



03

Committing to the Service Quality

Sustainability Performance

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

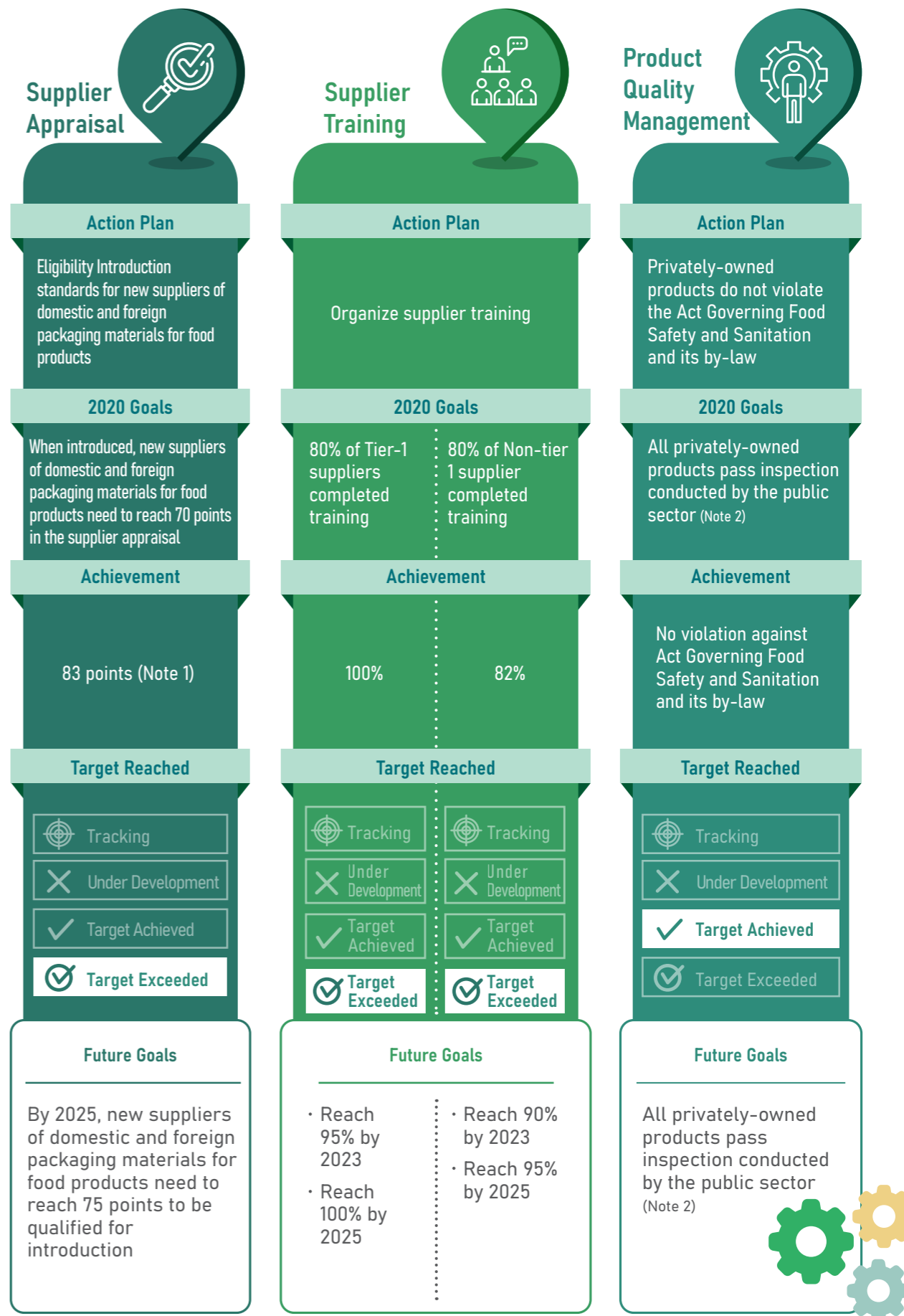
- Invested **NT\$253,643** thousand in research and development
- Invested **NT\$125,268** thousand in food safety management
- 99%** of stores were graded A or B in the Service Excellence Rating
- 100%** of non-tier one suppliers signed code of conduct
- OPEN POINT members reaching **12 million** people

Corresponding Material Topic

- Product and Service Innovation
- Customer Privacy
- Sustainable Supply Chain Management
- Customer Health and Safety
- Marketing and Labeling
- Customer Relationship Management

Corresponding Stakeholders

- Investors
- Suppliers
- Customers
- Employees
- Franchisees
- Public Welfare Organizations
- Government Agencies
- Local Communities



(Note 1) The average of introduction points of new domestic and new foreign packaging materials for food products.

(Note 2) Based on the received official letter and penalty.

Marketing and Labeling Management

Action Plan
Complying with labeling and marketing communication specifications for products or services (Note)

2020 Goals
Privately-owned products do not violate the labeling and marketing communication specifications for products or services (Note)

Achievement
No privately-owned product violated the labeling and marketing communication specifications for products or services in 2020

Target Reached

- Tracking
- Under Development
- Target Achieved
- Target Exceeded

Future Goals
Privately-owned products do not violate the labeling and marketing communication specifications for products or services (Note)

