generated by convenience stores is an important issue that President Chain Store Corporation cannot shy away from. The lifecycle of food loss and waste generated by President Chain Store Corporation operations can be divided into several phases according to the supply chain process, including food loss and waste produced by upstream manufacturers, losses in logistics and transportation operations, scrapped fresh food, and food waste from store operations. Food loss and waste that cannot be properly disposed of is not only a waste in food ingredients but will also lead to food security problems. Furthermore, it will also emit greenhouse gas while decomposing in landfills, aggravating the greenhouse effect. After announcing the target of halving food waste by 2030 in 2020 (compare with annual volume and reduction ratio of food waste from the stores and factories in base year 2019), President Chain Store Corporation took a detailed inventory to find out where food waste went and started implementing four metrics in 2021, including reducing the amount of scrapped fresh food year by year, reducing production loss at the manufacturers, reducing loss during logistics operations, and increasing the recovery of food waste in the stores. Executives of the highest level from the Fresh Food Division, Marketing Division, Logistics Division and divisions related to operations hold monthly food waste management meetings, regularly tracking performance through these four metrics and continuing to reduce food waste and loss to ultimately reduce food waste at the source in the three stages of production, order and delivery, as well as retail.

## Waste

The waste produced by President Chain Store Corporation is mainly domestic waste, which belongs to the general waste and general industrial waste as categorized by the Ministry of Environment with no hazardous industrial waste. The generation of bulk waste is closely related to store operations, including operational waste from upstream fresh food manufacturers, general waste (food waste, general household waste, etc.) generated by store services, and recyclables generated from the stores' reverse logistics mechanism, etc. To this end, President Chain Store Corporation has decided to reduce the volume of waste removal from a single store by 45% in 2028. In 2023, the target is reducing the volume of waste removal from a single store by 35% (compare with base year 2019).

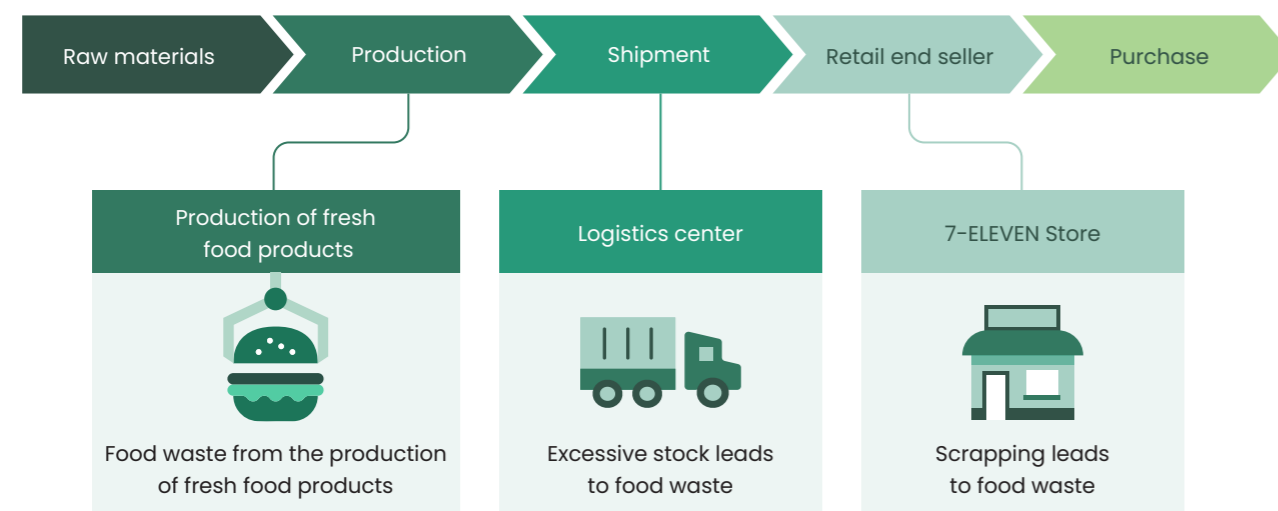
In 2023, the non-recyclable waste generated by the stores and headquarters activities reached 43,764.67 metric tonnes, accounting for 0.96% of the national waste for incineration. If President Chain Store Corporation fails to properly handle and reduce waste, not only will it put a heavy burden on the incineration plants, but it will also exacerbate the subsequent environmental impact caused by waste incineration. President Chain Store Corporation follows the 3R principles in the overall waste management strategy to reduce, recycle, reuse, as well as minimizing non-recyclable waste. In terms of our own operations, we are concerned about the impact of plastic on the environment that is difficult to decompose and fulfill our corporate social responsibilities. To this end, President Chain Store Corporation engages in three aspects to reduce plastic, including “reduction at the source,” “innovative packaging” and “encouraging customers to bring their own containers,” as well as expanding the recycling mechanism in the stores to gradually decrease the dependence on single-use plastic and ensure proper treatment of waste from our operations. We are also actively concerned with waste from the downstream waste of the value chain by combining “convenience” and “recycling” through our many bases. Furthermore, we recycle PET bottles with Intelligent Automatic Recycling Machines, help people recycle electric waste, and turn waste into resources to fulfill our social responsibilities (for detailed packaging material management measures, please refer to [4.2 Packaging Material Management](#)).

### Food Loss and Waste Generation and Process Flow Management

According to the UN Food and Agriculture Organization (FAO), one-third of the food produced in the world is discarded at roughly 1.3 billion tonnes. Statistics from the Ministry of Environment shows that the amount of food waste in Taiwan in 2022 was as high as approximately 490,000 metric tonnes. Food loss and waste is not simply about wasting ingredients, it involves the loss of resources consumed during food production, including land, water, energy and labor, etc. The decomposition of food waste in landfills also produces greenhouse gases, as well as leading to food safety problems. The environmental impact of food waste shows that the urgency of reducing food waste is self-evident.

As part of the retail industry, President Chain Store Corporation is closely intertwined with food. To this end, it has taken the responsibility in reducing food loss and waste from the overall supply chain from three stages including “production,” “order shipment” and “retail.” In 2021, the Food Waste Reduction Task Force was set up under the Sustainability Development Committee, regularly reporting the progress of the project to the Sustainability Development Committee.

#### Supply Chain Procedure



04
Creating a Sustainable Planet

Production: Reducing Food Loss and Waste from the Production of Fresh Food Products

President Chain Store Corporation reduces food loss and waste from the factory production process through three major changes. First of all, production is now initiated upon order receipt instead of estimation to better control the production volume. Second, the waste of raw materials were reduced through the centralized production of various items. Last but not least, two adjustment of raw material estimates are performed prior to production to avoid excessive material in stock caused by weather changes or order fluctuations. The surplus after production is provided as employee meals. Finished and semi-finished products are also resold to employees to reduce food waste. In 2023, the production losses (amount of food waste per NT\$ million of revenue) decreased by 41.86% compared to the base period of 2019. Starting from 2023, we have actively inquired manufacturers about main categories of food waste, giving priority to categories with a higher proportion and collaborating with manufacturers to discuss management strategies. For example, we discussed with manufacturers about improving the quality of fruits and vegetables used for raw materials to reduce the loss of pre-processing scraps.

04
Creating a Sustainable Planet

Order Shipment: Reducing Food Waste from Excessive Stock

President Chain Store Corporation has set up an AI order forecasting system at store end to reduce inventory and scrapped goods through placing accurate orders. The store end keeps the most suitable items on the shelves through monitoring the ones that are often scrapped because they don't sell well each month. In addition, starting from August 2020, the ordering time for 4°C fresh prepared food was advanced to 12 hours before delivery. This allows fresh food factories to adjust supply and demand earlier and reduce food depletion to a minimum. In the meantime, in order to reduce food loss and waste in the process of logistics and distribution, President Chain Store Corporation has extended the validity period of fresh food products in 2022. New technologies have been adopted to allow for the extension, such as the high-temperature sterilization equipment and special sealing film to reduce food waste.

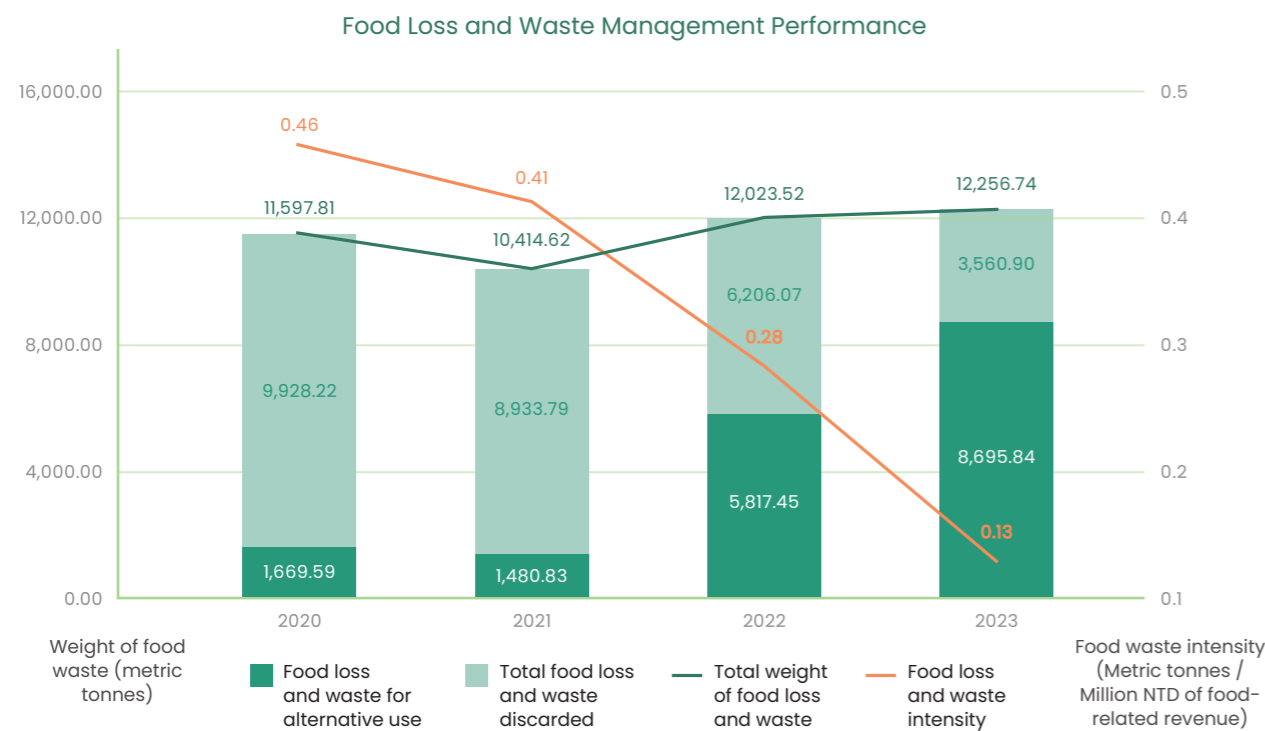
04
Creating a Sustainable Planet

Retail: Reduce Food Loss and Waste from Scrapped Food

President Chain Store Corporation introduced the “iLove Food” program that takes advantage of the “smart labeling system” that was originally used for flagging expired products to prevent expiration. Besides managing the shelf life of food, this allows for better control over the “best before” time (8 hours prior to expiration). A 35% discount is given 8 hours prior to expiration on over 100 products. The “iLove Food Map” was also launched on the OPENPOINT APP to check on the stock as well as subscribing for product availability notifications. In 2023, the “iLove Food” program reduced the generation of leftover food by approximately 13,723.31 metric tonnes, with a 40.32% growth compared to last year. In the future, President Chain Store Corporation also plans outsource cleaning and transportation to certain stores, all of which will join the food waste recycling process. President Chain Store Corporation will continue to manage the value chain, stay updated with factory production losses, the scrap rate of fresh food (the percentage of decline in the amount of food waste per NT\$ million in revenue), the recovery rate of food loss and waste in stores (the proportion of stores with food waste recycling) and other management metrics, in order to achieve the goal of halving food waste by 2030 (compare with annual volume and reduction ratio of food waste from the stores and factories in base year 2019) and contributing to the mitigation of climate change.

## Food Loss and Waste Management Performance

In addition, President Chain Store Corporation inventories the production and sales of private-label products from manufacturing to retail to understand the amount of food loss and waste at each stage, in order to better organize more appropriate measures for reducing food waste. The total amount of food waste generated in 2023 was 12,256.74 tonnes, increasing 1.9% from 2022. The reasons include scope expansion for manufacturers from 4 to 12 this year, number of stores and continuous growth in fresh food sales. The food used for alternative purposes ratio was 70.95% (mainly for animal feed/compost) in 2023, with a significant growth compared to 48.38% in 2022. The surplus food recovery rate in manufacturing factories has grown from 87.00% in 2022 to 100.00%. Total discarded weight of food waste was 3,560.90 tonnes with a decrease of 42.6% from 2021. President Chain Store Corporation will continue to strive to lower food loss and waste, and increase the food waste recycling in the stores as main management strategies to optimize our collaboration with outsourced cleaning companies, as well as encouraging all stores to follow our lead in making an effort towards food loss and waste management.



To actively reduce food loss and waste, President Chain Store Corporation analyzes the categories of food waste in addition to measuring its weight distribution through the value chain. Food loss and waste is divided into 10 categories, with the proportion estimated and ranked based on the weight of private-label products to propose management actions targeting commonly-seen categories of food waste. In terms of food waste categories in 2023, the highest proportion was 17.69% of rice balls, as the sales volume is high but the product has a close expiration date. Therefore, it is easy to be scrapped. The second highest proportion for food waste category was 14.85% of noodles, as it has a relatively high sales volume and sales proportion. Rice balls, noodles and other fresh food products with rice constitute the top three categories of food waste. President Chain Store Corporation aims at reducing food waste with advanced orders, centralized production and processing plant stocking accuracy, and two iLove Food discount time slots to increase product sales opportunities. We worked on three aspects including production, order and delivery and retail, as well as convening with different divisions to formulate measures for managing food loss and waste.

### Proportion of Weight by Categories of Food Loss and Waste

Category of Food Loss and Waste (Note 1)	Store										Manu- facturer	Head- quarters	Total pro- portion
	Cooked food	Noodles	Salad	Hot dogs	Tea eggs	Boxed meals	Rice	Rice ball	Oden	Refrigerated conditioned bread			
Proportion of Weight	5.81%	14.85%	3.94%	3.00%	2.27%	5.25%	10.47%	17.69%	3.96%	7.31%	25.39%	0.07%	100.00%

(Note 1) The proportion of food loss and waste categories is estimated based on the weight of private-label products.

## Reusing and Reducing Food Loss and Waste

### Upgraded iLove Food Program and Reducing Food Loss and Waste with Technology

As the leader in the retail industry, President Chain Store Corporation is committed to reducing food waste. President Chain Store Corporation launched the iLove Food Map in the app in 2022 for consumers' easy access to the iLove Food availability in each store, allowing them to take advantage of the convenient program. In 2023, iLove Food prevented the generation of 13,723.31 metric tonnes of food loss and waste with an increase of 3,943.16 metric tonnes from 2022. In addition to working together with consumers to reduce food waste, we extended the shelf life of food in 2023 by taking advantage of new technologies, such as the high-temperature sterilization equipment and special sealing film to reduce food loss and waste from overstock.

### Furbaby Welfare Enterprise Project : Recycling Food Waste for Social Welfare

In 2023, President Chain Store Corporation launched the brand new "Furbaby Welfare Enterprise Project" initiative to reduce food waste and encourage recycling. Working with social enterprises and animal rights groups, President Chain Store Corporation collects specific salads and fruit during the iLove Food time slot and turns them into freeze-dried food for pets. A campaign with donation pledges was also launched so that consumers can participate in the initiative. By combining recycled food waste and social welfare, President Chain Store Corporation continues to discover new possibilities with sustainability actions (Please refer to [the "Furbaby Welfare Enterprise Project" section of the sustainability column](#) and [6.3 Environmental Protection – Circular Economy](#)).

### Sustainable Farm: A New Eco-friendly Food Option

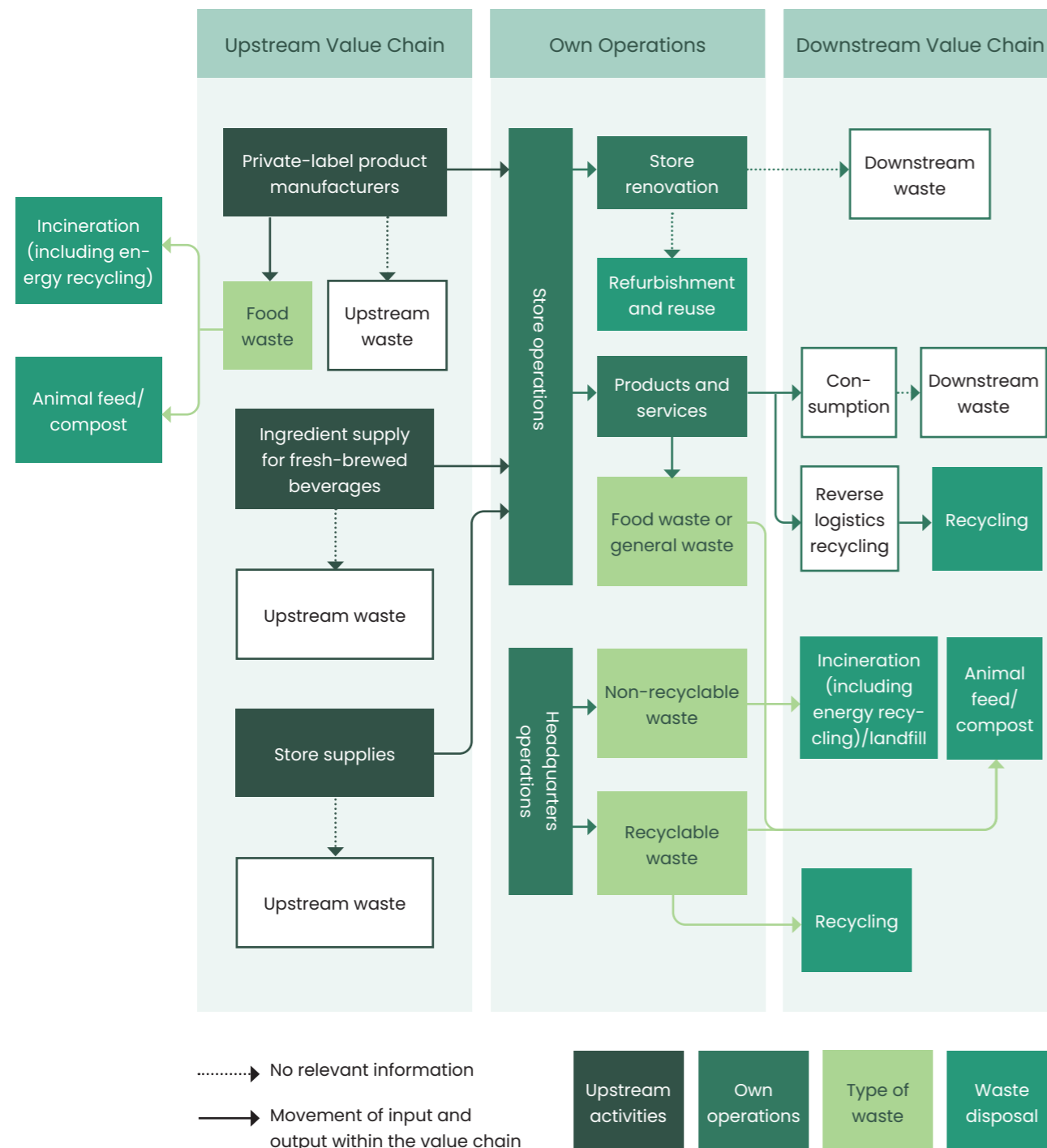
To further seek circular economy solutions, President Chain Store Corporation started investing in the "Sustainable Farm" project in 2023. Based on the concept of "being friendly to the earth with a cup of coffee," coffee grounds, expired, opened or defective scrap products were systematically turned into a safe and non-toxic organic fertilizer with the help of the equipment from a professional agricultural biotechnology team automatically breeding black soldier flies, before using the fertilizer on its contracted sustainable farms. Not only does the fertilizer make the soil rich in organic matter, it can promote the restoration of a healthy ecology for the soil to be friendly to the earth and environmentally sustainable. The fertilizer is used on cabbage farms, and the harvest cabbage is used in side dishes for fresh food products or sold as fresh produce in the stores. The Sustainable Farm continues to grow different crops such as cabbage, bananas, corn and lettuce with organic fertilizer made with expired, opened or defective scrap



products and coffee grounds. The crops are then sold in 7-ELEVEN stores to make resource recycling a reality, as well as providing consumers with the option of a sustainable diet (Please refer to [the Sustainable Farm section of the sustainability column](#) for detailed management measures).

### Waste Generation and Process Flow Management

#### President Chain Store Corporation's Waste Generation Flow



To understand the amount and process flow of waste, President Chain Store Corporation collects and calculates the amount of waste at each operating site on a yearly basis. The headquarters building signs an agreement with a waste management company, which calculates the amount of waste generated and treats various types of waste in a manner that complies with the laws. Regarding the retail stores, only Taipei City, New Taipei City, Taoyuan City and Tainan City at present require convenience stores to dispose of waste separately from other entities, while waste from stores located in other counties and cities is disposed of with household waste. Besides the stores that are obliged to dispose of waste separately, President Chain Store Corporation has formulated a plan to encourage stores from other cities and counties to also outsource waste management with the aim to better control the amount of waste generated by retail stores. In addition to its own operational waste, President Chain Store Corporation also attaches great importance to the waste management of fresh food manufacturers in the upstream value chain. We regularly calculate the amount of food loss and waste generated by the manufacturers and track the food waste disposal to better understand the situation of food waste. The recyclable waste from the stores mostly comes from packaging cartons and the electronic waste people bring in. Please refer to the ["Convenient Recycling Platform"](#) for further details.

#### Waste Management Performance

In 2023, a total of 1,004 stores and the headquarters building have entrusted waste management to dedicated companies, which reported the amount of waste diverted and disposed as well as removal and treatment methods for different kinds of waste, including food waste and general household waste, whereas waste produced by other stores and offices (general household waste) is harder to measure. Therefore, the amount of waste produced by a single store or per capita is used for estimation. Scrap items are estimated based on the date, and the disposal method of waste that was not outsourced to cleaning companies is speculated based on national waste disposal announced by the Ministry of Environment for the current year.

In 2023, the total amount of non-recyclable waste from store operations and headquarters activities was 43,764.67 tonnes. To effectively manage non-recyclable waste (excluding food loss and waste) in stores, President Chain Store Corporation takes 2019 as the base year and sets the average waste generated by a single store as the target to reduce 35% in 2023 compared with the base year, and by 45% in 2028 compared to the base year. In 2023, the amount of waste generated by a single store is 5.92 tonnes, a decrease of 29.81% compared with the base year. Even though we have introduced many waste reduction measures, we failed to meet the annual target. In the future, we will continue to track waste data and actively promote recycling, reuse and plastic reduction to strengthen the management of non-recyclable waste in our stores.



President Chain Store Corporation Waste Generation and Disposal in 2023

Waste Disposal (Note 1)		Waste Composition	Location of Waste Generation (Note 2)	
			Upstream (Metric Tonnes)	Own Operations (Metric Tonnes)
Off-site	Animal feed/compost (Note 3)	Food waste	3,112.00	5,575.50
Off-site	Incineration (including energy recovery)	Food waste	—	3,325.30
Off-site	Landfill	Food waste	—	235.60
Off-site	Recycling	Recycled plastics	—	870.00
Off-site	Recycling	Paper	—	10,309.60
Off-site	Recycling	Metal	—	64.33
Off-site	Recycling	Batteries	—	439.10
Off-site	Recycling	Optical discs	—	80.01
Off-site	Recycling	Electronic appliances	—	70.50
Off-site	Landfill	General household waste	—	2,534.36
Off-site	Incineration (including energy recovery)	General household waste	—	37,905.00

(Note 1) Waste disposal data at the headquarters building and the stores that outsource waste management was collected from the outsourced waste management companies. The proportion of waste incineration and landfill at other stores and operating bases was considered as 93.38% based on 2023's national general waste disposal published by the Ministry of Environment.

(Note 2) The scope of data for our own operations includes the headquarters, regional offices and stores. The scope of data from the upstream covers 12 manufacturers.

(Note 3) The data before 2021 only covers Taipei City, New Taipei City and Taoyuan City. The data from 2022 covered all stores in Taiwan.

Waste Reduction Actions

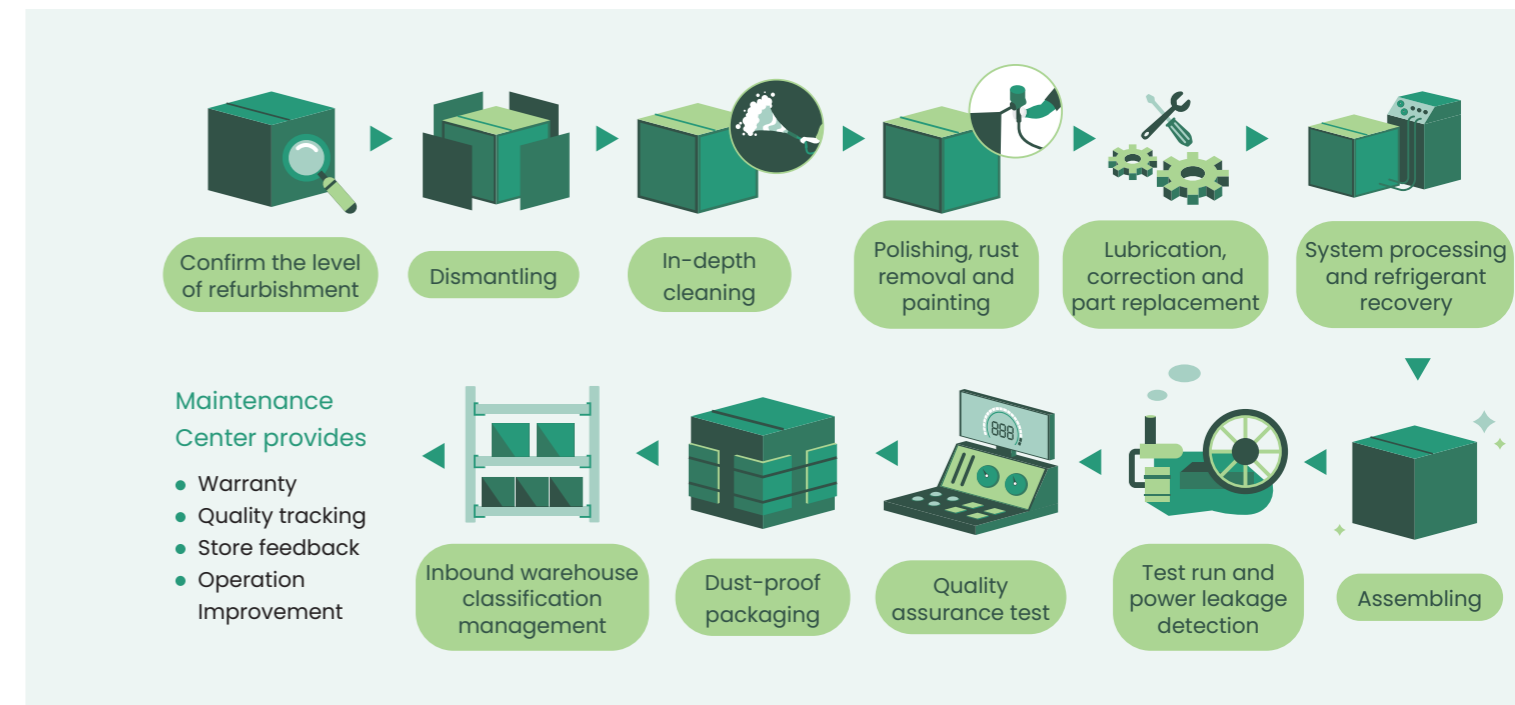
Waste Reduction in Headquarters

To encourage employees to save resources, the President Chain Store Corporation headquarters set "paper-saving" as an internal management metric. The paper consumption per capita in 2023 increased by 20.38% compared with the previous year, as a total of 66 employees returned to the office after the pandemic. We will continue to encourage the employees replace printing, scanning and photocopying with electronic files and double-sided printing, etc., in order to reduce the amount of paper used in office and administrative processes. In addition, the headquarters building has also continued the recycling program. In 2023, the weight of recycling reached a total of 18,425 kilograms, an increase of about 3.36% over 2022 due to the cleaning days we had at the first and second halves of the year. We aim at increasing the amount of recycling in the headquarters building by continuing to promote waste reduction and classification each quarter.

Store Equipment Reuse

In order to provide the most convenient products and services, it relies on a large number and variety of machines. As the wear and tear as well as out-of-service machines cause a great burden on the environment, we have made good use of our flexible dispatch system and a great number of stores to set up the Equipment Refurbishment Center. The recycling system works on existing equipment from renovated and shut down stores, such as air conditioners, refrigerators, oven cooking machines, microwave ovens and so on. It is returned and put to use after inspecting, cleaning and repairing to reduce waste of resources and waste generation, while also saving on equipment procurement costs. In 2023, 34 types of equipment were refurbished and put to use, with the total number of 2616 machines and saving a total amount of equipment procurement costs of NT\$93,794,438.

Equipment Refurbishment Process



Convenient Recycling Platform

By taking advantage of the multiple bases, President Chain Store Corporation effectively combines "convenience" with "recycling" in helping people recycle electronic waste, including batteries, laptops, optical discs, mobile phones and chargers. To encourage people to recycle through convenience stores, President Chain Store Corporation provides NT\$3 to NT\$120 of store credit. Moreover, the Intelligent Automatic Recycling Machine that can recycle PET bottles and batteries were incorporated in 2022. The scale was further expanded in 2023 with 140 stores adopting the machine, recycling a total of 7.912 million PET bottles and 2.748 million batteries. The recyclable waste collected is shipped and distributed through the intensive and comprehensive logistics network, then classified and processed after being collected by the reverse logistics system. For further details, please refer to the section on "Intelligent Automatic Recycling Machine" in the sustainability column.

# 05 Employee Welfare

President Chain Store Corporation is committed to creating a healthy and safe workplace that is competitive on the market, as well as encouraging the employees to develop in a variety of ways with salary higher than statutory standards to stabilize the workplace. In terms of occupational safety and health, we identify and evaluate high-risk hazards to fully ensure that all employees have a safe and hygienic working environment, as well as guaranteeing equal labor rights.



## Management Policies

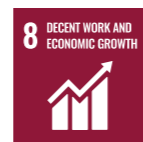


zero defect  
**ISO 45001**

Passed the annual follow up of ISO 45001 Occupational Safety and Health Management System with "zero defect"

frequency-severity indicator  
**0.17**

The frequency-severity indicator was 0.17, lower than the retail industry's average rate of 0.35 in the past three years (2020-2022) according to the Occupational Safety and Health Administration, Ministry of Labor



Female managers in revenue-generating functions  
**56.04%**

Female managers in revenue-generating functions (including store managers, regional consultants, regional managers, head of the Operations Department) account for 56.04%

### Policies and Commitment

- President Chain Store Corporation [salary policy](#) is based on the principle of equal pay for equal work
- [Occupational Safety and Health Policy](#)
- Four Major Occupational Safety Plans
- [Human Rights Policy](#)

### Management Actions

- President Chain Store Corporation promotes programs such as redesigning work responsibilities for middle-aged and elderly employees to create a friendly workplace in the context of declining birthrate and aging population. The ratio of middle-aged and elderly people employed by the Company accounts for 27.2%
- 80.00% of the employees answered "Active" and "Very Active" in the Employee Engagement Survey
- Passed the annual follow-up of ISO 45001 Occupational Safety and Health Management System with "zero defect," with 85.7% of private-label food manufacturers passing ISO 45001
- Completion rate of "Prevention of Workplace Violence and Sexual Harassment" course is over 95% by the end of 2023, franchise store employees has also been included

### Corresponding Material Topics

Talent Attraction and Retention

Occupational Health and Safety

Human Rights



## 5.1 Talent Attraction and Retention

### Employment

#### Overview of Human Resources

Besides our head office in Taipei, President Chain Store Corporation has eight business operation departments to meet the needs of stores and consumers in each region. As of December 31, 2023, President Chain Store Corporation has a total of 8,651 employees<sup>(Note1)</sup>. The types of workers who are not employees include the Chairman of the building's Management Committee, a secretary, an electrical and mechanical engineer, 9 cleaners and 6 security guards in the head office building for a total of 18 people. The total number of franchise store staff was 45,546 as of the end of December 2023<sup>(Note2)</sup>. Female employees account for 56.34%<sup>(Note3)</sup> of all President Chain Store Corporation employees, while 56.04% of sales supervisors are female. The female ratio for department managers in 2023 was 16.07%, with combined 53.88% of females in positions including TEAM managers, store managers, district consultants and department managers. The two targets set for 2025 have been achieved in advance<sup>(Note4)</sup>, showing that President Chain Store Corporation values gender equality in the work environment and talent recruitment<sup>(Note5)</sup>.

(Note 1) Includes back-office staff and directly operated store personnel.

(Note 2) Franchise store personnel are the most common type of non-employee workers, with the total number calculated based on the number of people audited for National Health Insurance and labor insurance as of December 2023. Stores that opened less than a month ago were not audited. Therefore, personnel from these stores are excluded.

(Note 3) The statistics in this section and the ones below do not include franchise stores.

(Note 4) The targets set for female department managers for 2025 is 15%, and a combined 50% for TEAM managers, store managers, district consultants and department managers.

(Note 5) Please refer to the historical data in the appendix for relevant statistics.

We do not hire people under the age of 15 as workers in accordance with the "Labor Standards Act." We also follow the philosophy that "employment is the most direct way of helping the disadvantaged achieve independence." Besides providing job opportunities for people seeking re-employment and part-time job opportunities for student jobseekers, we also collaborate with senior high (vocational) schools to provide students with job opportunities and launch internship programs together with colleges and universities, attracting college interns to do an internship through college internship programs. Student interns are encouraged to learn more about the workplace through actual practice by combining operational details and key to management for the retail industry. Interns who perform well are encouraged to start their employment after the internship so that they have their first job upon finishing their studies. In addition, we employ more people with disabilities than the statutory quota to make equal employment opportunities a reality. In 2023, the President Chain Store Corporation head office and directly operated stores hired a total of 258 employees with disabilities, accounting for 2.98% of our total workforce and being 2.98 times higher than the statutory quota. President Chain Store Corporation also hired 136 indigenous employees, accounting for 1.57% of all employees.

### Labor-management Communication

President Chain Store Corporation values the opinions and feedback from every employee. We provide numerous communication channels to listen to and understand the opinions of our employees, including the Integrated Services Center, designated email address, and stakeholder section, encouraging

employees to directly communicate with management about workplace issues that are in dire need of improvement, as well as enhancing their trust in the organization. In addition to the channels above, we established an internal proposal system for employees to fully express their opinions on the Company's operations. If employees have any suggestions for the Company or feel that their rights and interests have been violated, they can report through channels. When we receive employee complaints about working conditions, regional managers are required to tackle the issue with relevant information such as labor regulations provided to help them process the case. We set a 5 working day deadline for them to report back in order to uphold employee rights and interests, as well as preventing the situation from being aggravated. A total of 253 reports related to employee rights and interests were submitted in 2023. Although there were more internal inquiries, fewer cases were presented externally, showing that the employees continued to raise questions and voice feedback through internal communication channels as they had faith in them. Most cases were related to overtime bonus, reduced shift, salary not being paid on time and disagreements with franchise stores. All aforementioned cases were processed by regional managers. All overtime bonus and salary were made up as they should have been, and deficiencies were addressed in line with the franchise agreement. Any misunderstanding of the system was also cleared up. All cases reported in 2023 were properly addressed in the same year.

We formulated Labor-Management Negotiation Regulations in accordance with the law and regularly hold labor-management meetings, which are attended by 5 representatives from each side. Employer representatives include department heads, and employee representatives are assigned by Labor Union and represent 100% of the employees. Employee and management representatives can communicate directly to negotiate on benefits and systems, employment, improvement of the work environment and labor management cooperation during the meeting, to ensure and improve the effectiveness of communication. A total of 4 labor management meetings were held in 2023, with topics covering topics of revising work rules, flexible working hours, administration in the office building, employee subsidy measures and so on. The results should be implemented by the departments involved. Moreover, the President Chain Store Corporation Labor Union was formed at the end of 2019 by the employees. It aims at improving labor rights, level of happiness and laborers' knowledge and skills. Although Labor Union has not requested the company to negotiate a collective bargaining agreement so far, and no collective bargaining agreement has not been signed as a result, the Company will continue to maintain good interactions with the union in the future. In the meantime, we uphold our [Human Rights Policy](#) and comply with local labor laws and regulations and will continue to engage in communication through different channels to create harmonious labor management relations and a win-win labor environment.

President Chain Store Corporation continues to communicate with its employees with no strike or suspension in 2023. Furthermore, in the event of a situation specified in Article 11 of the Labor Standards Act, President Chain Store Corporation communicates with employees in advance, and gives notice 10 days in advance for employees who have worked at President Chain Store Corporation for three months or more but less than one year. A notice is required 20 days in advance for employees who have worked at President Chain Store Corporation for one year or more but less than three years. A notice is required 30 days in advance for employees who have worked at President Chain Store Corporation for over three years.

### Employee Engagement Survey

To better understand employees' job involvement and workplace adaptation, President Chain Store Corporation plans to conduct an Employee Engagement Survey every two years. Past surveys prioritized district consultants and employees in the Marketing Group whose jobs are directly related to our

revenue. To understand the interactions between management and employees, as well as increasing the percentage of employee satisfaction to the target value of 50%, we analyzed the results of the Engagement Survey and identified workplace issues that employees brought up for improvement, and further focused on the development of specific improvement plans to increase employee trust in the organization. In 2023, the scope of the survey was greatly expanded to cover all employees. To make the questionnaire more to-the-point, we adopted the reasons analyzed and collected for resignation, taking leave without pay and informal communication channels as the basis for questionnaire with multiple questions. The questionnaire included aspects such as managers, colleagues, job, remuneration, development and engagement. We adopted the Six-Point Scale to collect employees' feelings and thoughts using a comprehensive scale of agreement and frequency of occurrence.

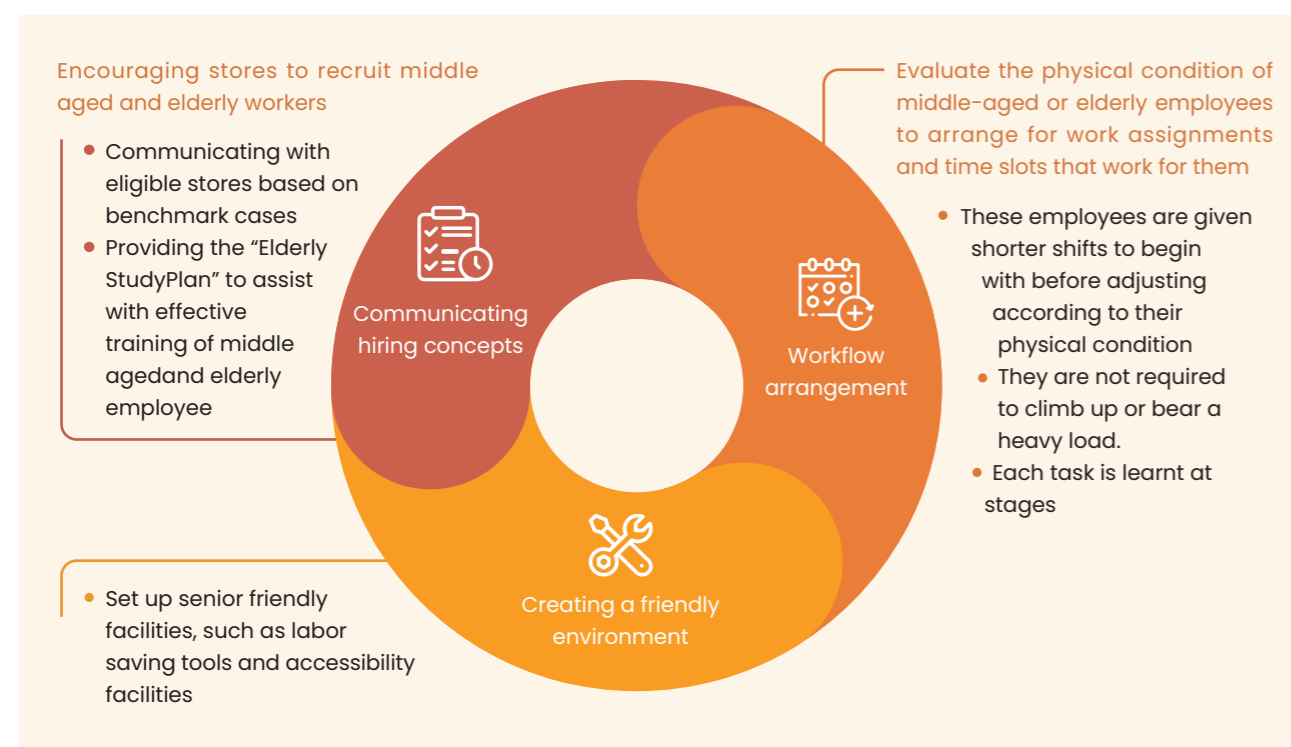
In 2023, a total of 7,757 people<sup>(Note1)</sup> filled in the questionnaire, accounting for 89.7%<sup>(Note2)</sup> of the total employees. The percentage of employees giving an "active" and "very active" response accounted for 80.00% of all respondents.

(Note 1) This survey is anonymous. Basic information questions were reduced in order to motivate more employees to participate, so gender was left out of the survey this time.

(Note 2) Respondents accounted for 89.5% of all FTEs.

## Age-friendly Employment

Since 2018, President Chain Store Corporation has been launching the Age-friendly Store Project in response to the impact on the aging population and low birth rates on the labor population, encouraging stores to hire middle-aged and elderly workers as well as encouraging middle-aged and elderly workers to find employment by creating a friendly workplace through redesigning work responsibilities for them. We created a collaboration model for employees of different ages in advance to allow middle-aged and elderly staff manage relationships with returning customers and sales leveraging their likeable personalities, while younger staff are in charge of different gadgets. Other measures have also been adopted to encourage middle-aged and elderly people to seek employment. As of the end of December 2023, the Company hired 1,847 employees aged 45-54, 505 employees aged 55 and above. In total, we employ 2,352 employees aged 45 and above, accounting for 27.2% of all employees, exceeding the target of 23%, proving President Chain Store Corporation's effort in age-friendly employment.



## Welfare, Remuneration and Care

### Remuneration

The President Chain Store Corporation remuneration policy ensures that all full-time employees receive higher payment than the statutory minimum wages, considering the price levels of various regions in Taiwan and the survey results of the average salary of new recruits in the retail industry. President Chain Store Corporation reviews whether the employees' salary levels are market-competitive and in line with employee needs by adjusting the starting salary of new recruits in January each year. In 2023, the starting salary of store personnel is based on the 50th percentile (middle income level) of new recruits in the retail industry, and the starting salary of logistics personnel is the 70th percentile (high income level). In addition, President Chain Store Corporation provides employees in areas with higher price levels with an additional allowance of 5-10% of the salary so that the employees and their families have enough for a decent life.

If employees receive unfair treatment in terms of salary, they can report it through the labor dispute communication channels of the President Chain Store Corporation Integrated Services Center and the Audit Office. From 2021 on, in addition to the statutory minimum wages and peer salary standards, President Chain Store Corporation included living wage<sup>(Note1)</sup> as a reference for setting salary standards for new recruits, as well as evaluating the reasonableness of existing employees' salary. The goal is paying the employees a competitive and reasonable salary.

(Note 1) President Chain Store Corporation refers to the living wage research report of the Chung-Hua Institution for Economic Research when calculating the living wage: "Wages should meet the minimum (basic) living needs of the workers themselves and their families (dependent family members)." Therefore, "Divide the average annual expenditure on food, clothing, housing, medical care, transportation, communication and education-related consumption per household in Taiwan by 12 months, divide by the average number of people in households, and multiply by (laborer + ratio of dependents)" was adopted to estimate the average living wage in 2023. The relevant calculation quoted the results of the 2022 household income and expenses surveys published by the Directorate General of Budget, Accounting and Statistics and the average number of dependents of employers, self-employed owners, specialized occupations and technical personnel who are self-employed in Taiwan's national health insurance in 2022 published by the National Health Insurance Administration, Ministry of Health and Welfare in the latest year, and concluded that the average living wage in Taiwan was NT\$26,639 (Note 2).

(Note 2) In 2022, the average annual expenditure on food, clothing, housing, medical care, transportation, communication and education per household in Taiwan was NT\$577,375, including food and non-alcoholic beverages, clothing and footwear, housing, water, electricity, gas and other fuels, furnishings, household equipment and routine household maintenance, health care, transport, communication and education. In 2022, the average number of people per household was 2.83, and the average number of dependents of employers, self-employed owners, specialized occupations and technical personnel who are self-employed in Taiwan's national health insurance was 0.57.

The starting salary for the new recruits at President Chain Store Corporation is equal for men and women for equal work, and the salary and benefits do not differ based on gender or age. In 2023, the ratio of starting salary to basic salary (NT\$26,400) for new back-office staff who are college graduates is 1.33 times, and 1.56 times for those with a master's degree. There is no significant difference in the remuneration ratio between men and women in 2023, and the basic salary plus year-end bonus ratios of all types of employees are within 1.11 times. In terms of salary adjustment, most of the adjustment was between 2% and 5% in 2022, accounting for 82.07% of all employees. 11.74% of the employees received over 5% of adjustment.

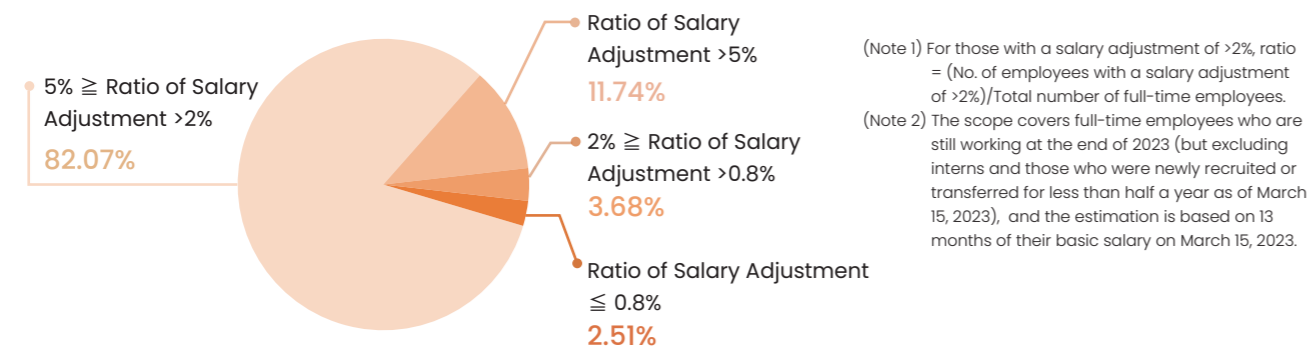
### Ratio of Salaries for Male and Female Employees in 2023

(Note 1) Compensation consists of basic salary and annual bonuses.

(Note 2) The scope covers full-time employees who are still working at the end of 2023 (but excluding interns and those who were newly recruited or transferred for less than half a year as of March 15, 2023), and the estimation is based on 13 months of their basic salary on March 15, 2023.

		Store employees	Management	Non-management
Male		0.94	1.05	1.11
Female		1	1	1

Ratio of salary adjustment for full time employees in 2023



We disclosed the number of full-time non-management personnel <sup>(Note)</sup> as 5,353 in 2023 in line with Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, with the average salary of NT\$1,083 thousand and median salary as NT\$922 thousand. The number of full-time employees in 2023 increased by 129 people compared to 2022. The average salary in 2023 increased by NT\$74 thousand compared with 2022, and the median salary increased by NT\$71 thousand.

(Note) Full-time non-management employees are not managers defined in the official document Tai-Cai-Zheng-San-Zi No.920001301, and the employees' number of work hours reached the normal work hours (152 hours a month) stipulated by the Company. The scope of statistics covers employees excluding managers for the entire year.

Work-life Balance

President Chain Store Corporation offers a variety of **employee benefits**. In addition to year-end bonuses and various allowances, it also provides four major benefit programs including the Benefit Saving Trust Fund, Good Life, Flexible Leave and Healthcare. Parental leave is also accessible in accordance with the law to favor employees' work-life balance. President Chain Store Corporation also has a comprehensive appointment system that allows the employees to be employed full-time or part-time, giving them the flexibility in terms of work.

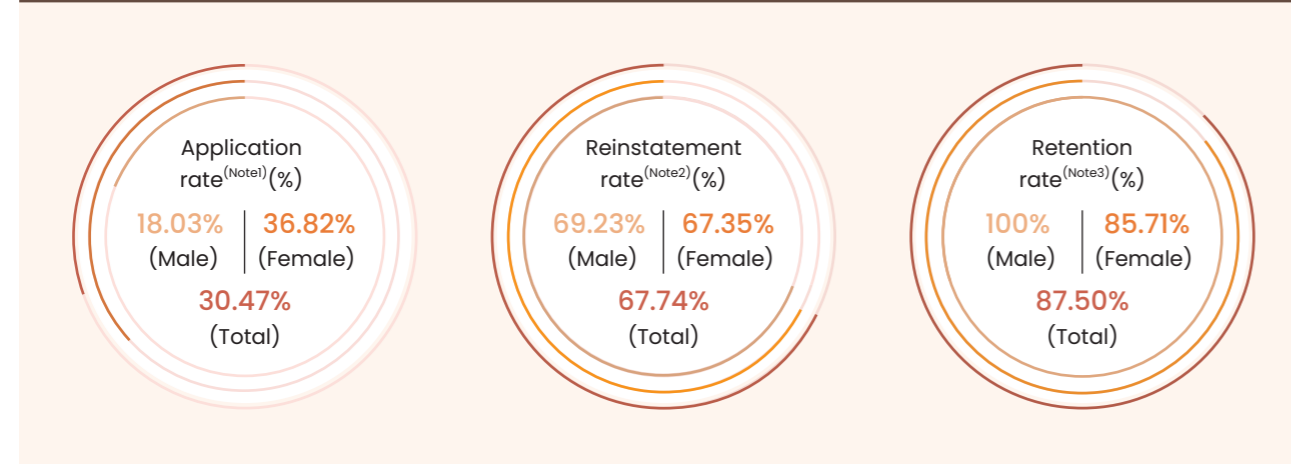
Together with 9 reinvested enterprises (7-ELEVEN, Uni-president Department Store, Starbucks, COSMED, President Transnet Corp., Cold Stone Creamery, Mister Donut, President Logistics International and Uni-President Superior Commissary Corp.), President Chain Store Corporation was awarded gold for the Happy Enterprise Award in the 2023 Happy Enterprise Selection organized by 1111 Job Bank. All welfare and parental leave application status are listed in the table below.

President Chain Store Corporation Employee Benefits

Benefit Saving Trust Fund
<p>A long term saving trust fund has been created for the employees, allowing them to enjoy annual dividends and the Company's long term profitability. Employees are free to opt in and out of the program. The trust invests exclusively in President Chain Store Corporation shares. Participants can transfer 6% of their monthly salary into the trust account each month, and President Chain Store Corporation provides an additional 1.8% as a bonus share.</p> <p>The program is accessible to employees who have obtained permanent contracts after passing the probation period. As of December 31, 2023, a total of 8,638 people are eligible (excluding senior management).</p>
Good Life
Breastfeeding rooms are available in the offices
Contracts are signed with childcare institutions to provide preferential prices
Flexible working hours for back-office staff
"Work from Home Measures" allow back-office staff to work from home
Flexible Leave
Maternity leave and miscarriage leave superior to that of the legal requirement. With no condition on seniority, all employees are paid their full salary
Primary caregivers are offered 9 paid weeks for prenatal checkups and parental leave
non-primary caregivers are also given 7 days of paid parental leave before and after their spouses give birth
A fixed amount of travel vouchers are given each year
Healthcare
Annual health checkups
Occupational disaster insurance
Group insurance for employees and dependents
Family Day and health promotion activities
Full time nurses and doctors are regularly stationed

Employee parental leave application rate, reinstatement and retention rate after taking parental leave in 2023

Item	Males	Females	Total
Employees eligible Note 1 for taking parental leave in 2023	122	239	361
Employees who applied for parental leave in 2023	22	88	110
Expected reinstatement after parental leave in 2023	26	98	124
Actual reinstatement after parental leave in 2023	18	66	84
Actual reinstatement after parental leave in 2022	4	28	32
Employees still on the job 12 months after returning from taking an parental leave in 2022	4	24	28
Application rate <sup>Note 2</sup> (%)	18.03%	36.82%	30.47%
Reinstatement rate <sup>Note 3</sup> (%)	69.23%	67.35%	67.74%
Retention rate <sup>Note 4</sup> (%)	100.00%	85.71%	87.50%



Note 1: Eligible applicants refer to employees who applied for childbirth subsidies in 2021-2023.  
 Note 2: Application rate: actual number of employees applying for parental leave/ employees eligible for applying for parental leave  
 Note 3: Reinstatement rate: Actual reinstatement after taking parental leaves/Expected reinstatement after taking parental leaves  
 Note 4: Retention rate: Employees still on the job 12 months after returning from parental leaves/Actual number of employees reinstated after taking parental leaves (during the previous period)

Franchisee Benefits

The number of President Chain Store Corporation stores exceeded 6,800 in 2023, with a total of 3,649<sup>(Note)</sup> franchisees. President Chain Store Corporation continues to stay updated with franchise profits to take good care of the franchisees, building a franchise environment with peace of mind and stable profits. President Chain Store Corporation also has the physical care and leisure activities of the franchisees in mind. In 2023, President Chain Store Corporation spent NT\$28.43 million in budget for vacation subsidies and other subsidies for franchisees.

(Note) President Chain Store Corporation encourages franchisees to own multiple stores, meaning the number of stores increased and franchisees decreased.

Insurance subsidies and benefits enjoyed by franchisees

Insurance Subsidy	
Group insurance	Franchisees receive 15% of their premiums in subsidy
Franchise owner/ employee mutual support association	A mutual support mechanism between franchise stores that mainly provides funeral assistance for direct dependents
Covid-19 mutual support association	The mutual help mechanism allows franchisees to apply for consolation money when infected with COVID-19
Benefits	
Franchisee benefits trust	Subsidy for investment is given to Encourage investment
Health checkup subsidy	Senior franchisees over the age of 40 with more than 10 years of experience are eligible to receive health checkup valued at NT\$16,000 once every two years along with their spouses who work in the same store
Discounts	Offers from affiliated enterprises, promotions for leisure activities, birthday presents

Talent Development and Cultivation

Employee Education and Training

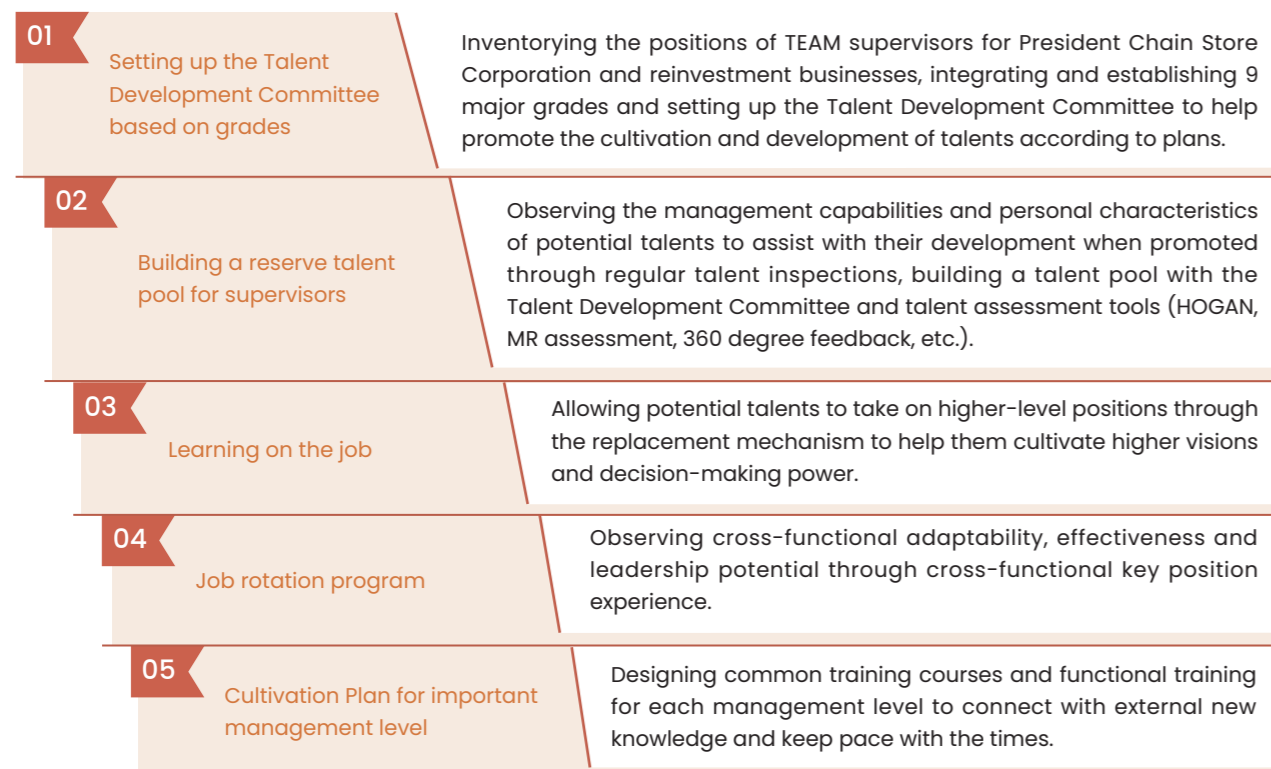
Education and training are the main drivers of organizational growth. To this end, President Chain Store Corporation has spared no effort when it comes to the training and development of our employees. There is no difference in the training and development of male and female employees, and we fully support employees in learning new knowledge and improving their skills. We established the "Common Ability Structure of Office Staff and Regulations for Training Courses" and "Training Management Regulations," detailing the capacity and corresponding courses all employees must attend with training activities defined, assisting them in reinforcing positive behavior or skills. Our goal is to strengthen the sales/marketing training framework, expand group-level training and plan internal and external seminars. The Human Resources Division Talent Development Team and Operation Planning Department Sales Training Team are responsible for implementing education and training throughout the Company.

Training Structure

We have invested in a wide range of channels for continuing education, including guidance from supervisors and peers, knowledge management systems, external training courses, internal training courses, seminars and symposiums, e-learning, on-the-job training, in-service education, as well as training employees into professional internal lecturers who are enthusiastic and happy to share for passing on professional knowledge. In addition to education and training, we provide scholarships for on-the-job training and subsidies for learning foreign languages. We encourage employees to gain work related knowledge when they are off work. In the meantime, we collect employees' feedback on education and training as the foundation for evaluating and adjusting the courses. Employees can express their opinions on education and training through the Integrated Services Center, human resources email, stakeholder section and internal communication platform.

## Key Talent Development Program

Key positions master the core of success and professional capabilities in the enterprise, playing a vital role in the enterprise's operation and shouldering the important responsibility of making decisions. Any vacancy not filled in time has a significant impact on the enterprise. To effectively ensure sufficient supply of key talents for President Chain Store Corporation and its reinvestment businesses, we have built a reserve talent pool for managers. In addition to developing and evaluating potential employees through the talent evaluation mechanism, professional evaluation tools are adopted to measure the management capabilities of potential talents to shorten the period of vacancy and stabilize the overall operations without interruption. The development of key talent pool and the design of job development plan will foster outstanding talents in the retail industry, fulfill corporate social responsibilities and help the industry move forward. President Chain Store Corporation developed a mechanism for cultivating reserve TEAM supervisors, regularly inventorying and inspecting potential talents, as well as formulating a development plan with practice as the core. The specific measures are as follows:



President Chain Store Corporation conducts an annual review of successor candidates at all levels, and builds key talent pools for different units, customize "personal development plans" for potential talents, encourages cross-unit rotation and assists in development and talent. By 2023, 44 talent review meetings have been held, and a total of 384 people have been included in the reserve talent pool.

President Chain Store Corporation also hopes to provide employees with cross-unit experience opportunities through job rotation to expand their horizons and cultivate outstanding talents. The internal transfer rate<sup>(Note)</sup> in 2023 was 67.64%.

(Note) The number of transferred employees at President Chain Store Corporation/ the total number of vacancies for the year at President Chain Store Corporation.

## Statistics on Education and Training

President Chain Store Corporation invests considerable resources into education and training each year, designing and planning different training courses for employees on different levels in different

departments, including new recruit training, level-specific training, stores, public courses for office staff, general education courses and specialized training for each unit. We invested a total of NT\$60,857 thousand in education and training in 2023, with the average training expense of NT\$7,035 per person, with an increase of NT\$5,040 per capita compared to last year. The total education and training hours were 115,149 hours with an average of 13.31 hours per person<sup>(Note)</sup>. The investment in education and training expenses increased significantly in 2023 with the easing of the pandemic, and various trainings have been reverted to classroom courses for training needed by all levels. Moreover, a variety of online digital courses have been created so that the employees can enjoy a good learning environment and satisfy their needs for learning with the dual-track system of flexible independent learning with no time or space constraints and online certification.

(Note) The denominator is calculated based on the average number of employee education and training hours for 8,651 employees on December 31, 2023.

### Average employee training hour in 2023 (including classrooms, online courses and tests, and outbound trainings)

Type of employees	Store employees		Management employees		Non-management		Total	
Total training hours	11,774.5	26,705.5	8,039	2,057	34,205	32,368	54,018.5	61,130.5
Total number of employees <sup>(Note)</sup>	2,561	3,615	203	57	1,013	1,202	3,777	4,874
Average hours of training	4.60	7.39	39.60	36.09	33.77	26.93	14.30	12.54

## Education and Training Courses

### Online Learning Curation

President Chain Store Corporation followed the Company's digital transformation strategy in 2023 to assist the organization and employees in coping with the ever-changing digital environment. To this end, employees are encouraged to develop knowledge and skills in the application of digital technology, data analysis, artificial intelligence, information security, etc., promoting greater efficiency and flexibility, as well as creating innovative operational opportunities. We have carried on with our Online Learning Curation with short courses under half an hour, as well as launching e-newsletters with external resources to allow employees to learn in their spare time. A total of 11,399 people passed the course.

### OPEN Masterclass

OPEN Masterclass offered multiple digital lectures by industry masters to share exclusive knowledge, successful working methods and the key to corporate success, so that all employees can learn and stay on top of trends at any time. In 2023, digital trend lectures were offered to all employees with no restrictions on the topics. A large amount of external digital trend knowledge and technologies were collected and shared with BU. A total of 12 lectures were hosted with a total of 1,981 President Chain Store Corporation employees passing, and BU participated a total of 226 times.





### TK Culture Promotion – ISE (In store Experience)








To practice a bottom-up approach and make sure the supervisors understand how things work in the stores, President Chain Store Corporation means to solve problems in the stores in a timely manner by finding the way to support store staff through learning about key store operations and exchange. Since 2015, we have assisted supervisors in conceiving solutions from the perspective of the stores through customized store experience. Renamed ISE (In-Store Education), the reform plan was launched in 2021 and extended to all back-office staff, allowing office staff and store employees to communicate based on theme learning and working together.

A total of 14 batches were organized in 2023 and for 588 supervisors. A total of 208 batches have been organized so far with 3,124 people engaging in the experience.

### General Legal Education

We utilized the group’s resources and provided legal education with our parent company Uni-President Enterprises Corp., to increase the supervisors’ legal awareness in decision-making. Other common elective courses were also launched to share education and training resources.

#### General Education and Training in 2023

Legal Education	 Target audience	Supervisors above team level at President Chain Store Corporation must receive 3 hours of legal education a year. The course is elective for managers of other levels.
	 2023 achievements	<ul style="list-style-type: none"> <li>Classroom courses/online courses/lectures: 83 in total</li> <li>Basic legal course: 18,083 people participated, with 13,303 course hours taken</li> </ul>
	 Course content	Developing a Culture with Rule of Law and Risk Awareness
	 Ethical corporate management regulations	Courses on fair trade, competition law, insider trading prevention, etc. aim at reduce operational risks through education, training and awareness raising, as well as enhancing the philosophy of ethical corporate management of the personnel.
	 Food safety regulations	Courses on illegal food advertising, introduction to food safety laws, etc. put food safety as the top priority and continue to establish a comprehensive food safety protection network for consumers.
	 Labor safety regulations	Courses such as overview of the Labor Standards Act, Prevention of Workplace Violence and Sexual Harassment, Occupational Safety and Health Act, etc. allowing all colleagues to work together to build a friendly workplace that values occupational safety and health.
	 Information security regulations	Courses on preventing information security vulnerabilities, personal data management analysis, etc. can improve the organization’s and employees’ ability to protect and manage data and privacy, as well as developing awareness for information security.

### Cultivation and Promotion of ESG Talents

President Chain Store Corporation launched the Sustainable Management – Environmental Protection, Plastic Reduction and Eco-friendliness in 2023 to look back on plastic reduction actions, as well as communicating their implementation strategies and results in 2022. The course looks into President Chain Store Corporation’s actions and results for sustainable operations, as well as encouraging all employees to participate in eco-friendly actions to make “Planet Sustainability In Our Everyday Life” a reality. A total of 5,777 people passed the course <sup>(Note)</sup>.

In addition, President Chain Store Corporation believes that sustainable talents are a crucial part of the Company’s future core competitiveness. To this end, it hopes to enhance the concept of ESG for all employees through various education and training, as well as encouraging them to combine the concept with their work. In 2023, we aimed at cultivating talents in sustainability in the face of climate change and the tide of sustainable development, exploring the impact on corporate internal control from the perspective of ESG risk and corresponding measures to enhance the corporate value in sustainability, as well as improving risk management systems and so on. A total of 11 employees were sent to participate in training courses organized by external professional institutions.

(Note) The 2023 sustainability course was launched at the end of 2023, and is scheduled to be taken offline in mid-2024.

### Enhanced Information Security Education

President Chain Store Corporation continued to enhance the concept of information security and develop awareness of information security crisis, thereby reducing the risk of leakage of important personal and company information, as well as improving the overall information security protection, 1,521 people passed the course in 2023.

### Digital Literacy Promotion Program

We are actively committed to promoting AI literacy, covering not only management within the organization but also all employees. We further expanded our selection courses in 2023 through comprehensive planning on trends, thinking and tools, attracting a total of 619 active participants. We hope that in the wave of digital transformation, every member can master AI literacy and embrace future challenges.

### TOEIC Program

To keep up with the development strategy in the age of globalization, President Chain Store Corporation started working with a company authorized by TOEIC in the second half of 2023 to enhance the language ability of the employees and shape an environment for language learning to cultivate more talents that can be stationed abroad. TOEIC exams exclusive to President Chain Store Corporation were organized to address the needs of employees in different regions as well as complying with the epidemic prevention policy. One on-site exam was organized with a total of 47 participants. In the meantime, four themed courses including grammar, listening, reading and mock exams were introduced with a total of 243 participants.

### Education and Training Courses

President Chain Store Corporation invests tens of millions of dollars in lectures every year, organizing training courses for franchise owners and encouraging them to grow through the selection of outstanding store managers.

Franchisee training can be divided into two categories, namely basic training for franchisees and training for store managers. The basic training for franchisees refers to a total of 172 hours

of intensive training lasting for 4 consecutive weeks, during which the knowledge and skills required to serve as a store manager, such as management ability, account management, quality assurance and expiration date management, as well as knowledge about business laws and regulations are taught. Qualifications for franchisees can only be obtained upon completing the training and passing the test. In 2023, training was completed for a total of 188 franchisees. Store manager training revolves around the annual business theme and the on-site operations. It targets all store managers to boost their management abilities. In 2023, a total of 6,273 people completed the store manager training with the theme of "Case Study of AI Ordering System."

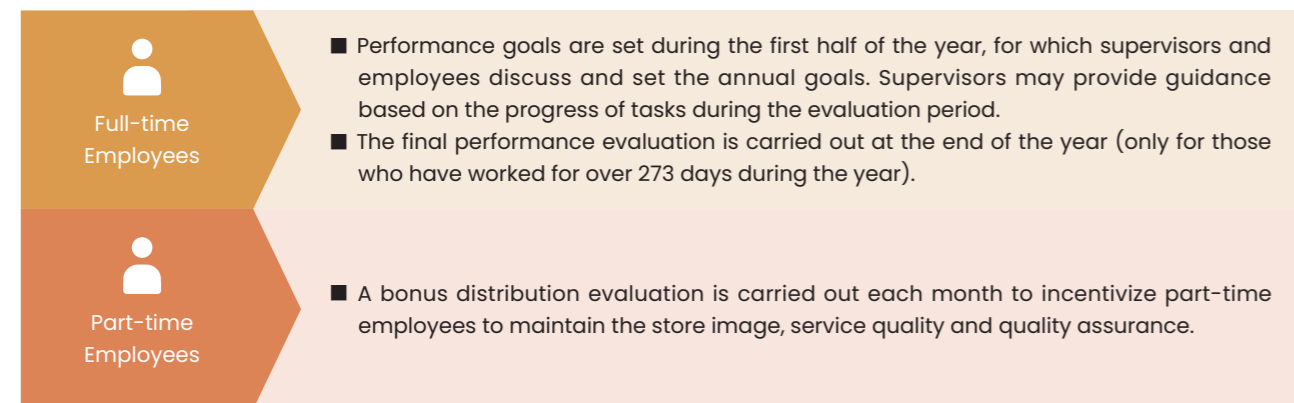
### Performance Management

In the implementation of performance management, besides establishing goals that the Company and employees agree on for driving growth, employees can check the progress of each work goal at any time, and make adjustments or seek the advice of their supervisor to assist with their own development.

#### Performance Management Cycle

President Chain Store Corporation employees receive one performance evaluation a year regardless of gender, as long as the annual performance cycle falls within the days specified for evaluation. The annual performance review index includes two parts. Supervisors and their subordinates have to set a specific percentage of the Company's major metrics, and the remaining percentage is dedicated to individual performance goals while reviewing the performance of the team and individuals. We use a promotion system for employees who continue to show good performance, which means having a higher base salary, benefits, and bonuses for encouraging employees to continue to make progress and contributions. For employees whose performance falls behind, their direct supervisors are required to regularly review and follow up on their performance, in order to assist them in boosting their performance and strengthening their weaknesses.

#### Performance Management System



In addition, President Chain Store Corporation adopts a 360-degree evaluation method to evaluate employees at a specific salary level. The results will be used as a reference for future promotion decisions. Although not all employees have yet been included, we will continue to make the mechanism more objective with the method, which will create a positive impact on the performance of the Company.

## 5.2 Human Rights Management

### Human Rights Policy

In order to protect human rights, President Chain Store Corporation has formulated a "Human Rights Policy" with reference to international human rights policies and local labor regulations. The policy covers stakeholders including all employees, affiliated companies, suppliers, contractors and joint ventures. In addition to the commitment to provide a friendly and safe working environment and protect employees' right to collective bargaining, we also prohibit any illegal discrimination, sexual harassment, illegal physical and mental abuse in the workplace and intimidation. To this end, we have formulated the "Sexual Harassment Prevention, Complaints and Handling Measures" to actively address such cases, as well as prohibiting forced labor, human trafficking and child labor.

### Human Rights and Labor Audits

To protect employees' labor rights, lower the operating risks of affiliated enterprises, and ensure compliance with labor laws and regulations, President Chain Store Corporation provided training regarding the Labor Standards Act to 249 people in 2023. In addition, President Chain Store Corporation regularly conducts human rights and labor audits on its headquarters, regional offices, directly operated stores, tier-1 suppliers, and joint ventures within its scope of operations. Please refer to "President Chain Store Corporation Human Rights Due Diligence Procedure" for other human rights risk assessments and mitigation measures.

Target	Own operations		Franchises and tier-1 suppliers		Joint venture
	Head office	Directly operated	Tier-1 suppliers	Franchise stores	Mister Donut
Human rights issues	1. Overtime work 2. Salary management	1. Overtime work 2. Salary management	1. Overtime work 2. Occupational safety and health 3. Labor rights of foreign workers	1. Overtime work 2. Salary management	1. Overtime work 2. Salary management 3. Occupational safety and health
Audit actions and frequencies	1. Monthly attendance record inspection 2. Unscheduled labor audits by competent authorities	1. Monthly attendance record inspection 2. Unscheduled labor audits by competent authorities	Supplier audit (including occupational safety and health and labor conditions)	Annual franchise store labor conditions inspection	Audit on occupational safety and health and working conditions
% of total assessed in last three years	100%		83.27%		100%

	Own operations	Franchises and tier-1 suppliers		Joint venture
Identified risks	No abnormality or legal violations	Failure to install hazard isolation equipment, failure to regularly inspect and maintain equipment, failure to conduct employee health examinations, failure to provide warnings in texts that are legible to foreign workers, etc.	Irregular attendance records and shifts not complying with the Labor Standards Act	In 2023, 13 people worked more than 100 hours of overtime in a single month
% of total assessed where risks have been identified	0%	9.31%		100%
Remediation actions taken	—	Tier-1 suppliers for private-label brands have incorporated ISO 45001	All records have been reviewed by responsible cadres, and all deficiencies have been corrected	The scheduling mechanism has been adjusted and a continuous fryer has been introduced to reduce manpower needs
The number of sites/sessions with mitigation plans	—	9	385	1
% of risk with mitigation	—	100%		100%

### Workplace Violence Prevention

In recent years, violent attacks in the workplace have occurred from time to time in convenience stores. To this end, the Ministry of Labor has formulated the "Guidelines on Safety and Health Guidelines for the Prevention of Workplace Misconduct of Convenience Stores," as well as including them in labor inspection guidelines. In response to the effort to prevent misconduct in the workplace by the competent authorities, the Company has reviewed various implementation actions one-by-one through cross-division cooperation to set short, medium and long-term goals, as well as reviewing, reinforcing and strengthening everything from measures to facilities. The results are submitted for internal review by the Labor Inspection Office in Taipei with great recognition. The Company was invited to receive praise and share its best practices at the "Sustainable Development Goals for Health in the Workplace: Illegal Infringement Prevention Seminar" organized by the Labor Inspection Office in Taipei. The key achievements are as follows:

Hazard prevention with education and training as top priority	Course content is designed for newcomers, current employees and management. The Company provides a variety of online learning courses through the digital learning platform to enhance hazard risk identification and response capabilities of all employees.
Records and results	Cross division cooperation is carried out in line with internal and external guidelines and standards, so as to guide the stores to complete all tasks in compliance with the laws and regulations.
Provide a safe workplace	The 110 video reporting app is installed on the company phone in stores, reminding employees to prioritize their own safety in case of safety hazards, informing employees to exercise their right to refuse to work in case of hazards (moving to a safe area, such as the restroom or warehouse with locked doors), installing flash siren facilities in the stores, etc. All the mechanisms help employees in situations where help is needed, both in terms of deterring external violence and increasing the chance of seeking rescue.

### Prevention and Handling of Discrimination

President Chain Store Corporation attaches great importance to equality and tolerance in the workplace. In addition to its commitment to prohibit any illegal discrimination, sexual harassment, illegal physical and mental abuse, as well as intimidation in the workplace in its Human Rights Policy, it has also formulated "Sexual Harassment Prevention, Complaints and Handling Measures" to properly address relevant violations. In 2023, a total of 7 sexual harassment complaints were received, of which one was invalid after investigation, 2 were third-party sexual harassment incidents by customers against employees, and 4 were internal sexual harassment incidents between employees. For cases that were confirmed, violators were penalized depending on the severity of the circumstances, including changing their job functions or taken to the police to pursue criminal responsibilities. Announcements were made in a manner that appropriately concealed identifiable personal information for increased awareness.

In order to prevent workplace misconducts, President Chain Store Corporation has made "Prevention of Workplace Violence, Discrimination and Sexual Harassment" a mandatory training course, as well as providing department heads with online training related to the prevention of workplace violence, discrimination and sexual harassment. In August 2023, the course on preventing illegal infringement and sexual harassment in the workplace was updated as an online course. A test must be completed afterwards. Employees of franchise stores were also included in the courses. By the end of 2023, the total completion rate of the new and old versions of the course reached over 95%.

#### Sexual Harassment Incident Handling Procedure

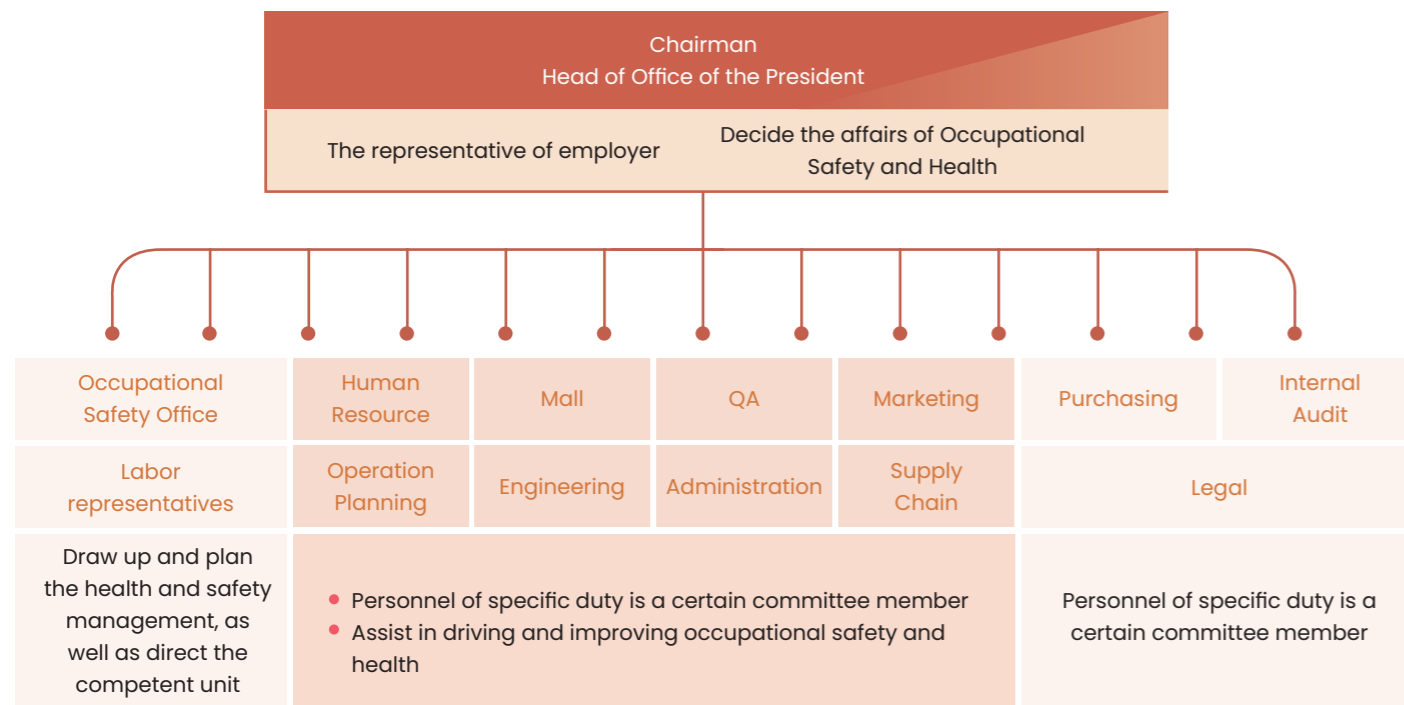
Dedicated unit	Complaint channels	Investigation Process
Human Resources Department	Applicants can lodge complaints through channels such as stakeholder mailboxes, audit offices, and employee relations mailboxes.	After receiving the case, a designated person is assigned to conduct the case investigation. During the investigation process, the information of both parties will be kept confidential. After the investigation is completed, a sexual harassment complaint handling committee will be convened to review the case. If the case is established as sexual harassment, the content of the case will be sent to the Rewards and Punishment Committee to determine the level of punishment. All appeal cases will be handled within 2 months after acceptance.

## 5.3 Occupational Safety and Health

### Occupational Safety and Health Committee

To ensure that all employees have a safe and healthy work environment, we established a level 1 Occupational Safety Office and an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act. The committee has a total of 29 members, in which 10 are labor representatives elected by employees, accounting for 34.48% of all members. The Occupational Safety Office has 3 full-time staff members (1 safety manager, 1 health manager, and 1 safety and health manager). The committee convenes on a quarterly basis, with the employer representative serving as the chairperson and the Occupational Safety Office and nurses giving quarterly reports during the meeting. All units give presentations on target programs, with supervisors of the highest level of each unit and labor representatives to discuss the Company's safety and health matters. The meeting also establishes occupational safety targets, discusses the progress, with a management review meeting each year reviewing, coordinating and making recommendations on safety and health matters, ensuring the suitability and effectiveness of occupational safety and health. In addition to the aforementioned meetings, stakeholders can express their opinions on occupational safety and health through the Integrated Services Center, designated email address, stakeholder section and internal communication platform. In case of an occupational safety and health incident, the Occupational Safety and Health Committee will convene supervisors of relevant units and labor representatives to coordinate, suggest and review occupational safety and health matters. Actions are taken in accordance with the PDCA (Plan-Do-Check-Act) management system process to ensure reliability, as well as improving occupational safety and health.

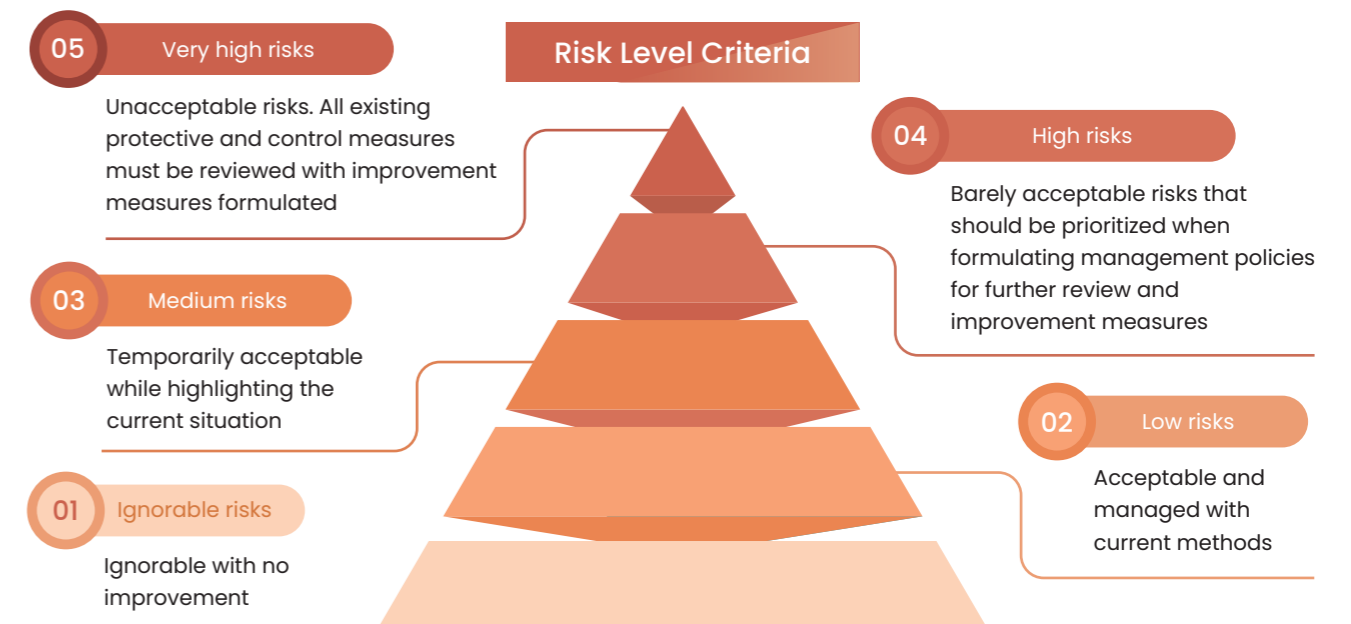
#### Occupational Safety and Health Committee



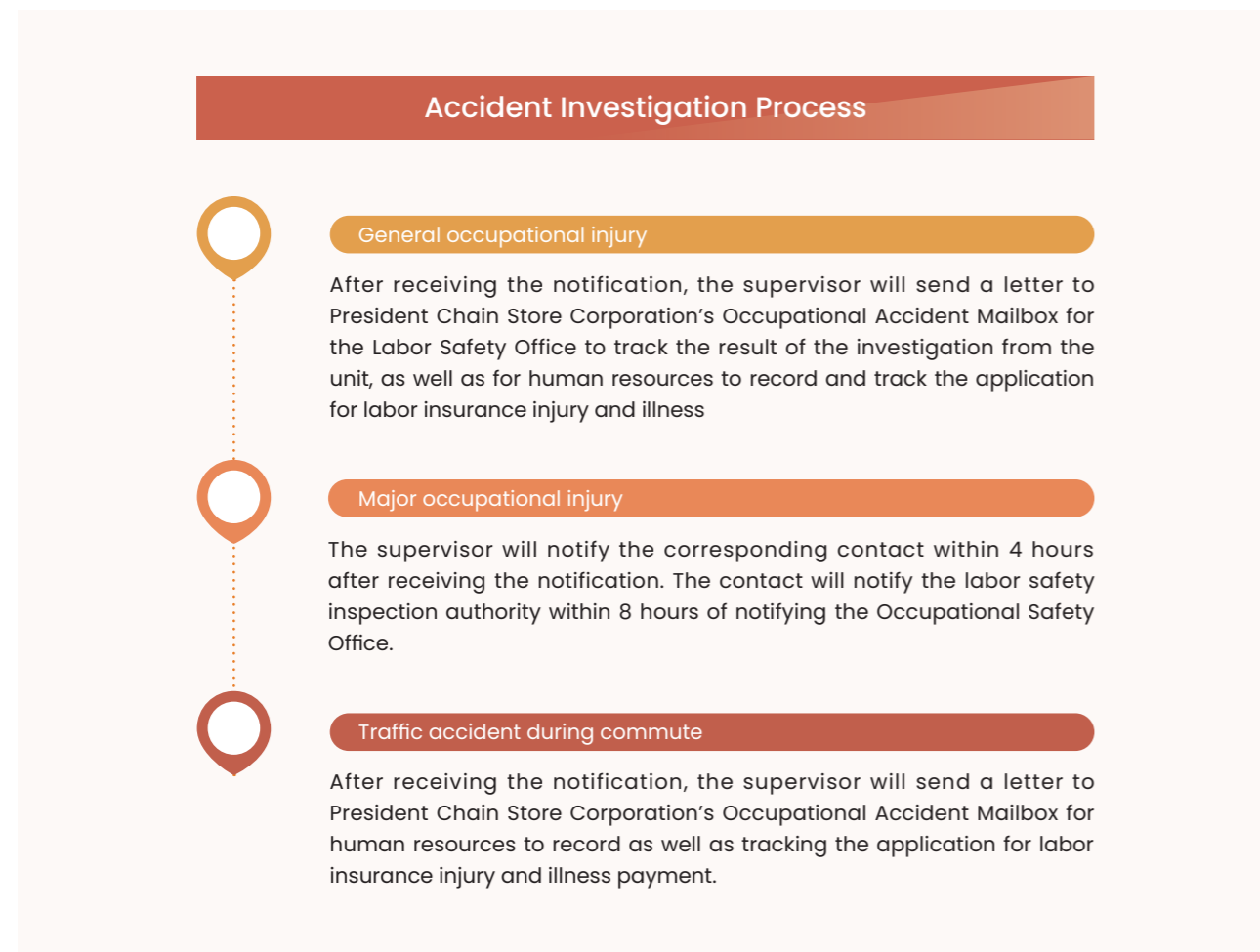
### Occupational Safety and Health Policy

The Board of Directors approved the [Occupational Safety and Health Policy](#) in 2024 with five guidelines for implementing risk prevention and management. Our goals in 2023 were for the frequency-severity indicator to be lower than the retail industry's average in the past three years according to the Occupational Safety and Health Administration, Ministry of Labor, and for there to be 0 cases of serious occupational safety incidents. We took the following actions to achieve this goal: safety and health education and training, hazard identification and risk assessments, as well as safety audits. Furthermore, we continued to implement the Overload Prevention Plan, Human Factor Hazard Prevention Plan, Illegal Violence Prevention Plan, and Maternity Health Protection Plan to protect employees' health and safety through prevention measures and risk identification.

President Chain Store Corporation conducts a risk assessment every year, and all risk assessment personnel and internal auditors received 6 hours of education and training in 2023 to ensure the quality of the process and the ability of personnel to identify relevant hazards and consequences according to different operations. In the meantime, existing protective measures are confirmed to assess and classify risks based on the severity of the occurrence, as well as determining whether the risk can be reduced through control measures. The residual risk after improvement measures will also be continuously monitored and measured. If the dedicated unit adds new equipment, operating procedures or changes operating procedures, occupational incidents and non-conformities that affect risk performance are not included the scope of routine assessment. In 2023, a total of 79 operations were evaluated in 6 different venues, including the stores, shopping centers, construction sites, laboratories, private-label manufacturing factories and offices. The risk assessment determined that both software and facility control measures existed. The result of identification shows 29 risks in the first level, 39 risks in the second level, and 11 in the third level. Overall, there was no high risks of the fourth and fifth levels. In other words, only acceptable risks were identified and current management measures remain valid.



In order to reduce the probability of occupational accidents for employees, accidents are monitored through the occupational safety reporting mechanism and investigated to confirm the details. Under special circumstances, such as workplace misconduct, the employee care mechanism will be activated immediately to provide necessary protections and assistance. The hazard is identified by exploring the cause of the incident, inspect and analyze the opportunities for improvement, evaluate the safety equipment, strengthen personal protection (such as resisting external violence with reporting software), as well as making improvements based on strengthening the personnel's emergency response capabilities through education and training. Among them, online courses such as "Safety and Hygiene at Night in the Workplace" and "Unlawful Infringement and Sexual Harassment Prevention in the Workplace" also enable employees to understand that in situations of immediate danger, they should exercise their right to refuse work and protect their own safety, and that employees who exercise their right to refuse work will not be subject to disciplinary actions. This can eliminate and lower the risks to prevent similar incidents, safeguard work safety and create a friendly workplace.



**Four Major Occupational Safety Plans**

President Chain Store Corporation promotes workplace protection plans in accordance with the law to identify risk factors, select improvement methods and implementation through identifying and evaluating high-risk groups and risks. Doctor's health consultation appointments are arranged with working hours adjusted or shortened, or tasks changed. President Chain Store Corporation conducts health checks, management and promotion to develop a code of conduct for employees, organize relevant education and training, as well as evaluating and improving the effectiveness of implementation to protect employee health.

**Overload prevention plan**

There were 33 cases risking overwork in 2023, with the employees who needed medical consultations completing their doctor's visits. Health management, medical treatment or stress relief suggestions were provided, and the risks are deemed as acceptable.

**Human factor hazard prevention plan**

In 2023, doctors and nurses followed up with 708 employees who were suspected to be at risk in the questionnaire on musculoskeletal symptoms, providing them with health promotion or medical advice. The re evaluation results showed that there was no work related hazard.

**Illegal violence prevention plan**

In 2023, a total of 16 workplace misconduct cases were reported through the internal channel, all of which have been closed. President Chain Store Corporation provided medical assistance, job function adjustments, and psychological counseling in line with the individual circumstances of the victims. Violators were punished depending on the severity of the case, with their job functions adjusted or taken to the police to pursue their criminal responsibility. We re examined and evaluated, as well as promoting improvement measures to prevent similar incidents reoccurring afterwards.

**Maternity health protection plan**

In 2023, medical staff completed maternal health protection for a total of 125 employees who were pregnant, within a year of childbirth or breastfeeding in accordance with the law. All potential health hazards caused by the workplace were assessed with preventive care recommendations provided. The risk were kept on the first level.

**Implementation of Occupational Health and Safety**

In addition to the scope of occupational safety and health, education and training fire safety drills have been included in education and training so as to improve the resilience when disasters occur. In addition, the occupational safety training exchange session has been held for three consecutive years (2021-2023) with a total of 115 suppliers participating. In November 2023, a seminar and training was organized on the practical risk management of occupational safety and fire protection for factories, with a total of 37 private-label manufacturers participating.

	Description	2023 Performance
Safety and Health Training	Certification training (Class C occupational safety and health/ first aid): Outsourced for a training unit to provide training on safety and health certification needed for work to enhance knowledge and skills on safety and health.	8,193 people certified in total
	"Building Escape Drill" course: Impromptu escape drills were organized to improve the vigilance and speed of escape of the employees for enhanced safety.	572 people completed training
	Course on "Occupational Safety and Health Education and Training for Newcomers": To prevent occupational accidents, newcomers should understand the risks in the workplace while strengthening concepts on safety and health.	143 people completed training

	Description	2023 Performance
Safety and Health Training	Workplace misconduct hazard identification training: The stores are trained to identify, evaluate and control the working environment or operational hazards based on the actual risks on site.	162 people completed training
Environmental Monitoring (Head Office)	The quality of drinking water receives inspection each quarter. The concentration of carbon dioxide and lighting are checked every six months.	The results exceeded standards.
	The disinfection frequency was once a quarter in 2023.	
Contractor Management	Supplier security agreement organization meeting: The meeting was hosted in June 2023 for contractors all over the country (for decoration, utility, signboard, general repair).	103 suppliers attended the meeting.
	In 2023, the risk assessment of the construction site <sup>(Note)</sup> exposed unsafe behavior and environment.	The order of the top five risk factors included failure to wear a safety helmet, incomplete pre work education, falling, cutting and electric shock.
	Agreement organization meeting for new contractors: In 2023, an agreement organization meeting was held for new contractors to obtain information on safety and health operation regulations.	18 meetings were convened.

(Note) Construction site means the construction site where the store is renovated.

President Chain Store Corporation standardizes contractors' compliance with occupational safety and health-related laws and codes of conduct for third-party suppliers in procurement contracts that third-party suppliers have signed, so as to ensure contractors' safety and health concepts and protect their labor rights. President Chain Store Corporation formulates operating standards for high-risk machinery and equipment, roofing methods, and notification of hazards when repairing existing stores. A contractor safety agreement organization meeting is organized prior to commencement to reduce construction risks. Unannounced site audits are conducted each year, and penalties are given to contractors with flaws. In addition, the former Deputy Director from the Kaohsiung City Labor Standards Inspection Office were invited to serve as lecturers during the agreement organization meeting for contractors to explain relevant safety and health regulations in order to strengthen the safety concept of contractors and reduce the probability of disasters.

### Occupational Safety and Health Management System and Health Certification

President Chain Store Corporation continued to pass regular inspections for ISO 45001 Occupational Safety and Health Management System with zero deficiencies in 2023, with the internal audits and external certifications covering the scope of the 830 employees working in the head office in line with the management system, accounting for 9.59% of all employees. The employee coverage for relevant internal audits reached 100%, with 77% of franchised stores conducting internal occupational safety and health audits <sup>(Note)</sup>. As the head office implements the drafting, planning, supervision, promotion and overall management of occupational safety and health management matters, the internal management

guidelines of the Company have been formulated in accordance with the transition to the ISO45001 occupational safety and health management system to extend to all employees (for directly-operated and franchise stores). To show our determination in building a safety culture in line with international standards, we will engage all employees to create and maintain a friendly and safe workplace. We will also continue to include contractors in these efforts. In order to make sure the suppliers comply with occupational safety and health regulations and supplier code of conduct, the Occupational Safety Office and the Supply Chain Management Department promote the "Five-Year Plan of Occupational Safety Certification," which runs from 2019 to 2023. Pre-communication preparations were carried out in 2019, and comprehensive counseling is carried out from 2020 to 2022 to strengthen the concept of occupational safety and health in the factories through self-inspection, on-site counseling and education and training. Suppliers for private-label products are encouraged to obtain ISO45001 third-party certification, as the threshold for signing subsequent manufacturers for private-label food products. The end goal is having all suppliers for private-label products receive ISO45001 third-party certification.

Six exclusive manufacturer in the fresh food category were inspected in 2023, producing noodles, rice, salads, fruits, bread, etc. respectively. Guidance on on-site equipment process risks and ISO45001 system was offered. Suppliers also received occupational safety training courses. One training session on "Private-label Brand Occupational Health and Safety and Fire Hazard Exchange" was held this year with 37 suppliers participating to enhance their ability to identify equipment operational safety risks, as well as helping suppliers understand the system management and operational structure, so that they can inspect site safety on their own. There were 42 private-label manufacturers in the food category, with 36 verified by the ISO45001 occupational safety management system, and 85.7% obtaining ISO45001 certification.

(Note) If the store had not been open for over three months during the last audit of the year, no internal audit arrangements would be made. The annual inspection does not cover all franchise stores.

### Occupational Health and Safety Audits

The Occupational Safety Office conducted occupational safety and health risk assessment and unannounced audits for different working environments, targeting back office, stores and shopping enters. In 2023, a total of 261 inspections were conducted, of which 31 had zero defects, with 432 defects improved at an improvement rate of 100%. The number of inspections increased by 33.8% compared to the year before, as we inspected more stores and construction sites.

	Audit Action	Audit Frequency	2023 Results	Mitigation Measures
Directly Operated Stores	Store self-inspection and district advisor reviews for occupational safety and health	Each May	The store performed self-inspections and reviews	Mitigation measures are tracked by store managers

(Note) No penalty was received for violating occupational safety and health regulations in 2023.

	Audit Action	Audit Frequency	2023 Results	Mitigation Measures
Franchises	Store self-inspection and district advisor reviews for occupational safety and health	One self-inspection a year (prior to the universal inspection done by a third-party)	The store performed self-inspections and reviews	Follow-up guidance and tracking was arranged by store supervisors for stores with abnormalities

	Audit Action	Audit Frequency	2023 Results	Mitigation Measures
Con-tractors	Unannounced occupational safety and health inspection at construction sites	Each month	A total of 140 inspections were conducted, of which 11 had zero defects. The number of inspections increased by 32% compared to the year before.	An agreement organization meeting was organized for suppliers (for decoration, utility, signboard, general repair) in in June 2023 with the former Deputy Director from the Kaohsiung City Labor Standards Inspection Office serving as the lecturer, explaining relevant safety and health regulations in order to strengthen the safety concept of contractors and reduce the probability of accidents.

### Statistics on Occupational Injuries

President Chain Store Corporation strives to reduce occupational injuries. We have achieved zero cases of work-related fatalities or critical injuries for 6 consecutive years through various safety and health management plans, with a recordable occupational injury rate (disabling frequency rate) of 1.64 in 2023, and the frequency-severity indicator was 0.17 in 2023, lower than the retail industry's average of 0.35 in the past three years (2020-2022) according to the Occupational Safety and Health Administration, Ministry of Labor. The recordable occupational injury rate of all employees in this year decreased compared with the previous year through confirming the incident, exploring the cause, understanding the problem, and then taking improvement measures such as facilities, management (education, training, campaigns, etc.), personal protective equipment, etc. to prevent similar incidents. The scope of occupational injury statistics in this report covers employees in the head office and directly-operated stores. Occupational injury data from franchise stores has been included for 2023. Please refer to the appendix for the statistics of disabling injuries of employees, franchises and contractors in 2023.

#### Number and type of injuries by employee gender in 2023 (excluding traffic incidents)





Type	Falling, tumbling	Tripping	Object falling	Cuts, lacerations, scrapes	Exposure to high/low temperatures	Improper maneuver	Others	Total
Employees	3	9	1	5	2	3	3	26
Franchises	0	2	0	1	1	0	0	4
Contractors	3	0	0	0	0	0	0	3
Manu-facturer	0	1	0	1	0	0	1	3

(Note) The three falling accidents from the contractors were caused by workers accidentally falling while installing lighting fixtures on the ladder, resulting in bruised ribs and some flesh wounds. Improvement measures include selecting suitable climbing tools for the task and strengthening education and training for contractors.

### Health Promotion Activities

Employees are a vital asset of the Company, and keeping employees healthy is one of President Chain Store Corporation's goals for creating a happy enterprise. The Happy Cooperative Society was established in 2010 to help the employees cope with stress from life and work, as well as building a healthy body, mind and interpersonal relationships. Professionals trainers were hired to train employees with passion as volunteers. Volunteers would approach employees or referred them to professional help to provide them with effective assistance in a timely manner. As of 2023, volunteers spent 2,952 hours caring for 3,842 people. Health promotion activities, and a friendly environment for pregnant women and mothers, etc. were also adopted so that employees can maintain their health and maintain a sense of happiness.

#### Resources and Services

	2023 Performance
 <p>Health Check and Follow-up</p>	Full time employees who are over 35 years old with 5 years of experience are offered health checkups superior to the statutory requirement for prevention, early diagnosis and treatment. A total of 6,025 people received checkups in 2023, with coverage reaching 83%. Advanced health checks are provided for senior employees, with a total of 2,616 people eligible for subsidies to prevention diseases by early diagnosis and early treatment.
 <p>Individual Healthcare Services</p>	We provide 10 on site doctor services each month superior to legal requirements. A total of 509 employees received health consultations from doctors, and another 194 received health consultations from nurses.
 <p>Health Promotion App</p>	"Fitness Life Circle" was set up for the employees through the app. Four events were organized in 2023 (each lasting a month), including Riddle Challenge, Carbon-reduction Forest, Summer Hiking Fun and Adventure at the Sea. In addition, a total of 6,611 people participated in the measurement and recording event, with a total of 33.43 million calories burnt (the equivalent to approximately 4,342 kilograms) from walking throughout the year.
 <p>Vaccination</p>	A total of 5 vaccination sessions were held at the vaccination station in 2023, with a total of 352 people receiving vaccinations, including 153 for influenza vaccine, 125 for next gen vaccine, 54 for herpes zoster vaccine, and 20 for pneumococcal vaccine.

# 06 Promotion of Social Welfare & Charity

Building upon our core operations, President Chain Store Corporation fosters connections within the community to better understand our consumers' needs, build trust and confidence. We use our resources to implement goals such as promoting health & well-being, eliminating hunger, developing sustainable communities, fostering education, protecting the environment, circular economy, etc. - building a better, more sustainable future with our consumers and the 6,800+ stores across the local area. Our mission is to become the indispensable neighbor that spreads love and ensures safety in the community.



## Management Policies

Policies and Commitments	Management Policies
	<ul style="list-style-type: none"> <li>Philanthropic Strategy</li> </ul>
Management Actions	<ul style="list-style-type: none"> <li>Good Health and Well-being: What Time is it? Café, Good Neighbor Health Classroom, Millennium Blood Pressure Monitoring Station, Good Neighbor Healthcare Funfest</li> <li>Zero Hunger: Good Neighbors Meal Delivery Team</li> <li>Sustainable Cities and Communities: Youth Deep Roots Program</li> <li>Quality Education: Sustainable Funfests, Deep Roots in Sustainability Project, Reading Encouragement Program</li> <li>Environmental Protection: Furbaby Welfare Enterprise Circular Economy Project</li> <li>Charity fundraising: monetary, points and goods donations</li> </ul>



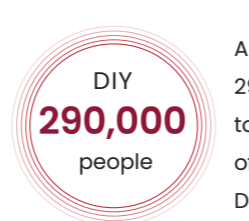
Good Neighbor Meal Delivery Team provided approximately 42,000 meals to people with fewer resources



What Time Is It? Café Project was relaunched after the pandemic in 2023, serving a total of 979 people



Organized a total of 1,527 Good Neighbor Health Funfest (including blood donation and blood pressure measurement) with over 90,000 participants



A total of over 290,000 people took advantage of the Sustainable DIY materials



Encouraged more than 8,000 children to improve their reading skills with point collection as incentive, with over 200,000 books read



The Youth Deep Roots Program has worked on a total of 33 projects with youth organizations

Corresponding Material Topics



Social Welfare











## 6.1 Philanthropic Strategies





President Chain Store Corporation prioritizes on the promotion of health and well-being, nutritional and food needs, and sustainable cities & communities, which will achieve the SDG 2 Zero Hunger, SDG 3 Good Health and Well-being, SDG 11 Sustainable Cities and Communities, respectively. Furthermore, we are also concerned with SDG 4 Quality Education, SDG 12 Responsible Consumption and Production and environmental protection, therefore we continue to utilize our wide network of channels to create platforms for charity donations.



### Structure of Philanthropic Strategies

The vision of President Chain Store Corporation's influence: Creating a charity-friendly store with the densest local service network, building a bridge between social welfare groups and the public to share goodwill, continuing to promote sustainable mutual benefits, and striving to become an irreplaceable good neighbor in the community that delivers warmth and peace of mind.

5 Major Aspects	Strategies	Topics	Actions	SDGs
 Zero Hunger	According to statistics from the Ministry of the Interior, Taiwan will turn into a "super aged society" in 2025 with the population over 65 years old accounting for over 20%, that is, 1 in 5 people. President Chain Store Corporation works with the A Kernel of Wheat Foundation, the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation, Mennonite Social Welfare Foundation and Hondao Senior Citizens Welfare Foundation to promote proper meals for vulnerable elders in remote areas. The concept of environmental sustainability is furthered combined with the Good Neighbor Health Classroom to encourage the elders to engage with the community and create an age-friendly environment.	Community care	In-store cash donation: Meals for All Good Neighbor Meal Delivery Team	 
 Good Health and Well-being	President Chain Store Corporation is concerned with public health and welfare. To this end, it continues to focus on preventive medicine for common health problems. In response to the aging population, we promote activities that help seniors improve their health. President Chain Store Corporation also set up Millennium Blood Pressure Monitoring Stations to encourage people to monitor their health regularly. We also held health activities to raise public health awareness.	Care for elders Community care Age-friendly	In-store cash donation: Care for Elders Good Neighbor Healthcare Funfest What Time is it? Café	 
 Sustainable Cities and Communities	President Chain Store Corporation noticed uneven development and resource distribution between urban and rural areas in recent years, in addition to an aging population, falling birth rates, decline in local tourism and industries. To this end, the President Chain Store Corporation Good Neighbor Foundation supports youths in returning to their hometowns to develop a variety local industries and works with them to promote local marketing and procurement.	Developing local industries	Youth Deep Root Program	

5 Major Aspects	Strategies	Topics	Actions	SDGs
 Quality Education	Childcare is increasingly focused on the importance of parent-child interaction these days. Along with the rise in sustainability and awareness, we have created easy-to-read teaching materials that share information on several core ideals of President Chain Store Corporation's sustainable operations – environmental protection, food education, health, and charity. We also partner with schools to cultivate the concept of sustainable development for young people and also implement reading encouragement programs to encourage children to develop reading habits.	Foundation in Sustainability Reading Promotion	Good Neighbor Funfest Youth Deep Roots in Sustainability Project Reading Encouragement Program	
 Environmental Protection	Actively solving the problem of leftover food and avoiding food waste with iLove Food's fruit and vegetables to effectively solve social problems caused by food waste.	Circular Economy	Furbaby Welfare Enterprise Project	

By engaging in community services, donations (money & goods), points donations, and other charitable fundraising, we not only fulfill our goals for promoting health, eliminating hunger, developing communities and education quality, as well as protecting the environment, but also better understand the needs of the community (e.g. nutritional health or local economic development) through our interactions with the public. These can then be transformed into future business opportunities to promote sales of healthy, ready-to-eat food products, achieving sustainable development for both social welfare and economy.

### Annual Philanthropic Participation & Contribution

President Chain Store Corporation brought its corporate influence into full play in social welfare and charity events. The monetary equivalent of the amount of time and other contributions that President Chain Store Corporation invested in social welfare and charity in 2023 are as follows.

Item	Amount
Cash(excluding advertisement fee)	26,865,000
Time cost (voluntary services done during paid working hours)	22,097,152
In-kind donations (products or services, programs, partnerships or similar)	156,270,000
Management overhead	5,802,342
<b>Total</b>	<b>211,034,494</b>

(Note) Calculations are based on factors such as the number of hours individuals contributed, salary, operational and management costs for fundraising platforms and the number of events held. Cash contributions include charitable donations of NT\$26,600,000, including donations to Good Neighbor Foundation, Millennium Health Foundation, as well as NT\$265,000 in costs for the Health Station program.

## 6.2 Charity Fundraising

### Charitable Donations

President Chain Store Corporation has long hoped to utilize our vast and convenient network to maximize our influence on philanthropy, and “Bring Back the Love” charity fundraising platform is one of the biggest all-round channel for donation in Taiwan. Moreover, we have created several different platforms for charitable donations, including OPENPOINT APP online donations, in-store cash donation, ibon machine donation, membership point donation and pledge donation of goods to enhance the general public’s awareness of social welfare issues. In 2023, a total of NT\$717 million was raised for charitable donations, with an increase of NT\$254 million<sup>(Note)</sup>, allowing corporate resources to be invested in health and well-being, hunger eradication, urban and rural sustainability, education and empowerment and environmental protection, creating a wonderful and sustainable society together with everyone through over 6,800 stores.

In 2023, we also joined hands with 10 social welfare groups on the occasion of International Day of Charity (September 5) for a joint fundraising campaign, as well as collaborating with 10 designated social welfare groups with urgent funding needs at the end of the year to launch the “Bring Back the Love Year-end Joint Fundraising Campaign.” The initiative connected internal and external social welfare communities to call on the public to engage in charity, maximizing the function of the fundraising platform to help the disadvantaged and starting a cycle of social good.

(Note) The substantial increase in donations this year is mainly due to the emergency fund-raising for the earthquakes in Turkey and Syria launched by the Ministry of Health and Welfare and World Vision, as well as the increase in collaborating social welfare groups. The easing of the pandemic also contributed to the increase in various donations.

### App Online Donation

**Working with 70 social welfare organizations in 2023 to raise a total of over NT\$98.70 million**

The recurring donation feature was launched in early 2022, doubling the amount of digital fundraising year by year. In 2023, the amount of recurring fixed-amount donation exceeded 20%, committed to the sustainable operations of the charity ecosystem. In addition to launching recurring fixed-amount donation promotion activities every quarter in 2023 by offering free gifts, the OPENPOINT APP has worked with 70 social welfare groups on online donations, raising a total of over NT\$98.7 million. One out of every five consumers who use the OPENPOINT APP to donate has made their fixed-amount donation recurring, with a single donation up to NT\$160,000 and multiple recurring fixed-amount donations up to NT\$10,000.

### In-store Cash Donation

**A total of approximately NT\$208 million raised through In-store Cash Donation in 2023**

We launched the “Bring Back the Love” charity campaign in 1988, and since then, 6,800 in-store donation boxes have been set up. We also carefully keep track of and audit donations regularly to ensure that all matters regarding fund transfers and financial accounts are handled with transparency – reassuring the public that their generosity is going to a good cause.

In response to the aging demographic, “care for elders” was added to our in-store cash donation program starting in 2014. By now, the program had been running for 10 years. To observe current needs and address social issues, environmental issues were included in 2021 to focus on “Green Lifestyle” and “Age-friendliness.” In 2023, we continued to work on issues such as elder care and environmental protection with social welfare organizations in these fields, as well as organizations that focus on people with physical and mental disabilities. Change donation might seem insignificant,

but pooled together it can create much bigger value for life and environmental sustainability. In 2023, a total of NT\$208 million was raised through in-store cash donation.

	Partner Organizations and Services	Amount Raised from In-store Cash Donation
1st and 2nd Quarters	 <p>7-ELEVEN joined hands with its partner, the Society of Wilderness, to respond to “Earth Hour” as part of the effort to reduce carbon emissions together with brands such as COSMED, Starbucks, COLD STONE, Mister Donut, 21Plus, Semeur and Santa Cruz. More than 7,000 stores turned off their signboard lights for one hour in the evening on Saturday, March 25, reducing approximately 5 metric tons of greenhouse gas (CO<sub>2</sub>e), allowing the earth to breathe.</p>	NT\$86.67 million
2nd and 3rd Quarters	 <p>7 ELEVEN joins hands with the A Kernel of Wheat Foundation to deliver meals and take care of the disadvantaged elderly based on the initiative that allows them to eat and live with peace of mind at home. For the first time in 2023, the “OPEN! Mobile Shopping Cart” was incorporated in the program to deliver meals in rural areas with enhanced service capacity. It not only delivers daily necessities or nutritional supplements to the elderly, but also makes full use of the advantage of small mobile stores to bring services of the convenience store into the corners of towns and villages where shopping is less accessible, helping the elders obtain meals and care.</p>	NT\$70.08 million
4th Quarter	 <p>7-ELEVEN’s “What Time Is It?” Café is the first of its kind in the industry that provides social welfare services for elders with dementia to experience and learn. We worked together with the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation from October to December to launch the “In-store cash donation: Care for Elders” campaign to further promote dementia-friendliness. Two new programs were launched in 2023, including the first “What Time Is It?” Café and “in-store street theater.” Please refer to the Sustainability Column for further details.</p>	NT\$51.28 million

## ibon Donations

### Over NT\$186 million raised in 2023 for 90 social welfare groups

In order to assist more charities with social welfare and more disadvantaged groups, President Chain Store Corporation started accepting donations at ibon machines in 2008, allowing convenient and around-the-clock donations from the public. In 2023, donation from ibon machines continued to be invested in five major issues of concern including environmental protection, eradication of poverty and hunger, health care promotion, employment support for the disadvantaged and reading education, supporting 90 charities with nearly NT\$186 million. In addition, we contributed to the Turkey-Syria earthquake response in February 2023 by launching the fundraising campaign for the Ministry of Health and Welfare and World Vision, raising a total of NT\$137,121,461. We did our best in overseas emergency rescue by offering our support to earthquake victims and reconstruction.

## Stakeholder Feedback



Senior employee of Taiwan Fund for Children and Families

President Chain Store Corporation's ibon is not only convenient but also safe and trustworthy, allowing many donors to donate to Taiwan Fund for Children and Families with ease. For the fundraising programs launched by Taiwan Fund for Children and Families, over 50% of the donations came from ibon and OPENPOINT APP, successfully pooling together contribution from the society so that we can help disadvantaged children grow up with daily care, education subsidies, emergency relief, and self-reliance counseling with the hope of growing out of poverty towards an infinite future. In addition, President Chain Store Corporation incorporated paintings of children the organization takes care of into the New Year's gift box packaging, so that the talent of disadvantaged children can be seen by more people to improve their confidence. 7 ELEVEN's approach is very meaningful!



## OPENPOINTs Donation

### OPENPOINTs Digital Donation

Over 26 million points raised in 2023, the equivalent of NT\$28.14 million

Low-touch economy is the way in digital age. President Chain Store Corporation continued to construct charity-friendly platforms with the most dense network of local services, leading way to digital transformation in digital charity. Donations are made faster and more convenient with more options by providing two platforms for people to donate points, including OPENPOINTs within the OPENPOINT APP, and points from 7-ELEVEN charity events, allowing more options for people to do good.



President Chain Store Corporation assisted social welfare organizations in exchanging for everyday supplies through point donations, helping individuals and families in need. A total of 26 million points were collected in 2023, of which 6 million were OPENPOINTs, and over 20 million points were from various promotional reward card events, equivalent to NT\$28.14 million. A total of over 50 organizations received our donation.

## Goods Donation

The amount of goods donation reached NT\$59 million in 2023, with nearly 160,000 sets of supplies

Since 2018, President Chain Store Corporation has assisted social welfare organizations by encouraging the public and suppliers to pledge to goods donations for those in need, such as people with financial difficulties, elders living alone, children from dysfunctional families, homeless people and stray animals. In 2023, the value of the items pledged reached NT\$59 million, with a total of more than 160,000 sets of items donated to cases taken care of by the organizations. The items included basic supplies, such as 1919 relief food packages, as well as stationery sets, fresh milk, and gift boxes for Mother's Day, Mid-Autumn Festival, Christmas, and Chinese New Year meals, as well as dog food, cat food, freeze-dried food from our welfare enterprise project for stray animals to advocate animal protection. Among them, the Chinese New Year meal program pledged nearly 30,000 portions together with 156 of our suppliers from all over the world. Uni-President Enterprises Corp. also donated 720 sets of daily necessities, and Uni-President Superior Commissary Corp. donated 313 fresh box meals to homeless people with the assistance of Taipei City and New Taipei City Department of Social Welfare, helping tens of thousands of families and cases.



## 6.3 Environmental Protection

### Circular Economy

#### Circular Economy in Shopping Centers

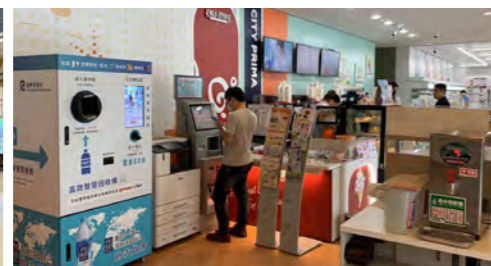
In response to the circular economy, President Chain Store Corporation has introduced a series of circular economy measures in the shopping centers, such as recycled cups, Intelligent Automatic Recycling Machines and circular economy hand soap with wood vinegar, as well as recycling of coffee grounds to contribute to environmental sustainability.

In 2023, we completed the installation of Icircle Intelligent Automatic Recycling Machines in the AUO and MediaTek shopping center in Hsinchu, recycling a total of 14,341 PET bottles and 12,369 waste batteries throughout the year. In order to promote sustainable ESG products made by local manufacturers, the shopping center purchased hand cleansing mousse from Dawoko that recycles local forest prunings to make hand cleanser. The cleanser is available to customers in six popular shopping centers to promote

recycling. The quantity of hand cleansing mousse procured this reduced carbon emissions the equivalent of a car traveling 406,776 kilometers. In 2023, revenue for ESG suppliers increased by a total of NT\$62,276. In the Christmas eco-friendly second-hand markets of held in the Taichung AUO shopping mall, we also invited Living Forward, a company dedicated to protecting food safety by producing CPET green plastic tableware, allowing participants to understand that the tableware they use is committed to recycling and sustainability.



AUO Recycled Cup Event



Shopping center introduces Icircle Intelligent Automatic Recycling Machine



Shopping center provides hand cleansing mousse with wood vinegar to promote the concept of recycling

### Furbaby Welfare Enterprise

#### Allowing Pets to Contribute to Reducing Food Waste

7-ELEVEN innovated “Sustainable Circular Economy in Convenience Stores” in 2023 to reduce food waste from the entire supply chain by extending the scope to animal protection. Specific salads and fruit during the iLove Food time slot from the stores are delivered fresh to the sheltered workshop. They are turned into freeze-dried food for animals to increase food use. Finally, consumers are invited to participate in pledging donations to social welfare organizations protecting stray animals. The food is consumed by pets to make environmental sustainability, employment for disadvantaged group and animal friendliness a reality. For details on this project, please refer to the [Sustainability Column](#) in Chapter 1.

## 6.4 Good Health & Well-being

### Care for Elders

#### What Time Is It? Café

979 people served in 2023

7-ELEVEN’s “What Time Is It?” Café is the first of its kind in the industry that provides social welfare services for elders with dementia to experience and learn, serving a total of 979 people in 2023. To include more people in this meaningful initiative, 7-ELEVEN worked together with the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation to launch the first independent “What Time Is It?” Café and “in-store street theater” to increase awareness of dementia. Please refer to the [Sustainability Column](#) in Chapter 1 for further details.

### Community Outreach

#### Good Neighbor Health Funfest & Good Neighbor Health Classroom

#### Organized a total of 1,527 “healthcare events” in 2023 with approximately 90,000 participants

President Chain Store Corporation has long been concerned about the health and well-being of people. Since 2008, the Good Neighbor Foundation has partnered with the Taiwan Millennium Health Foundation to set up the “Millennium Blood Pressure Monitoring Stations” in selected stores. In the meantime, President Chain Store Corporation organizes health events such as the Good Neighbor Health Funfest and Care for the Disadvantaged to raise public health awareness.

The “Millennium Blood Pressure Monitoring Station” provides self-service blood pressure and waist circumference measurement for the public. It also holds health checkups each year, calling on the public to prevent chronic diseases and metabolic syndrome. In 2023, a total of 1,527 “Good Neighbor Healthcare Funfests” were organized with blood donation, blood pressure measurement, waist measurement, health seminar, health education for the physically- and mentally-challenged, healthcare for elders and the disadvantaged, OPEN! CARES, etc. for over 90,000 participants. The goal is hosting 2,000 sessions in 2024 and 2025.

#### Stakeholder Feedback

**Store Manager**

The customers are happy about the healthcare events. It is a great way to promote our brand image.

**Customer**

I participated for the gift from sou.sou, but this is how I figured out I can get my blood pressure measured in 7-ELEVEN. It really is a good neighbor!



## 6.5 Zero Hunger

### Caring for the Neighborhood

#### Good Neighbor Meal Delivery Team

As of 2023, meals have been delivered to a total of 240,000+ people

President Chain Store Corporation has always paid special attention to the issue of the aging population in remote areas. According to statistics from the Ministry of the Interior, Taiwan will turn into a “super aged society” in 2025 with the population over 65 years old accounting for over 20%, that is, 1 in 5 people. Among them, elders in areas with limited access to groceries need long-term and stable support from social welfare groups for daily meal delivery. In order to make up for the manpower gap of social welfare groups in delivering meals during holidays, President Chain Store Corporation has called on 7-ELEVEN employees to form the “Good Neighbor Meal Delivery Team” since 2014 together with the Mennonite Social Welfare Foundation, the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation, A Kernel of Wheat

Foundation and Hondao Senior Citizens Welfare Foundation. The meal delivery and pick-up locations are located in eight counties and cities to fill the gap of bringing the elders meals, as well as addressing the pain point of insufficient delivery manpower. A total of 33 stores participated in 2023, with the delivery and pick-up service estimated to reach 42,000 meals throughout the year.



#### Meal Delivery Service

Nutritionists from social welfare organizations select meals from 7-ELEVEN store meals for the store manager to deliver to the homes of the elders. The elders are also greeted with kindness for a warm and enjoyable experience.



#### Meal Pickup Service

Every Saturday and Sunday, volunteers from social welfare organizations or elders redeem meals at 7-ELEVEN stores, allowing them to leave their homes and interact with store staff and people.



#### OPEN! Mobile Shopping Cart Service

The highly mobile Mobile Shopping Cart Service regularly goes into areas in Hualien where access to groceries is limited. In addition to meeting meal needs, it can also replenish daily supplies or nutritional supplements, shortening the shopping distance for residents.



### Joint Support for Farmers

Shopping centers offer spaces where customers pass by to small local farmers and social welfare organizations for free, allowing local residents to exchange agricultural products, or customers to support small local farmers with a good price. Following the potato and pineapple small farmer special sales in Taian Shopping Center, the "Joint Support for Farmers" program sold taro, cabbage and mangoes in February, April, and July 2023. During the events, 459 taro, 389 cabbage and 927 mango were sold, effectively assisting farmers with promoting their produce.



## 6.6 Sustainable Cities and Communities

### Development of Local Industries

### Youth Deep Roots Program

The Youth Deep Roots Program has worked on a total of 33 projects with youth organizations as of 2023

The Executive Yuan has designated 2019 as "Year 1 of Local Placemaking." A wave of young people have returned to their hometowns to start businesses all over Taiwan, developing diverse innovative models such as local tourism, food, cultural and creative industries, renovating old houses and building settlements. However, according to a survey conducted by the National Development Council, it takes an average of 9.8 years for a local placemaking team to survive. Moreover, many encounter issues with uncertain business models and difficulties in product marketing and promotion.

President Chain Store Corporation's Good Neighbor Foundation launched the "Youth Deep Roots Project" in 2017 based on the concept of "the best placemaking platform for returning home," combining President Chain Store Corporation's store locations, funding and resource matchmaking to build relationships with young people as sustainable partners in two models. The first model is hosting multiple OPEN! Youth Funfest events in the local stores where the youth organizations are located, so that they get the opportunity to interact with customers and advocate their initiatives through the events. The second model is coaching youth organizations to connect to President Chain Store Corporation. The sessions coach them to put products that can be commercialized on the shelves, including online and offline channels such as the stores and iPre-order.

The "Youth Deep Roots Project" worked with 11 youth groups in 2023. In the past seven years, it has collaborated with 18 local teams on a total 33 projects, including Fish Bar in Hualien, Taiwan Dou in Sanxia, New Taipei City, Tri-small Fair in Douliu, Yunlin, Dawoko in Hukou, Hsinchu, Z.O Coffee in Nangan, Matsu, spreading over 18 towns.

### Stakeholder Feedback



Fish Bar

Fish Bar was lucky enough to work with President Chain Store Corporation and its Good Neighbor Foundation in the second year of its establishment. From 2021 to 2022, we held online and offline fish-based diet education activities. The Stir Fried Bonito Fish Popcorn became available on the shelves all over Taiwan in the second half of 2023. The Youth Deep Root Project allows Fish Bar to take advantage of 7-ELEVEN stores as locations for demonstration, developing an educational activity lesson plan "Little Fish Master" as the first in Taiwan to promote fish-based diet education in physical retail channels.

### Helping Small Farmers in Service Areas

President Chain Store Corporation sees that local agriculture is facing a "winner takes it all" situation, and many small farmers with friendly approaches need to work hard to find resources and overcome many challenges just to offer customers safer food ingredients. We believe that the shopping centers should stand with small farmers and offer them support, as well as giving customers access to safer and healthier food. In 2023, President Chain Store Corporation operated a total of four service area shopping centers in Tai'an, Rende, Dongshan and Guanmiao, inviting passers-by to support small farmers with practical actions and creating new value for local produce. In 2023, the turnover of small farmers in the four service area shopping centers reached NT\$18,207 thousand.



## 6.7 Quality Education

### Foundation in Sustainability

#### Good Neighbor Sustainability Funfest

Over 290,000 people have taken advantage of the Sustainable DIY materials as of 2023

President Chain Store Corporation's Good Neighbor Foundation attempts to connect the parent-child platform closest to home with the community. To this end, it launched the "Good Neighbor Funfest" in 2009, focusing on four themes of "parent-child interactions, care for the disadvantaged, education and culture, environmental protection and LOHAS" to provide a variety of experience activities. A good example would be Small Store Manager that helps children develop skills for systematic thinking, problem solving and collaboration, making knowledge useful in real life.

In 2016, the "Sustainable Good Neighbor Funfest" was further launched with themes including environmental protection, food education, and health, echoing the United Nations' SDGs and President Chain Store Corporation's business. We developed diversified picture book materials to make learning and sustainable living possible through play, which is both more meaningful and educational.

In 2023, we joined hands with the Agriculture and Food Agency and Society of Wilderness to advocate food and agriculture education and environmentally friendly education with themed funfests in various stores. Picture books such as "Food with Green Power," "Field Trip on a Safe Farm," "Fun Food and Vegetable Friends" and other DIY materials to introduce good local food ingredients, earth- and animal-friendliness, carbon-reduction lifestyle through simple and understandable content to people of all ages. Over 15,000 Sustainable Good Neighbor Funfests were held with influence on more than 140,000 people. Over 290,000 people took advantage of the sustainable picture books and DIY materials in 2023.



#### Stakeholder Feedback



**Customer** The funfest features fun DIY, interesting picture books and a lot of gifts. All children are very happy.

The picture books and DIY materials cover a variety of themes and are easy to use. In addition to conveying the concept of sustainability, gifts closely linked to the theme of the events can help stores communicate with customers and understand products offered by these brands.



**Store Manager**



**Hu Jong-I, Director General of the Agriculture and Food Agency**

Thanks to President Chain Store Corporation and the Good Neighbor Foundation for promoting food and agriculture education to the community through co-reading during Funfest sessions. This increases consumers' recognition of domestic produce and environmental sustainability, as well as further stabilizing farmers' income.



#### Youth Deep Roots in Sustainability Project

A total of 387 college students empowered in 2023

President Chain Store Corporation's "Youth Deep Roots in Sustainability Project" has achieved remarkable results in colleges, universities and youth communities since 2020. By actively promoting the implementation of the Sustainable Development Goals (SDGs), it has deepened college and university students' understanding and participation in sustainability issues, as well as enhancing President Chain Store Corporation's corporate image in the field of sustainability. In 2023, we further responded to the global trend of net-zero carbon emissions and invited six institutions to participate in our "Industry-Academic Cooperation in Sustainability" program. This program focuses on four major sustainability themes, including "food waste management, circular economy, low-carbon products or services, promotion of sustainable consumption and sustainable certification." To this end, we held empowerment workshops on campus and a 2-day intensive sustainable camp to help students engage in in-depth field observations, proposal tryouts, as well as receiving instant feedback from industry mentors. In 2023, a total of 10 workshops were held at 6 colleges and universities, empowering a total of 387 students to complete the three-hour course. More than 200 students in 50 teams made proposals to cultivate future sustainable talents through industry-academia cooperation. From 2020 to 2023, we have engaged with more than 30 colleges and universities, empowering over 1,500 young people in sustainability. Through proposal competitions, we have deeply shared the sustainability efforts of President Chain Store Corporation.



#### Growing Roots in Sustainability

Following the model of empowerment workshops over the years, this year we have targeted six universities to host workshops on campus empowerment, further affirming President Chain Store Corporation's status on campus. It allows students to talk about issues regarding sustainability and expanding the scope of influence.



#### Sustainable Industry-academia Cooperation

We clarify the blind spots that students may have in the sustainability proposal competition and provide more in-depth and challenging content to further improve their level, focusing on four major sustainability themes and through course cooperation and mentors.



#### Sustainable Practices

Provide students with opportunities for on-site observations, proposal presentation and feedback from President Chain Store Corporation mentors to strengthen their practical abilities and cultivate a new generation of leaders with sustainable thinking.



## Stakeholder Feedback



Students

"It was a fulfilling class. I really enjoyed today's activities. It was very meaningful!"  
"Sharing our proposal with President Chain Store Corporation is very helpful for further understanding sustainability."  
"President Chain Store Corporation has done many things for environmental protection."



Feng Chia University

The university's connection with the industry enables students to understand sustainability trends and actions in the industry from the perspective of SDGs, thereby enhancing their "green" capabilities. Practical cases are used to solve industry problems by integrating teaching with the industry. Through learning by doing, students are exposed to the leader in global food retail and can communicate with industry experts to promote sustainable management and future industry-academia cooperation opportunities.

## Reading Promotion

### Reading Encouragement Point Collection Program

The Good Neighbor Foundation has worked tirelessly to achieve the dual goals of "improving reading ability" and "promoting sustainable education." To this end, it has collaborated with a variety of sustainable partners such as 7-ELEVEN, industry, government and education to accompany school children in reading, with the ultimate goal of promoting sustainability in the future. The Reading Incentive Program was launched in 2014 to motivate children to read through "Reading Point Collection" that is highly replicable and easy to implement. After reading, students will receive points from their teachers. After collecting 50 points, they can send the card back to the Good Neighbor Foundation to redeem an NT\$50 7-ELEVEN voucher. In addition to encouraging reading, we also encourage children to read and write independently. We hold the "Good Neighbor Essay Competition" every year and incorporate issues such as food education, biodiversity, energy conservation and carbon reduction in the topics to allow children to understand and observe sustainable issues from daily life.



In 2023, the Reading Encouragement Program continued to have a positive impact, supporting a total of 117 schools and accompanying class bases, encouraging more than 8,000 children to improve their reading motivation through point collection and laying a good foundation for children by reading a total of 200,000 books. A total of 20 schools/bases participated in the 2023 essay competition, with a total of 428 entries.

## Stakeholder Feedback



Teacher

Some children had difficulties in reading Taiwanese phonetic symbols at first, but the point collection system helps their reading and literacy skills improve rapidly. From picture books to being able to read scientific books, the lesson plans help turn reading into an enjoyable thing. (Taichung Grace Church)

This activity has helped me develop an interest in borrowing and reading books, because I can learn new things and exchange them for prizes. The most exciting thing is when I see the point collection cards covered with stickers, it gives me a great sense of accomplishment! (Chongwen Elementary School, Neipu Township, Pingtung)

Collecting all the points for a card makes me happy and gives me a sense of accomplishment. I am even happier when I receive an NT\$50 voucher and praise during the flag ceremony. (Shishi Elementary School, Pingtung)



Students

In the past, we only saw the children reading occasionally, but now they often borrow books to read at home. We can't help but wonder what magic these books have. After reading with them, we find that we spend more quality time together and our bond is stronger. I am grateful to 7-ELEVEN for such a high-quality incentive program, which has made reading a family hobby. (Jingliao Elementary School, Tainan City)



Parents

After the children get the voucher, they take the initiative to buy things for the parents to thank them for hard work, as well as buying snacks for their younger siblings. I think it's great. In addition, the essay competition also gives the children more opportunities to collect points, which makes them happy. I am really grateful to the Good Neighbor Foundation for giving children in rural areas many more opportunities, empowering them through incentives and essay competitions. (Checheng Elementary School, Pingtung County)

## One School, One Project

Good Neighbor Cultural Foundation has promoted the "One School, One Project" program since 2020 selecting schools with need for special support as partners each year to formulate a plan that will help make their dreams come true. This allows children in rural areas to realize their dreams through reading, as well as taking roots and cultivating the next generation of sustainable citizens.

In 2023, the "One School, One Project" collaborated with Yuguang Elementary School in Pingtung. As Yuguang Elementary School is located in an inconvenient area with a small number of students, there is limited competitiveness among peers and fewer opportunities to visit other counties and cities. As a result, it built a reading theme classroom with the school by combining the escape room games that have been very popular in recent years to organize an immersive reading experience for the teachers and students. The different content in the reading theme classroom combines various themes and different media to inspire children to learn with teamwork and challenges, helping them develop independent learning abilities and gaining a sense of accomplishment. They can also enrich their knowledge by reading books in different areas. Children from nearby schools can also come to Yuguang for escape room activities and achieve the goal of common good for the neighborhood. The process of this project was filmed into a [documentary](#).



### Good Neighbor Carton Library

The year 2023 coincides with the Reading Encouragement Program's first 10-year milestone. Together with 7-ELEVEN, its green supply chain partners Cheng Loong Corp. and Retail Support International to turn 5,000 kilograms of recycled cartons into 2 "MINI Good Neighbor Carton Library" in the neighborhoods, for the first time outside of schools. Based on the concept of "reading corners," they provide children with a space for extracurricular reading after school and serve as a multi-functional space for independent study and teaching during school hours, maximizing the benefits of these mini spaces and reducing 29,000 kilograms of carbon emissions for the earth, as the best example of circular economy in sustainable education.



### Good Neighbor Classroom

As the convenience store operator with the most locations, 7-ELEVEN is not only a convenient store but also a safe place for themed teaching in the community. "Good Neighbor Classroom" works with local elementary schools and supplementary classes to turn 7-ELEVEN stores into outdoor teaching venues with real-life scenarios, so that teachers and students can experience teaching that includes languages, mathematics, health education and etiquette. etc., giving children an educational and entertaining learning experience that enhances their learning motivation.

### Stakeholder Feedback

S

**School**

The students' neighbor saw the children at 7-ELEVEN and asked them why they were there during school hours. The children replied: "We are having our class here!" They also showed the neighbor how to use mobile career and learning about food traceability by scanning the QR code. The neighbor understood it was a real-life learning course and that 7-ELEVEN can be a good learning environment in addition to selling products. (Anjing branch of the kindergarten that's a part of Danan Elementary School in Meishan Township, Chiayi County)

## 6.8 ESG Advocacy Platform

### Sustainability Initiatives

President Chain Store Corporation was again on the Dow Jones Sustainability World Index for the 5th year running. Not only is it the only domestic retailer to have been included, but it is ranked 3rd among the global food retail industry with incredible achievements in sustainability. In 2023, President Chain Store Corporation continued to uphold the concept of "My Sustainability, Your Daily Life" to innovate and promote sustainable actions from our operations. For the first time, we participated in the SDG Asia hosted by the Institute for Sustainable Energy Research, combining products, services, and social welfare with the concept of sustainable recycling to create the "7-ELEVEN GOOD STORE" concept store. Throughout the year, we integrated internal and external virtual and real-life activities and media initiatives, such as participating in the Commonwealth Magazine's SDGs International Forum, Kaohsiung Sustainable City Forum and Sustainable Taipei Circular City Summit, Business Today's Green Life Festival, United Daily News' 500 Times Party and other activities, inviting consumers to take sustainable actions in their daily lives.

March	<p>Common-Wealth Magazine SDGs International Forum</p> <p>Good Neighbor Foundation participated in the forum panel discussion based on the experience of promoting the Youth Deep Roots Project for SDG11 Sustainable Cities and Communities. The activities were livestreamed with integrated online and offline promotions, reaching a total of over 1 million people. President Chain Store Corporation received 9 points of satisfaction (out of 10) from the panel discussion.</p>	
April	<p>World Earth Day</p> <p>The community sustainability meme reached nearly one million people. The integrated internal and external activities invited employees and consumers to take actions towards sustainability in their daily life, enhancing both internal sentiment and external brand image.</p>	
July	<p>SDG Asia</p> <p>The total number of visitors to the SDG Asia exceeded 30,000 within 3 days. President Chain Store Corporation combined products, services and social welfare with the concept of sustainability to create the "7-ELEVEN GOOD STORE" concept store. We gathered marketing resources through the booth and voiced our opinions together with our collaborators, winning the "Green Design Silver Award" from the organizer as the first-time participant. Online and offline promotions included posters in the stores, OPEN CHANNEL and self-media, reaching a total of approximately 21 million people.</p>	
August September	<p>Kaohsiung and Taipei Sustainable City Forum</p> <p>President Chain Store Corporation was invited by the Kaohsiung City Government for the "Kaohsiung Sustainable City Forum" and Taipei City Government for the "2023 Sustainable Taipei Circular City Forum" to share how we create a green business model and lead the transition towards a green life.</p>	
September	<p>Business Today Green Life Festival</p> <p>Combine the "Youth Deep Roots Project" from the Good Neighbor Foundation and the 6 teams we worked with in 2023 to display and sell local products at the event booth. Business Today's official event promotions reached a total of over 3.2 million people. The Good Neighbor Foundation also took advantage of President Chain Store Corporation's channels to help more young people who have returned to their hometowns to realize the vision of SDG 11 Sustainable Cities and Communities.</p>	
December	<p>United Daily News 500 Times Party</p> <p>In addition to continuing to advocate the core concept of "My Sustainability, Your Daily Life," we have combined the current popular trends to create the first "Local Sustainability Award" limited event and Good Neighbor Foundation's "Youth Deep Roots Project" to promote local sustainable products, reaching 130,000 people in three days.</p>	

### Promoting Sustainability in the Community

In 2023, the sustainable community communicated with stakeholders in the form of **memes**, creating fun content such as answering questions and telling consumers about our actions towards sustainability in everyday life, inviting them to respond to our initiative of "My Sustainability, Your Daily Life." In addition, we have shared our achievements in sustainability through the Sustainability Points Challenge with nearly 10,000 people participating throughout the year. We have chosen to spread the word in **April for World Earth Day**, **July for SDG Asia** and **December for 500 Times Party**, gathering momentum for our actions towards sustainability. According to eLand's public opinion report on the voice of sustainability for popular companies in 2023, 7-ELEVEN ranked number one as of October 7, 2023. 7 ELEVEn's Bring Back the Love social welfare fundraising platform integrated online and offline resources to launch multiple fundraising channels to create common good for the society. In 2023, posts on social media about social welfare fundraising community reached a total of nearly 4.8 million people.



# Appendix

## Historical Data

### Governance

#### External Participation

Item for Disclosure	Sub-item for Disclosure		Unit	2020	2021	2022	2023
	Name of Association	Membership					
Taiwan Delica Foods Development Association	Chairman	Food safety	NT\$	5,209,000	5,209,000	5,000,000	0
Taiwan Quality Food Association	Member					10,000	10,000
Taiwan Business Council for Sustainable Development	VIP member					120,000	120,000
Taipei Department Store Association	Member	10,000				10,000	
Chinese National Association of Industry and Commerce, Taiwan	Member	Corporate sustainability				20,000	20,000
Taiwan Coalition of Service Industries	Director					5,000	5,000
Taiwan Chain Stores and Franchise Association	Director					30,000	30,000
Chinese Non-store Retailers Association	Director	20,000				20,000	
Taiwan Association of Energy Service Companies	Member	Sustainable environment				0	0
Donation or membership fee for associations	-					5,215,000	215,000
Coverage rate of donation or membership fee for associations	-		%	100	100	100	100

(Note) Please refer to our website for the roles we play and contribution we make as part of our external participation.

#### Financial Performance

	Unit	2020	2021	2022	2023
Paid-up capital	NT\$1,000	10,396,223	10,396,223	10,396,223	10,396,223
Individual financial performance/direct economic value generated					
Operating income	NT\$1,000	168,147,856	168,010,130	182,872,403	197,663,849
Operating profit	NT\$1,000	56,557,043	56,287,789	61,238,432	66,668,444
Income tax expenses	NT\$1,000	1,476,353	959,740	1,440,614	1,866,484
Profit after tax	NT\$1,000	10,238,162	8,861,619	9,281,650	10,613,914
EPS	NT\$	9.85	8.52	8.93	10.21

Dividend per share	NT\$	9	9	9	9
Return on Shareholders' Equity	Percentage	28.34%	25.25%	26.29%	28.57%
Total assets	NT\$1,000	141,503,950	146,442,976	159,087,017	174,687,108
Total liabilities	NT\$1,000	105,483,759	112,279,968	122,627,937	136,842,601
Total equity	NT\$1,000	36,020,191	34,163,008	36,459,080	37,844,507

### Products and Services

Item for Disclosure	Unit	2020	2021	2022	2023
Total number of Tier-1 suppliers	Number			1,161	1,096
Total number of significant suppliers in Tier-1	Number			7	24
Proportion of total spend on significant suppliers in Tier 1	%			33.57%	20.12%
Total number of significant suppliers in non Tier-1	Number			10	10
Total number of significant suppliers	Number			17	34
Target percentage of significant suppliers assessed via desk assessments/on site assessments (second party)	%			100%	100%
Total number of significant suppliers assessed via desk assessments/on site assessments (second party)	Number			17	34
Proportion of significant suppliers assessed	%			100%	100%
Number of significant suppliers assessed with substantial actual/potential negative impacts	Number			0	0
Proportion of significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	%			N/A <sup>(Note 1)</sup>	N/A <sup>(Note 1)</sup>
Number of suppliers with substantial actual/potential negative impacts that were terminated	Number			0	0
Target proportion of significant suppliers supported in corrective action plan implementation	%			100%	100%
Total number of significant suppliers supported in corrective action plan implementation	Number			0	0
Proportion of significant suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	%			N/A <sup>(Note 1)</sup>	N/A <sup>(Note 1)</sup>
Target proportion of significant suppliers in capacity building programs <sup>(Note 2)</sup>	%			3	50.00%
Total number of significant suppliers in capacity building programs	Number			3	17
Proportion of significant suppliers in capacity building programs	%			17.65%	50.00%

(Note 1) The ESG assessment in 2022 and 2023 shows no significant suppliers with substantial actual/potential negative impacts, so this proportion does not apply.

(Note 2) In 2023, the target of significant suppliers implementing capacity building programs switched from the number to proportion.

## Environment

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2020	2021	2022	2023	
Greenhouse gas Emissions <sup>(Note 1)</sup>	Direct emissions (Scope 1)	t CO <sub>2</sub> e/year	<p>Note 1: The greenhouse gas emissions in 2019 refers to the data disclosed in the CSR report of the past years. The 2020 greenhouse gas inventory follows the updated ISO 14064-2018 version with 2020 as base year. Indirect emissions are classified as purchased electricity and others.</p> <p>Note 2: Indirect emissions (others) include: purchased goods, upstream emissions from purchased electricity, upstream transportation, waste generated in operations, business travels, employee commuting, end of life treatment of sold products.</p>	30,910.58	31,252.97	29,940.01	30,177.03	
	Indirect emissions-Purchased electricity (Scope 2)	t CO <sub>2</sub> e/year		472,365.15	464,932.82	504,544.40	513,790.60	
	Indirect emissions-Others (Scope 3) <sup>(Note 2)</sup>	t CO <sub>2</sub> e/year		193,802.00	185,910.72	2,393,290.28	4,556,627.93	
	Total (Scope 1+2+3)	t CO <sub>2</sub> e/year		697,077.73	682,096.51	2,927,774.68	5,100,595.56	
	Data coverage for operation locations	%		99.06%	99.41%	99.55%	99.45%	
Energy consumption	Head office building	10,000 kWh		109.39	102.69	101.74	135.33	
	Stores	10,000 kWh		92,573.12	92,373.59	98,875.55	103,535.93	
	Shopping centers	10,000 kWh		22.10	22.10	25.42	26.82	
	Regional offices and training centers	10,000 kWh		97.97	117.72	121.93	98.00	
	Total electricity consumption	10,000 kWh		92,802.58	92,616.10	99,124.64	103,796.08	
	Data coverage for operation locations	%		98.63%	98.98%	99.55%	99.45%	
Water consumption	Actual statistics	Head office building	m <sup>3</sup>		5,429.00	4,012.00	4,766.00	6,107.00
		Stores	m <sup>3</sup>	A total of 4,421 stores were covered in 2023, covering 33,570.36 metric tonnes of ice cube procurement	1,845,456.00	1,577,006.00	1,705,347.90	1,918,414.00
		Shopping Centers	m <sup>3</sup>	A total of 24 shopping centers were covered in 2023	-	0.00	336,388.41	244,583.49
	Estimated <sup>(Note)</sup>	Regional	m <sup>3</sup>	Note: The water consumption of regional offices is estimated based on the average water consumption per person at the headquarters and the number of employees in regional offices. The water consumption of stores is estimated based on the average water consumption of stores for which actual statistics are available and the total number of stores. The water consumption patterns of training centers and shopping centers are different from that at the headquarters and stores, and were therefore excluded from the estimates.	11,876.00	8,794.00	10,025.25	12,103.63
		Stores	m <sup>3</sup>		967,557.00	894,063.00	963,776.64	1,057,926.56

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2020	2021	2022	2023	
Water consumption	Total water withdrawal	m <sup>3</sup>		2,830,318.00	2,483,875.00	3,020,304.20	3,272,705.04	
	Total Water consumption	m <sup>3</sup>		2,830,318.00	2,483,875.00	105,461.00	129,724.00	
	Total water discharge	m <sup>3</sup>		0	0	2,914,843.20	3,142,981.00	
	Actual number of stores included in the statistics	Number		3,952	4,071	4,206	4,421	
	Estimated scope	-		8 regional offices and 2,072 stores	9 regional offices and 2,308 stores	9 regional offices and 2,425 stores	9 regional offices and 2,438 stores	
	Data coverage for operation locations	%		99.11%	99.12%	99.49%	99.52%	
Amount of packaging materials	Paper packaging <sup>(Note 1)</sup>	Total weight	Metric tonnes	Note 1: Packaging materials for ice cube (including plastic and paper/wood packaging materials) was added for 2022, with statistics traced back to 2020.	11,620.77	10,977.68	11,564.78	12,135.15
		Data coverage	%		100%	100%	100%	100%
	Metal packaging <sup>(Note 2)</sup>	Total weight	Metric tonnes	Note 2: Metal packaging materials for freshly brewed tea were added in 2022, with statistics traced back to 2021.	182.80	204.96	235.42	274.87
		Data coverage	%		100%	100%	100%	100%
	Total weight of plastic packaging <sup>(Note 1, Note 3)</sup>	Metric tonnes	Note 3: Plastic packaging and packaging materials have been classified according to purpose and material since 2022 (see Section 4.2 Packaging Materials Management for details), so that stakeholders can understand how President Chain Store Corporation uses various types of packaging materials.	10,138.26	10,093.12	10,168.40	10,292.92	
	Proportion of recyclable plastic packaging <sup>(Note 4)</sup>	%	Note 4: In 2023, PLA tea egg boxes were gradually replaced by recyclable PET material, so PET was added to the statistics of tea egg boxes.	65.30%	65.73%	69.24%	72.00%	
	Proportion of compostable/ decomposable plastic packaging <sup>(Note 4)</sup>	%		6.87%	7.30%	1.90%	0.91%	
	Proportion of plastic with recycled content	%		0.78%	2.92%	3.86%	4.41%	
	Data coverage	%		74.00%	96.80%	100.00%	100.00%	
	Volume of waste - unrecyclable	Actual statistics	Head office building	Metric tonnes		25.36	21.24	22.17
Handled by the waste management companies for removal <sup>(Note 1)</sup>			Metric tonnes	Note 1: The amount of food waste that handled by the waste management companies has been included since 2018. Therefore, the amount of food waste removed from the stores after 2018 is the total weight after deducting the food waste.	6,529.27	7,204.72	6,080.83	5,459.30
Handled by the stores <sup>(Note 2)</sup>			Metric tonnes	Note 2: Not all stores have a 100% food waste recovery rate. Therefore, the statistics before 2021 is based on the amount of fresh food scraps and all of them are considered as not reused. In 2022, the statistics of food waste treatment in stores was optimized, so the actual statistics is done in line with the weight of food waste that wasn't reused.	10,122.13	9,110.76	5,825.93	3,560.90
Total				16,676.76	16,336.72	11,928.93	9,048.92	
Actual number of stores included in the statistics		Number		925	1,010	1,110	1,004	

Item for Disclosure	Sub-item for Disclosure		Unit	Description	2020	2021	2022	2023	
Volume of waste - unrecyclable	Estimate <sup>(Note 3)</sup>	Regional offices	Metric tonnes	Note 3: For the stores, the estimate is calculated by multiplying the average waste removed by the waste management companies and the total number of stores. Considering that the waste disposal pattern at the training center and shopping centers does not follow that of either the headquarters or the stores, the training centers and shopping centers were not included in the scope of our estimates.	55.48	46.57	46.64	56.92	
		Stores <sup>(Note 4)</sup>	Metric tonnes	Note 4: Considering that the estimated stores cannot confirm that food waste is indeed recycled, the volume of removal after 2018 will be estimated based on the total volume of removal (without deducting the volume of food waste).	37,061.08	39,772.71	32,016.55	34,658.82	
				Total	37,116.56	39,819.28	32,063.19	34,715.74	
	Total unrecyclable waste disposed			Metric tonnes		53,793.32	56,156.01	43,992.12	43,764.67
	Scope of estimate			-		8 regional offices and 5,009 stores	9 regional offices and 5,369 stores	9 regional offices and 5,521 stores	9 regional offices and 5,855 stores
Volume of waste - recyclable	Plastic	Head office building	Metric tonnes		0.07	0.06	0.06	1.71	
		Stores	Metric tonnes		633.88	647.25	681.93	868.29	
	Paper	Head office building	Metric tonnes		17.20	18.71	16.07	16.33	
		Stores	Metric tonnes		9,262.45	10,613.94	8,938.22	10,293.27	
	Metal	Head office building	Metric tonnes		1.87	1.85	1.70	0.38	
		Stores	Metric tonnes		27.00	37.27	22.98	63.94	
	Batteries	Stores	Metric tonnes		365.57	341.06	365.68	439.10	
	Optical discs	Stores	Metric tonnes		74.00	71.39	76.72	80.01	
	Electronics <sup>(Note 1)</sup>	Stores	Metric tonnes	Note 1: Electronics only include mobile phones, chargers and laptops. The total weight of recycling is calculated based on the quantity of each device multiplied by the average unit weight. Mobile phones are 0.34 kg/unit, laptops are 2 kg/unit, and chargers are 0.09 kg/ tower. Please refer to the Domestic Waste Material Management Information System of the Ministry of Environment, and the updated weight information from New Taipei City's Department of Environmental Protection.	61.85	57.39	78.31	70.50	
	Food Loss and Waste	Head office building <sup>(Note 2)</sup>	Metric tonnes	Note 2: Statistics on the amount of food waste commissioned by the head office building to be cleared and transported since 2021.	-	4.99	8.15	8.35	
		Stores <sup>(Note 3, Note 4)</sup>	Metric tonnes	Note 3: Since 2018, statistics on the amount of food waste has been included in the volume of waste removal and the waste management companies commissioned by the stores. Note 4: Statistics from stores all over Taiwan.	193.91	277.20	3,294.16	5,575.50	
Manufacturers <sup>(Note 5)</sup>		Metric tonnes	Note 5: From 2020 to 2021, statistics was collected on the amount of food waste commissioned to 4 manufacturers for removal and transportation. In 2022, the scope of statistics was expanded to 12 manufacturers.	1,475.68	1,298.87	2,515.14	3,112.00		

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2020	2021	2022	2023	
Volume of waste—statistics based on treatment (including unrecyclable, incineration and recycling)	Landfill (A)	Metric tonnes		1,295.03	3,260.16	2,451.89	2,534.36	
	Waste incinerated (including energy recovery) (B)	Upstream (manufacturers)	Metric tonnes	From 2020 to 2021, statistics was collected on the amount of food waste commissioned to 4 manufacturers for removal and transportation. In 2022, the scope of statistics was expanded to 12 manufacturers.	-	76.63	380.14	0.00
		Own operations	Metric tonnes	Including the head office building, regional offices and stores	52,498.29	52,919.45	41,540.23	41,230.31
	Waste recycled or reused (C)	Upstream (manufacturers)	Metric tonnes	From 2020 to 2021, statistics was collected on the amount of food waste commissioned to 4 manufacturers for removal and transportation. In 2022, the scope of statistics was expanded to 12 manufacturers.	1,475.68	1,222.24	2,515.14	3,112.00
		Own operations	Metric tonnes	Including the head office building, regional offices and stores	10,637.78	12,047.51	13,483.96	17,417.73
	Amount of waste handled (A+B)		Metric tonnes		53,793.32	56,256.24	44,372.26	43,764.67
	Amount of waste handled (A+B +C)		Metric tonnes		65,906.78	69,525.99	60,371.36	64,294.39
	Data coverage		%		99.11%	99.12%	99.12%	99.16%
	Proportion of incineration		%	The incineration ratio is the percentage of incineration to total non-recycled waste according to the national data of normal waste disposal (excl. recycled and reused) published by the Ministry of Environment.	97.26%	93.34%	93.53%	93.38%
	Food loss and waste	Total weight of all food loss & waste (A)	Head office	Metric tonnes	Note 1: Store food waste has included the amount of store scraps. From 2022, the statistics of store food waste treatment was optimized.	-	4.99	8.15
Stores <sup>(Note 1)</sup>			Metric tonnes	10,122.13		9,110.76	9,120.09	9,136.40
Manufacturers <sup>(Note 2)</sup>			Metric tonnes	1,475.68		1,298.87	2,895.28	3,112.00
Total weight of food loss & waste volumes used for alternative purposes(B) <sup>(Note 4)</sup>		Head office	Metric tonnes	Note 2: The food waste generated by each manufacturer entrusted to waste management companies was expanded to include 12 manufacturers from 2022.	-	4.52	8.15	8.35
		Stores <sup>(Note 1)</sup>	Metric tonnes		193.91	254.07	3,294.16	5,575.50
		Manufacturers	Metric tonnes		1,475.68	1,222.24	2,515.14	3,112.00
Total discarded of food waste (A - B)		Metric tonnes	Note 3: Coverage of food waste = revenue of private-label products in the food waste statistics/revenue of all private-label fresh food products	9,928.22	8,933.79	6,206.07	3,560.90	
Food loss & waste intensity (weight / food related revenue)		Metric tonnes / Million NTD of food-related revenue		0.46	0.41	0.28	0.13	
Data coverage <sup>(Note 3)</sup>		%		Note 4: Due to the African Swine Fever epidemic in September 2021, food waste was temporarily suspended as feed on pig farms. Therefore, food waste during this month was incinerated, but recycled or reused for the rest of the year. No such situation in 2023.	97.57%	98.49%	98.39%	100.00%

## Employees

Item for Disclosure	Sub-item for Disclosure		Unit	Description	2020	2021	2022	2023
Employees divided by gender and employment contract	Male	Indefinite contract	Person		3,796	3,657	3,821	3,777
		Term contract	Person		0	5	11	0
	Female	Indefinite contract	Person		4,704	4,683	4,776	4,874
		Term contract	Person		0	3	9	0
Employees divided by gender and employment contract	Male	Full-time	Person	Note 1: Full-time employees receive a monthly salary. Part-time employees are paid by hour.	1,864	1,850	1,819	1,902
		Part-time	Person		1,932	1,812	2,013	1,875
	Female	Full-time	Person	Note 2: Employees without guaranteed hours follow the shift system, equivalent to the category of part-time employees	2,175	2,156	2,205	2,333
		Part-time	Person		2,529	2,530	2,580	2,541
Employees divided by region and employment contract	Northern Taiwan	Indefinite contract	Person		5,423	5,372	5,504	5,503
		Term contract	Person		0	8	17	0
	Central Taiwan	Indefinite contract	Person		1,106	1,147	1,122	1,177
		Term contract	Person		0	0	0	0
	Southern Taiwan	Indefinite contract	Person		1,971	1,821	1,971	1,971
		Term contract	Person		0	0	3	0
Employees divided by region and employment contract	Northern Taiwan	Full-time	Person	Note: The distribution of employment types by region is a classification added in 2022, so there is only data for 2022 and 2023	-	-	2,520	2,681
		Part-time	Person		-	-	3,001	2,822
	Central Taiwan	Full-time	Person		-	-	591	605
		Part-time	Person		-	-	531	572
	Southern Taiwan	Full-time	Person		-	-	913	949
		Part-time	Person		-	-	1,061	1,022
Employees divided by age	Store employees	Male	≤30 years old	Person	1,528	1,370	1,500	1,353
			31-50 years old	Person	927	929	967	988
			>50 years old	Person	131	153	177	220
		Female	≤30 years old	Person	1,671	1,604	1,575	1,474
			31-50 years old	Person	1,676	1,667	1,683	1,751
			>50 years old	Person	221	247	316	390
	Management	Male	≤30 years old	Person	0	0	0	0
			31-50 years old	Person	115	122	119	116
			>50 years old	Person	88	95	88	87
		Female	≤30 years old	Person	0	0	0	0
			31-50 years old	Person	41	44	44	46
			>50 years old	Person	7	8	12	11

Item for Disclosure	Sub-item for Disclosure		Unit	Description	2020	2021	2022	2023	
Employees divided by age	Non-management	Male	≤30 years old	Person		186	185	174	202
			31-50 years old	Person		679	659	645	646
			>50 years old	Person		142	149	162	165
		Female	≤30 years old	Person		218	233	230	226
			31-50 years old	Person		744	730	756	783
			>50 years old	Person		126	153	169	193
Total number and proportion of new employees by age group and gender	Northern Taiwan	Male	≤30 years old	Person		898	920	980	937
				%		80.83	89.41	90.49	94.93
			31-50 years old	Person		137	142	188	236
				%		12.33	12.80	16.77	20.81
			>50 years old	Person		25	21	28	46
				%		11.01	8.30	10.29	15.03
		Female	≤30 years old	Person		833	787	893	827
				%		72.69	68.73	80.60	80.37
			31-50 years old	Person		260	245	324	366
				%		16.1	15.29	19.83	21.68
			>50 years old	Person		44	52	85	79
				%		20.66	21.49	28.05	22.01
	Central Taiwan	Male	≤30 years old	Person		163	144	221	237
				%		76.17	69.23	101.84	103.04
			31-50 years old	Person		32	31	37	50
				%		15.02	13.96	16.82	21.83
			>50 years old	Person		0	2	0	6
				%		0	3.85	0	9.84
		Female	≤30 years old	Person		175	141	217	209
				%		57.57	47	77.78	78.57
			31-50 years old	Person		36	40	55	80
				%		12.95	12.99	18.97	25.56
			>50 years old	Person		2	7	6	15
				%		4.55	12.28	9.68	19.23
Southern Taiwan	Male	≤30 years old	Person		322	273	328	268	
			%		82.78	85.85	87.70	79.29	
		31-50 years old	Person		57	54	65	74	
			%		14.36	14.25	16.67	19.12	

Note 1: The number of new recruits includes new recruits, reinstated employees and transfers from affiliated companies.

Note 2: The annual ratio for new employees is 45.19%.

Note 3: New recruit ratio (number of new recruits in this category in the year/number of employees in this category as of December 31, 2023).

Note 4: If FTEs are used to calculate the number of new recruits, the number of new recruits in 2023 is 1,164 (FTEs, full-time equivalents = the total annual working hours of this type of employees / the annual working hours of a full-time employee. The total number of working hours here are employees (8,651) who are still with the company at the end of the year, tracing back to the total number of working hours in 2023).

Item for Disclosure	Sub-item for Disclosure			Unit	Description	2020	2021	2022	2023	
Total number and proportion of new employees by age group and gender	Southern Taiwan	Male	31-50 years old	Person	(refer to the previous page)	57	54	65	74	
				%		14.36	14.25	16.67	19.12	
			>50 years old	Person		5	4	9	10	
			%	6.17		4.35	8.91	9.52		
		≤30 years old	Person	329		277	351	287		
			%	74.94		70.66	83.97	70.86		
	Female	31-50 years old	Person	97		92	138	159		
			%	17.08		17.33	24.69	27.46		
		>50 years old	Person	11		13	20	23		
			%	11.34		11.93	15.15	14.65		
		Northern Taiwan	Male	≤30 years old		Person	914	930	884	968
						%	82.27	90.38	81.63	98.07
31-50 years old	Person			176	160	180	240			
	%		15.84	14.43	16.06	21.16				
>50 years old	Person		36	41	53	58				
	%		15.86	16.21	19.49	18.95				
Female	≤30 years old	Person	816	716	876	836				
		%	71.20	62.53	79.06	81.24				
	31-50 years old	Person	287	248	296	301				
		%	17.77	15.48	18.12	17.83				
	>50 years old	Person	61	65	73	76				
		%	28.64	26.86	24.09	21.17				
Total number and proportion of employees turnover by age group and gender	Northern Taiwan	Male	≤30 years old	Person	Note 1: The number of turnover excludes the number of people on unpaid leave. Note 2: The annual total turnover ratio is 44.08%. Note 3: The annual voluntary turnover (excluding turnover due to layoffs) is 44.08%.	164	157	176	211	
				%		76.64	75.48	81.11	91.74	
			31-50 years old	Person		23	31	31	40	
			%	10.80		13.96	14.09	17.47		
		>50 years old	Person	8		9	9	8		
			%	15.09		17.31	16.67	13.11		
	Female	≤30 years old	Person	163		138	195	194		
			%	53.62		46.00	69.89	72.93		
		31-50 years old	Person	52		40	48	59		
			%	18.71		12.99	16.55	18.85		
		>50 years old	Person	4		8	8	14		
			%	9.09		14.04	12.90	17.95		
Central Taiwan	Male	≤30 years old	Person	914	930	884	968			
			%	82.27	90.38	81.63	98.07			
		31-50 years old	Person	176	160	180	240			
		%	15.84	14.43	16.06	21.16				
	>50 years old	Person	36	41	53	58				
		%	15.86	16.21	19.49	18.95				
Female	≤30 years old	Person	816	716	876	836				
		%	71.20	62.53	79.06	81.24				
	31-50 years old	Person	287	248	296	301				
		%	17.77	15.48	18.12	17.83				
	>50 years old	Person	61	65	73	76				
		%	28.64	26.86	24.09	21.17				



Item for Disclosure	Sub-item for Disclosure			Unit	Description	2020	2021	2022	2023
Total number and proportion of employees turnover by age group and gender	Southern Taiwan	Male	≤30 years old	Person	(Refer to the previous page)	294	257	278	276
				%		75.58	80.82	74.33	81.66
			31-50 years old	Person		61	62	68	74
			%	15.37		16.36	17.44	19.12	
		>50 years old	Person	14		11	22	21	
			%	17.28		11.96	21.78	20.00	
	Female	≤30 years old	Person	295		242	322	278	
			%	67.20		61.73	77.03	68.64	
		31-50 years old	Person	93		93	136	127	
			%	16.37		17.51	24.33	21.93	
		>50 years old	Person	22		25	26	32	
			%	22.68		22.94	19.70	20.38	
Full-time employee turnover				%	Note: Excluding the number of part time employee turnover	5.67	6.44	5.57	5.11
Members from minority groups	Store employees			Person	Note: Minority groups include 136 aborigines, 39 foreign employees and 258 persons with disabilities. People with disabilities account for 2.98% in terms of FTEs. 100% of the managements are local with no foreign employees.	383	369	372	396
				%		6.22	6.18	6.19	6.41
	Management			Person		3	3	3	2
				%		1.20	1.12	1.12	0.77
	Non-management			Person		28	31	31	35
				%		1.34	1.47	1.47	1.58
Ratio of female managers at all levels	TEAM managers, store managers, district consultants			%		50.31	50.84	51.31	55.11
	Department heads			%		6.67	10.20	14.58	16.07
	TEAM managers, store managers, district consultants, department heads			%		48.99	49.54	50.16	53.88
Ratio of female managers in revenue generating functions				%	Including store managers, district consultants, district managers, head of the Operations Department	52.02	52.74	52.79	56.04
Ratio of female employees in positions involving science, information engineering and math				%	Including AI Digital Group	53.70	56.14	55.07	56.92
Employee Nationalities	Taiwanese			%		99.59	99.58	99.62	99.55
	Mainland Chinese			%		0.25	0.24	0.30	0.30
	Malaysian			%	The third largest nationality in 2020 and 2021 is Vietnamese, and the third largest nationality in 2022 and 2023 is Malaysian instead	0.11 (Vietnamese)	0.10 (Vietnamese)	0.05	0.07
	Others			%		0.06	0.08	0.03	0.08

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2020	2021	2022	2023
Distribution of employee FTEs by age group	≤30 years old	%	1. FTEs (full-time equivalents) = the total annual working hours of this type of employees/the annual working hours of a full-time employee.	35.16	34.08	32.95	31.41
	31-50 years old	%	2. The total working hours here is the number of employees (8,651 people) who were employed at the end of the year traced back to the total working hours in 2023.	55.43	55.20	54.91	55.02
	>50 years old	%	3. The proportion is FTEs in this age group/FTEs of all employees.	9.41	10.72	12.14	13.57
Average salary ratio between male and female (female/male)	Basic salary of non-management employees	Proportion	Including management and non management in the stores	0.96	0.96	0.94	0.99
	Basic salary of TEAM managers and department heads	Proportion		0.94	0.93	0.94	0.97
	Remuneration of TEAM managers and department heads	Proportion	Remuneration includes basic salary and year-end bonus	0.94	0.93	0.95	0.97
	Basic salary of executive managers (inclusive) and above	Proportion		0.83	0.96	1.21	0.83
	Remuneration of executive managers (inclusive) and above	Proportion	Remuneration includes basic salary and year-end bonus	0.85	0.97	1.24	0.84
Average training hours of employees by gender (per FTE)	Male	Hour	1. FTEs (full-time equivalents) = the total annual working hours of this type of employees/the annual working hours of a full-time employee.	35.05	17.40	17.48	18.10
	Female	Hour		34.59	15.10	16.18	15.99
Average training hours of employees by management level (per FTE)	Store employees	Hour	2. The total working hours here is the number of employees (8,651 people) who were employed at the end of the year traced back to the total working hours in 2023.	34.03	7.40	9.19	8.13
	Management	Hour		33.99	42.00	37.13	40.58
	Non-management	Hour	3. The proportion is FTEs in this group/FTEs of all employees.	36.64	32.20	30.95	33.14
Employee engagement survey	Percentage of employees who gave active replies	%	Note 1: Respondents before 2021 were all district consultants. In 2022, the survey included district consultants and district managers. In 2023, the survey covered all employees	44.88	44.88	40.07	80.00
	Survey coverage	%	Note 2: Survey coverage = FTEs who replied / FTEs of all employees in the survey year	7.89	7.89	9.78	89.5
Average employee training expenses and hours (per FTE)		NT\$	1. FTEs (full-time equivalents) = the total annual working hours of this type of employees/the annual working hours of a full-time employee.	3,692	2,753	2,576	8,938
		Hour	2. The total working hours here is the number of employees (8,651 people) who were employed at the end of the year traced back to the total working hours in 2023. 3. The calculation is the total number of employee training costs in this category/FTEs in this category 4. The calculation is the total number of employee training hours in this category/FTEs in this category Note: The reason for the sharp increase in FTE per person is due to real-life training sessions no longer restricted by the pandemic.	34.80	16.10	16.76	16.91

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2020	2021	2022	2023
Disabling injury for employees (excluding statistics on traffic incidents during commute)	Total working hours <sup>(Note 1)</sup>	Hour	Note 1: Total working hours = the number of working days in the month * 8 hours * the number of full-time employees + the actual working hours of part-time employees.  Note 2: Those who missed work for fewer than 180 days.  Note 3: Those who missed work for fewer than 180 days, excluding the number of deaths.	15,679,092	15,545,090	15,822,222	15,883,259
	Number of people with general occupational injuries <sup>(Note 2)</sup>	Person		16	21	19	26
	Number of people with severe occupational injuries <sup>(Note 3)</sup>	Person		0	0	1	0
	Number of deaths	Person		0	0	0	0
	Number of people with recordable occupational injuries	Person		16	21	20	26
Occupational injury rate, Lost workday rate, Frequency Severity Indicator	Percentage of death caused by occupational injury <sup>(Note 1)</sup>	%	Note 1: Death rate due to occupational injury = number of deaths * 10 <sup>6</sup> / total working hours	0	0	0	0
	Percentage of severe occupational injury <sup>(Note 2)</sup>	%	Note 2: Rate of severe occupational injury = number of severe occupational injuries*10 <sup>6</sup> /total working hours	0	0	0.06	0
	Lost workday rate <sup>(Note 3)</sup>	%	Note 3: Lost workday rate= total lost days * 200,000/total working hours	4.48	5.47	7.27	3.63
	Lost day rate (disabling frequency rate, Note 4)	%	Note 4: Lost day rate = total lost days * 10 <sup>6</sup> /total working hours	28.75	27.34	36.34	18.13
	Frequency-Severity Indicator <sup>(Note 5)</sup>	%	Note 5: $\sqrt{(\text{Disabling injury frequency FR} \times \text{Disabling injury severity rate SR}) \div 1000}$  Note 6: The total working hours here refer to the monthly statistics of the number of people and their working hours.	0.19	0.19	0.21	0.17
Disabling injury for contractors, manufacturers and franchised stores (excluding statistics on traffic incidents during commute)	Total number of working hours	Hour	Statistics of manufacturers and franchised stores was included in 2023	578,560	685,760	627,800	116,716,601
	Number of people with general occupational injuries	Person		4	1	1	10
	Number of people with general occupational injuries	Person		0	0	0	0
	Number of deaths	Person		0	0	0	0
	Number of people with recordable occupational injuries	Person		4	1	1	10
Rate of occupational injuries and lost days for contractors, manufacturers and franchised stores	Percentage of death caused by occupational injury	%	Rate of recordable occupational injury = total number of recordable occupational injuries*10 <sup>6</sup> /total working hours	0	0	0	0
	Percentage of severe occupational injury	%		0	0	0	0
	Percentage of recordable occupational injury (disabling frequency rate)	%		6.91	1.46	1.59	0.09
	Lost day rate (disabling frequency rate)	%		658.53	78.74	143.36	6.07
Occupational disease		Person/times		0	0	0	0
Standard human capital return on investment		%	Human capital return on investment (ROI) $(a-(b-c))/c$ a: Total operating income (source: annual report) b: Total operating expenses (source: annual report) c: Total employee-related expenses (salary + welfare expenses including bonuses) (source: annual report)  Note: The aforementioned information includes the human capital return on investment for President Chain Store Corporation and its subsidiaries.	8.08	8.17	8.36	8.36

# GRI content index

● <b>Statement of use</b>	President Chain Store Corporation has reported in accordance with the GRI Standards for the period 2023/1/1-2023/12/31.
● <b>GRI 1 used</b>	GRI 1: Foundation 2021
● <b>Applicable GRI Sector Standard(s)</b>	No sector standard applicable.

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Corresponding Section	Page	
<b>General disclosures</b>				
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report 2.1 Corporate Governance	5 52	
	2-2 Entities included in the organization's sustainability reporting	About This Report	4	
	2-3 Reporting period, frequency and contact point	About This Report	5	
	2-4 Restatements of information	1. Since the scope of reference has changed from parent company only financial statements to consolidated financial statements, the standard human capital return on investment in the past years in Appendix has been updated. 2. Employee Lost Day Rate and Frequency-Severity Indicator in 2020 was presented incorrectly as female employee only, therefore the statistics is corrected.		
	2-5 External assurance	About This Report Appendix Limited Assurance Report Issued by the Accountant Appendix AA1000 Assurance Statement	5 217 219	
	2-6 Activities, value chain and other business relationships	About This Report 1.3 Materiality Assessment 3.1 Product and Service Innovation 3.3 Sustainable Supply Chain Management	4 33 68-74 80-92	
	2-7 Employees	Appendix: Historical Data	184-185	
	2-8 Workers who are not employees	5.1 Talent Attraction and Retention	132	
	2-9 Governance structure and composition	1.2 Sustainable Development Committee 2.1 Corporate Governance	22 48	
	2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance	48	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	2.1 Corporate Governance	48	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainable Development Committee 2.2 Risk Management	22 53	
	2-13 Delegation of responsibility for managing impacts	1.2 Sustainable Development Committee 2.2 Risk Management	22 53	
	2-14 Role of the highest governance body in sustainability reporting	About This Report 1.3 Materiality Assessment	5 24-25	
	2-15 Conflicts of interest	2.1 Corporate Governance	49	
	2-16 Communication of critical concerns	1.2 Sustainable Development Committee	23	
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance	49	
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance	49	
	2-19 Remuneration policies	2.1 Corporate Governance	49	
	2-20 Process to determine remuneration	2.1 Corporate Governance	49	
	2-21 Annual total compensation ratio	omit disclosure		Due to confidentiality considerations and restrictions of internal management, the information is temporarily not disclosed.
	2-22 Statement on sustainable development strategy	Message from Management	6-7	
	2-23 Policy commitments	2 Achieving Sustainable Governance 3 Commitment to Sustainable Production and Sales 4 Creating a Sustainable Planet 5 Employee Welfare 6 Promotion of Social Welfare & Charity  President Chain Store Corporation's policy commitments are simultaneously published on the official Sustainability website for the understanding of all stakeholders	47 67 96 130 156	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	2.1 Corporate Governance	50-51	
		3.3 Sustainable Supply Chain Management	90-91	
		5.3 Occupational Safety and Health	148-149	
		President Chain Store Corporation Human Rights Due Diligence		
	2-25 Processes to remediate negative impacts	1.3 Materiality Assessment	29-30	
		2.1 Corporate Governance	51	
		2.3 Information Security and Privacy Protection	63	
		3.2 Customer Health and Safety	76-77	
		4.1 Environmental Management	98	
		5.1 Talent Attraction and Retention	132-133	
5.2 Human Rights Management		147		
5.3 Occupational Safety and Health	150-151			
2-26 Mechanisms for seeking advice and raising concerns	2.1 Corporate Governance	51		
2-27 Compliance with laws and regulations	2.4 Legal Compliance	65		
2-28 Membership associations	Appendix: Historical Data	152		
2-29 Approach to stakeholder engagement	1.5 Stakeholder Communication	40-43		
2-30 Collective bargaining agreements	5.1 Talent Attraction and Retention	133	Not applicable. Not able to disclose since there is no collective bargaining agreement.	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.3 Materiality Assessment	24-25	
	3-2 List of material topics	1.3 Materiality Assessment	26-29	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
Information Security				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	38-39	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Stakeholder Communication	40-43	
		2.3 Information Security and Privacy Protection	47	
		2.3 Information Security and Privacy Protection	63	
Risk management				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	38-39	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.5 Stakeholder Communication	40-43	
		2.2 Risk Management	47	
		3.1 Product and Service Innovation	67	
Product and Service Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	34-35	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.5 Stakeholder Communication	40-43	
		3.1 Product and Service Innovation	67	
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	34-35	
		1.5 Stakeholder Communication	40-43	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.2 Customer Health and Safety	67	
		3.2 Customer Health and Safety	75	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.4 Legal Compliance	65	
		2.4 Legal Compliance	65	
Product labeling and marketing communication				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	34-35	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.5 Stakeholder Communication	40-43	
		3.2 Customer Health and Safety	67	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
<b>Product labeling and marketing communication</b>				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.2 Customer Health and Safety	79-80	
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.4 Legal Compliance	65	
	417-3 Incidents of non-compliance concerning marketing communication	2.4 Legal Compliance	65	
<b>Sustainable supply chain management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	34-35	
		1.5 Stakeholder Communication	40-43	
		3.3 Sustainable Supply Chain Management	67	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.3 Sustainable Supply Chain Management Appendix: Historical Data	82-83 175	
	308-2 Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain Management	85	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.3 Sustainable Supply Chain Management Appendix: Historical Data	82-83 175	
	414-2 Negative social impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain Management	85	
<b>Sustainable procurement</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Process Management of Sustainable Targets	34-35	
		1.5 Stakeholder Communication	40-43	
		3.4 Sustainable Procurement	67	
<b>Packaging Material Management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	36-37	
		1.5 Stakeholder Communication	40-43	
		4.2 Packaging Material Management	104-110	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
<b>Climate Change</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	34-35	
		1.5 Stakeholder Communication	40-43	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Climate Change Mitigation and Adaptation	110-121	
		302-2 Energy consumption outside of the organization	120	
		302-3 Energy intensity	120-121	
		302-4 Reduction of energy consumption	117-118	
		302-5 Reductions in energy requirements of products and services	117-118	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.3 Climate Change Mitigation and Adaptation	119-120	
		305-2 Energy indirect (Scope 2) GHG emissions	119-120	
		305-3 Other indirect (Scope 3) GHG emissions	119-120	
		305-4 GHG emissions intensity	119-120	
		305-5 Reduction of GHG emissions	116-120	
<b>Food Waste Management / Waste Management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	36-37	
		1.5 Stakeholder Communication	40-43	
		4.4 Food Waste and Waste Management	121-129	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4 Food Waste and Waste Management	121-122	
		306-2 Management of significant wasterelated impacts	122-129	
		306-3 Waste generated	124-129	
		306-4 Waste diverted from disposal	124-129	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
GRI 306: Waste 2020	306-5 Waste directed to disposal	4.4 Food Waste and Waste Management	124-129	
<b>Talent Attraction and Retention</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	38-39	
		1.5 Stakeholder Communication	40-43	
		5.1 Talent Attraction and Retention	130-131	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix: Historical Data	186-189	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Talent Attraction and Retention	136-137	
	401-3 Parental leave	5.1 Talent Attraction and Retention	138	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.1 Talent Attraction and Retention	133	
<b>Occupational Health and Safety</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	36-39	
		1.5 Stakeholder Communication	40-43	
		5.3 Occupational Safety and Health	130-131	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.3 Occupational Safety and Health	152-153	
	403-2 Hazard identification, risk assessment, and incident investigation	5.3 Occupational Safety and Health	149-150	
	403-3 Occupational health services	5.3 Occupational Safety and Health	150-151	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational Safety and Health	148	
	403-5 Worker training on occupational health and safety	5.3 Occupational Safety and Health	151-152	
	403-6 Promotion of worker health	5.3 Occupational Safety and Health	155	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational Safety and Health	151-152	
	403-8 Workers covered by an occupational health and safety management system	5.3 Occupational Safety and Health	152-153	
	403-9 Work-related injuries	5.3 Occupational Safety and Health Appendix: Historical Data	154 194	
	403-10 Work-related ill health	Appendix: Historical Data	194	
<b>Human Rights</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	38-39	
		1.5 Stakeholder Communication 5 Employee Welfare	40-43 130-131	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.2 Human Rights Management	147	
		5.3 Occupational Safety and Health	151	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2 Human Rights Management	153-154	
<b>Social Welfare</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	26-29	
		1.4 Sustainable Goal Management Process	38-39	
		1.5 Stakeholder Communication	40-43	
		6 Promotion of Social Welfare & Charity	156-157	
<b>Other Topics</b>				
<b>GRI 200: Economic</b>				
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	2.1 Corporate Governance	50	
<b>GRI 400: Social topics</b>				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.1 Talent Attraction and Retention	141	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Location and Explanation	Page	
GRI 400:Social topics				
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Attraction and Retention	144	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.1 Talent Attraction and Retention	132	
	405-2 Ratio of basic salary and remuneration of women to men	5.1 Talent Attraction and Retention	135	

## Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Category	Accounting Metric	Page	Description
Fleet Fuel Management	FB-FR-110a.1	Quantitative	Fleet fuel consumed (GJ), percentage renewable (%)	119	Fleet fuel consumed (GJ): 646,388 GJ Percentage renewable : 0%
Air Emissions from Refrigeration	FB-FR-110b.1	Quantitative	Gross global Scope 1 emissions from refrigerants (metric tons CO2e)	118	30,177.03
	FB-FR-110b.2	Quantitative	Percentage of refrigerants consumed with zero ozone-depleting potential (%)	118	100%
	FB-FR-110b.3	Quantitative	Average refrigerant emissions rate (%)	—	No relevant data
Energy Management	FB-FR-130a.1	Quantitative	(1) Operational energy consumed (GJ), (2) percentage grid electricity (%), (3) percentage renewable (%)	120	(1) 3,737,432.37 GJ (2) 99.93% (3) 0.00%. The solar power generation in 7-ELEVEN Yawan Store was 3,000 kwh.
Food Waste Management	FB-FR-150a.1	Quantitative	Amount of food waste generated (metric tons), percentage diverted from the waste stream (%)	124	Amount of food waste generated: 12,256.7449 metric tonnes Percentage diverted from the waste stream : 70.947%
Data Security	FB-FR-230a.1	Quantitative	(1)Number of data breaches (2)Percentage involving personally identifiable information(PII) (3)Description of approach to identifying and addressing data security risks	—	No data leak in 2023
	FB-FR-230a.2	Quantitative	Description of approach to identifying and addressing data security risks	61-63	Refer to 2.3 Information Security and Privacy Protection for details
Food Safety	FB-FR-250a.1	Quantitative	High-risk food safety violation rate	—	President Chain Store Corporation had no violation of major food safety regulations in 2023
	FB-FR-250a.2	Discussion and Analysis	(1) Number of recalls (2) Number of recalls (3) Percentage of units recalled that are private-label products <sup>4</sup>	—	(1)15 times (2)50,857 (3)18.13%



Topic	Code	Category	Accounting Metric	Page	Description
Product Health & Nutrition	FB-FR-260a.1	Quantitative	Revenue from products labeled and/or marketed to promote health and nutrition attributes	75	NT\$26,815 million
	FB-FR-260a.2	Discussion and Analysis	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	74-75	Refer to 3.2 Customer Health and Safety for details
Product Labeling & Marketing	FB-FR-270a.1	Quantitative	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	—	President Chain Store Corporation did not violate any regulations regarding product labeling or marketing in 2023
	FB-FR-270a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	—	President Chain Store Corporation did not violate any regulations regarding product labeling or marketing in 2023
	FB-FR-270a.3	Quantitative	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	79	(1)President Chain Store Corporation does not have products containing GMO (2)NT\$77,296,308
Labor Practices	FB-FR-310a.1	Quantitative	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region	—	No relevant data in 2023
	FB-FR-310a.2	Quantitative	Percentage of active workforce covered under collective bargaining agreements	132-133	We formulated Labor-Management Negotiation Regulations in accordance with the law and regularly hold labor-management meetings, which are attended by 5 representatives from each side. Employee representatives are assigned by Labor Union and represent 100% of the employees.
	FB-FR-310a.3	Quantitative	(1) Number of work stoppages and (2) total days idle	133	There was no strike or suspension in 2023
	FB-FR-310a.4	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination	153-154	There was no compliance incident regarding labor law violations in 2023
Management of Environmental & Social Impacts in the Supply Chain	FB-FR-430a.1	Quantitative	Revenue from products third-party certified to environmental or social sustainability sourcing standard	94	NT\$151.88 million
	FB-FR-430a.2	Quantitative	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	—	N/A in 2023
	FB-FR-430a.3	Discussion and Analysis	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	80-92 94	Refer to 3.3 Sustainable Supply Chain Management and 3.4 Sustainable Procurement for details
	FB-FR-430a.4	Discussion and Analysis	Discussion of strategies to reduce the environmental impact of packaging	95-100	Refer to the 4.2 Packaging Material Management for details
Activity Metrics	FB-FR-000.A	Quantitative	Number of retail locations	68	As of the 2023, President Chain Store Corporation has 6,859 stores (combo stores are counted as 1), covering an area of 1,216,705 square meters (the total includes combo stores).
	FB-FR-000.B	Quantitative	Total area of retail space	—	

## Task Force on Climate-Related Financial Disclosures and Index table of climate-related information of listed companies

TCFD Recommended Disclosures			Climate-related information for listed companies	Corresponding Chapter	Page no.
Governance	TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	1. Describe the oversight and managing of climate-related risks and opportunities from board and management.	4.3 Climate Change Mitigation and Adaptation	110
	TCFD 1(b)	Describe management's role in assessing and managing risks and opportunities.		1.2 Sustainable Development Committee	22-23
Strategy	TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2. Describe how the identified climate risks and opportunities affect the businesses, strategy, and financial planning. (short, medium and long term).	4.3 Climate Change Mitigation and Adaptation	111
	TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	3. Describe the financial impact from extreme climate and company's transition actions.	4.3 Climate Change Mitigation and Adaptation	111-119
	TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	4.3 Climate Change Mitigation and Adaptation	112-116
Risk Management	TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.	4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	4.3 Climate Change Mitigation and Adaptation	111
	TCFD 3(b)	Describe the organization's processes for managing climate-related risks.		4.3 Climate Change Mitigation and Adaptation	110-119
	TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		2.2 Risk Management 4.3 Climate Change Mitigation and Adaptation	53-60 112
Metrics and Targets	TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	6. Explain the content of plan, and the metrics and targets used to identify and manage physical risks and transition risks if company has transition plan to manage climate-related risks.	4.3 Climate Change Mitigation and Adaptation	118
	TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	9. Condition of greenhouse gas inventory and assurance	4.3 Climate Change Mitigation and Adaptation	118-119
	TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	8. The covered activities, scope of greenhouse gas emissions, schedule planning and annual progress should be explained if company set are climate-related targets; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of carbon reduction credits to be exchanged or the renewable energy certificates (RECs) should be explained.	4.3 Climate Change Mitigation and Adaptation 1.4 Sustainable Goal Management Process	118-119 34

(Note1) Please refer to the President Chain Store Corporation's Climate-related Disclosures Report for details on climate-related financial disclosures.

### Greenhouse Gas Inventory and Assurance Status

Company Basic information	
<input checked="" type="radio"/> Capital of NT\$10 billion or more, iron and steel industry, or cement industry	<input type="radio"/> Capital of NT\$5 billion or more but less than NT\$10 billion
	<input type="radio"/> Capital of less than NT\$5 billion

Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies	
<input checked="" type="radio"/> Inventory for parent company only	<input type="radio"/> Inventory for subsidiaries in consolidated financial statement
<input type="radio"/> Assurance for parent company only	<input type="radio"/> Assurance for subsidiaries in consolidated financial statement

Scope 1	Total emissions(Tonnes of CO <sub>2</sub> e)	Intensity(Tonnes of CO <sub>2</sub> e/NT\$ thousand)	Assurance institution	Description of assurance
Parent company	30,177.026	0.15	SGS Taiwan	A verification statement with reasonable assurance was issued by SGS with unqualified opinion listed.
Scope 2	Total emissions(Tonnes of CO <sub>2</sub> e)	Intensity(Tonnes of CO <sub>2</sub> e/NT\$ thousand)	Assurance institution	Description of assurance
Parent company	513,790.60	2.60	SGS Taiwan	A verification statement with reasonable assurance was issued by SGS with unqualified opinion listed.
Scope 3 (voluntary disclosure)	Total emissions(Tonnes of CO <sub>2</sub> e)	Intensity(Tonnes of CO <sub>2</sub> e/NT\$ thousand)	Assurance institution	Description of assurance
Parent company	4,556,627.93	23.05	SGS Taiwan	A verification statement with limited assurance for scope3~6 was issued by SGS with unqualified opinion listed.

### Table of enhanced disclosure items and assurance items according to Article 4, Paragraph 1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies (hereinafter referred to as “the Rules”)

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
1	The Product Safety Committee focuses on safety and quality, and establishes a unified management system for its private-label products, with the scope of 100% of its private-label products. One meeting was convened in 2023, with the discussion focusing on reporting and tracking important business security information, planning and responding to changes in regulations.	P.75	2023 Product Safety Committee organization and operations management procedures and the total number of Product Safety Committee meetings in 2023 and the types and percentage of products under its influence. The percentage is calculated according to the Product Safety Committee's scope and results of its operation. If all of the Company's products are under its influence, the percentage is 100%.	Item 1
2	President Chain Store Corporation gathers and tracks information related to product safety in accordance with our “Product Safety Information Collection and Review Tracking Standards.” The information is handled using layered management. The Standards apply to all President Chain Store Corporation privately labelled products. In 2023, the Company collected 391 product safety-related memos, including 1 A-level information, 277 B-level information and 113 L-level information.  (Note) A-, B-, and L-level information is based on the date that the information was announced internally.	P.76	Product safety information collected in 2023 and the types and percentage of products under its influence, according to the definition of information in the Product Safety Information Gathering, Review and Tracking Standards. The percentage is calculated according to the Product Safety Information Collection and Inventory Tracking Standards' scope and results of its operation; if all of the Company's products are under its influence, the percentage is 100%.	Item 1
3	In 2023, the initial logistics mechanism was implemented on 100% exclusive selling and privately labelled products including rice, fresh noodles, salads, cooked food, refrigerated flavored breads, sweet potatoes and fresh foods.	P.78	Product categories with 100% of initial logistics mechanism in 2023, according to the initial transport and logistics distribution management mechanism formulated by the Company. The percentage is based on the percentage of the Company's total sales of this product category in 2023 from the sales of the products supplied by the manufacturers that have signed the initial transportation logistics and distribution contracts in 2023.	Item 1

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
4	President Chain Store Corporation performs quality assurance audits through the engagement of an external management consulting company. In 2023, 99.52% of all stores underwent this audit.	P.80	The percentage of all retail locations that were audited by the management consulting company according to the retail mechanism for managing and examining expired products from shelves.	Item 1
5	President Chain Store Corporation hired a management consulting company to audit the quality assurance training certification status of stores, with 99.35% of the stores audited in 2023.	P.80	The annual percentage of all retail that were audited by the management consulting company according to quality assurance training courses and exams formulated referencing the Regulations on Good Hygiene Practice for Food.	Item 1
6	Food products sold through President Chain Store Corporation stores must all comply with the Act Governing Food Safety and Sanitation as well as its sub-laws. The sub-laws include “Regulations on Good Hygiene Practice for Food,” “Food Sanitation Standards,” as well as other relevant laws issued by the Ministry of Health and Welfare. In 2023, there was an issue with the labeling of BEAUTÉ de Coco Liquid Cleanse products. President Chain Store Corporation removed 617.8 kilograms of products from the shelves in accordance with the requirements stated in the official communication from the government. In 2023, two directly operated President Chain Store Corporation stores received fines for violating Article 15-1 (8. expiry date) of the Act Governing Food Safety and Sanitation for selling expired products, accounting for a total of NT\$120,000.	P.65	The number of letters and amount of fine received from competent authorities notifying of fines for President Chain Store Corporation chain retail locations violating the Act Governing Food Safety and Sanitation and its subordinate legislations as of the end of 2023, as well as the number of products and the weight of products removed from the shelves.	Item 2
7	In 2023, 61.49% of the total procurement amount of paper food packaging materials such as paper cups, paper bags, cartons and paper bowls used in the stores are produced by factories verified by FSCTM/PEFCTM.	P.93	The procurement amount of packaging materials printed with FSCTM and PEFCTM in 2023 is divided by the total procurement amount based on the items in the numerator.	Item 3
Not applicable as President Chain Store Corporation does not have any self-operated factories.				Item 4

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
8	<p>In 2023, there were a total of 43 suppliers of private-label brand food products with whom President Chain Store Corporation had a cooperative relationship (Note 1) (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products). 100% (Note 3) of those suppliers were audited (Note 2). A total of 130 audits were performed on the 43 suppliers on P.86-87 with 130 passing, with the compliance rate of 100%.</p> <p>(Note 1) Defined as (1) Suppliers that passed the assessment prior to 2023 and passed internal submission.                      (2) New suppliers that successfully passed the introduction assessment during 2023.                      (3) Those eligible to halt assessment in 2023 are also included.                      (Note 2) The audited items are those listed in the "Assessment Criteria."                      (Note 3) 1 manufacturer, 3 suppliers of raw materials through direct transactions, and 2 suppliers of egg products ended their transactions and cooperation with PCSC based on the result of the last supplier assessments. In addition, the assessment frequency as stated in the Raw Material Supplier through Direct Transactions and Raw Materials Management Rules is between 3-18 months. Therefore, audits were not necessary in 2023 according to the corresponding rules.</p>	P.90	The number of suppliers, percent - ages, items evaluated, number of audits, and results for evaluations of own label product and food suppliers according to Rules for Onsite Appraisal of Manufacturers by Private-label Product Committee, Raw material supplier and Management rules, and Management and Operations Rules for Professional- Use Egg Product Raw Materials (refer to the table on p.86-87).	Item 5
9	<p>In 2023, there were 13 suppliers of disposable products (Note 1), with 100% (Note 2) audited. Please refer to the table on P.86-87 for these 12 suppliers. A total of 15 audits on supplier assessment items were performed, resulting in 15 passing audit results and a passing rate is 100%.</p> <p>(Note 1) Refers to domestic suppliers of disposable paper cups, bowls and similar items which come into contact with food and are provided to the consumers.                      (Note 2) 3 suppliers of store suppliers have stopped transactions with President Chain Store Corporation before the month of the assessment with their application of halting the evaluation approved. As a result, those entities were not required to be audited according to our rules in 2023.</p>	P.90	According to the "Management Rules for Site Assessment of Suppliers of Products Related to Store Safety" (refer to the table on p.86-87). The table showed the number of disposable merchandise supplier evaluated, percentage, items evaluated, times of evaluation and results.	Item 5

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
10	<p>President Chain Store Corporation meets the definition of a vendor of box meals as set forth in Article 9 of the Act Governing Food Safety and Sanitation and set up a traceability system for the meal box category in accordance with the official document (Food and Drug Administration Document No.1071300516 authorized by the Ministry of Health and Welfare on 26 June, 2018), a total of 543 products in the meal box category (Note) have undergone traceability management (must be traceable) in 2023, taking up 100% of all box meal items in the current year.</p> <p>(Note) Indicating the products which consist of grains (rice or noodles), processed grains, agriculture, livestock and seafood and which are processed to be served to groups or individuals. Those products are served with clear labels or pictures of the ingredients and are served in the way of boxes or large decorative containers. The products can be eaten after brief heating up. Those products do not include the baked items served in the box. As of the end of 2023, the laboratory conducted 637 test items per the announcements and requirements of the competent authority including CNS, the Taiwan Food and Drug Administration, etc.</p>	P.77	In 2023, the total number of box meal items logged by the company in the food traceability and tracking management information system (must be traceable), and its percentage in the number of all box meal items in the current year. The percentage is calculated by dividing the number of items registered in the must be traceable box meal items by the total number of all meals.	Item 6
11	<p>As of the end of 2023, the laboratory conducted 637 test items per the announcements and requirements of the competent authority including CNS, the Taiwan Food and Drug Administration, etc.</p>	P.78	The number of test items (Note) provided by the quality testing laboratory in accordance with the announcements and recommendations of CNS or the Taiwan Food and Drug Administration of the Ministry of Health and Welfare, Executive Yuan, and the number of test items for government-approved food additives as of the end of 2023.  (Note) These test items include standard methodologies and methodologies developed by President Chain Store Corporation.	Item 7

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
12	Another 125 test items of self-inspection that do not follow directives from the aforementioned announced methodologies were conducted.	P.78	The number of non-compulsory test items provided by the quality testing laboratory referencing regulations in other countries or international journals (not according to announcements and recommendations of CNS or the Taiwan Food and Drug Administration of the Ministry of Health and Welfare, Executive Yuan (Note), or not for government-approved food additives) as of the end of 2023.  (Note) These test items include standard methodologies and methodologies developed by President Chain Store Corporation.	Item 7
13	President Chain Store Corporation's Quality Testing Laboratory obtained certifications following test items specified by TFDA and TAF (ISO/IEC 17025:2017).	P.78	Laboratory certified by the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare and Taiwan Accreditation Foundation (TAF).	Item 7
14	Taiwan Accreditation Foundation (TAF) certified test items: ISO/IEC 17025:2005 certified items: 1. Microorganisms: 4 2. Caffeine: 1 3. Ochratoxin: 1 4. β -agonist: 21	P.78	Test items and the total number of test items certified by the Taiwan Accreditation Foundation (TAF).	Item 7
15	Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare certified item: 1. Microorganisms: 1	P.78	Items and the total number of items certified by the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare.	Item 7
16	The quality testing laboratory resulted in costs of NT\$39,081 thousand, including NT\$21,097 thousand for entrusted laboratories (Note), accounting for 0.02% of the Company's operating revenue.  (Note) The quality testing laboratory costs include tests, salaries, depreciation, rentals, equipment repair and maintenance, as well as miscellaneous purchases.	P.78	The percentage of operating revenue on financial reports that is allotted to quality testing laboratory expenditures in 2023.	Item 7
17	In 2023, a total of 937 tests were run on products and raw materials, with 929 passing the test. The passing rate was 99.15%.	P.78	The number of test items (Note) provided by the quality testing laboratory in accordance with the announcements and recommendations of CNS or the Taiwan Food and Drug Administration of the Ministry of Health and Welfare, Executive Yuan, and the number of test items for government-approved food additives as of the end of 2023.  (Note) These test items include standard methodologies and methodologies developed by President Chain Store Corporation.	Item 7

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
18	During 2023, suppliers of private-label products (including contract manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 42 companies. If calculating using the number of the plants, there were a total of 84 manufacturing sites, among those 46 were contract manufacturers of private-label food products within Taiwan. Of these, 46 manufactures 100% obtained international food safety management system ISO 22000 certification.	P.83	The number of private-label product food suppliers, the total number of factories, the total number of domestic contract manufacturers, the number of ISO 22000 certifications, and the total number of domestic contract manufacturers certified to ISO 22000 in 2023.	Voluntary assurance
19	In 2023, the total electricity consumption of all the inspected locations reached 103,796,000 kWh, with the 3,737,432.37 GJ energy consumption. Purchased electricity accounts for 99.93%.	P.120	Total energy consumption (GJ) = purchased electricity (all stores in Taiwan (Note 1), shopping centers, headquarters, regional offices and training center) (Note 3) + gasoline (company vehicles) (Note 4) Percentage of purchased electricity (%) = (power from purchased electricity (GJ) ÷ total energy consumption (GJ)) x 100%  (Note 1) Data for total energy consumption and purchased electricity are from the Greenhouse Gas Inventory Report verified by third party. (Note 2) The number of stores include the ones that have moved or closed. (Note 3) Purchased electricity conversion factor (1 kWh to GJ) = 1 (kWh) x 3.6 (Note 4) Gasoline conversion factor (1 liter to GJ) = 1L x 7,800 (kcal/L) x 4.187 (kJ/kcal) x 1/1,000,000 (Note 5) Aforementioned conversion factors are based on the information published by the Bureau of Energy	Item 8

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
20	In 2023, the total water withdraw of President Chain Store Corporation was 3,272,705.04 cubic meters, and the total water consumption was 129,723.72 cubic meters. The scope covers stores, head office, shopping centers and regional offices.	P.100	<p>Water withdraw: all operating locations (all stores in Taiwan (Note 1, 2), shopping centers, head office, regional offices and training center (Note 3)), report the water withdraw in each period of the current year and the basis (water bill), as well as the amount of purchased ice cubes.</p> <p>Water consumption: report the sales volume of fresh-brewed beverages (coffee, tea, bubble tea, etc.) and relevant water consumption, the quantity of purchased ice cubes (Note 4) used and their water consumption, and statistical reports for the current year.</p> <p>Total water consumption (m<sup>3</sup>) = [(total water consumption of fresh-brewed beverages (ml)) + (water consumption of purchased ice cubes (ml))] ÷ 1,000,000</p> <p>(Note 1) The number of stores include the ones that have moved or closed.</p> <p>(Note 2) For stores without separate water meters, the calculation is based on the average value of all stores with independent water meters.</p> <p>(Note 3) The regional offices and training center do not have independent water meters. Therefore, the statistics is calculated by multiplying the per capita water withdraw of headquarters by the total number of people in the regional offices and training center. Reporting the number of stores and the area occupied by the stores in the current year.</p> <p>(Note 4) Including the amount ice cubes purchased and made by the ice machines.</p>	Item 9
21	As of the end of 2023, President Chain Store Corporation has 6,859 stores (combo stores are counted as one) covering an area of 1,216,705 square meters (the total includes combo stores).	P.207	Reporting the number of stores and the area occupied by the stores in the current year.	Item 10

## Limited Assurance Report Issued by the Accountant



### 會計師有限確信報告

資會綜字第 23011661 號

統一超商股份有限公司 公鑒：

本會計師受統一超商股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定 2023 年度永續報告書所報導之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

#### 標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司 2023 年度永續報告書第 188 至 192 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 4 頁之「報告書範疇與邊界」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

#### 管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

#### 先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

#### 會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

#### 會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

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## AA1000 Assurance Statement



依確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標選取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對 2023 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信，另外，2023 年度永續報告書中屬 2022 年 12 月 31 日及更早期間之資訊未經本會計師確信。


#### 有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

#### 其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 張瑞婷 

西元 2024 年 7 月 31 日



## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE PRESIDENT CHAIN STORE CORPORATION'S SUSTAINABILITY REPORT FOR 2023

#### NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by PRESIDENT CHAIN STORE CORPORATION to conduct an independent assurance of the Sustainability Report for 2023 (hereinafter referred to as the Sustainability Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 High level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) during on-site assurance (2024/03/12~2024/05/28) in President Chain Store Corporation's headquarter. The boundary of this report includes President Chain Store Corporation's Taiwan operational and production sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards (SASB).

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all President Chain Store Corporation's Stakeholders.

#### RESPONSIBILITIES

The information in the President Chain Store Corporation's Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of President Chain Store Corporation. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all President Chain Store Corporation's stakeholders.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000) n/a
B	AA1000ASv3 Type 2 (AA1000AP Evaluation plus evaluation of Specified Performance Information) High

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options
1 GRI Standards (in Accordance with)
2 AA1000 Accountability Principles (2018)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in President Chain Store Corporation’s Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for the company and moderate level of scrutiny for its subsidiaries or joint ventures.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

**SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE**

The scope includes GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and the items listed as below.

1. Average salary ratio between men and women
2. Lost Workday Rate – Employees
3. Lost-Time Injury Frequency Rate – Contractors
4. Fatalities - Employees & Contractors
5. KPIs for Supplier Screening, Assessment and Development, including Supplier Screening, Supplier Assessment, Corrective action plan support and Capacity building programs in the appendix.
6. Statistics of Packaging Materials Consumption for Private-Label

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from President Chain Store Corporation, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

**ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION**

The information listed in the specified performance information section above was assured at a high level of scrutiny by checking the internal statistical forms, emails, reports and interviews with relevant employees as well as external consultants.



## AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

### **Inclusivity**

President Chain Store Corporation has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, President Chain Store Corporation may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

### **Materiality**

President Chain Store Corporation has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

### **Responsiveness**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

### **Impact**

President Chain Store Corporation has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

## GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, President Chain Store Corporation's Sustainability Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The Sustainability Report has properly disclosed information related to President Chain Store Corporation's contributions to sustainability development. For future reporting, it is highly recommended to disclose the information of GRI 2-21. Moreover, it is recommended to re-define the scope and standards of sustainable certified raw materials and disclose the definition with more details.

Signed:

For and on behalf of SGS Taiwan Ltd.



Stephen Pao  
Business Assurance Director  
Taipei, Taiwan  
5 June, 2024  
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# 2023 PCSC Sustainability Report

24/7 Services from Our Stores  
All over Taiwan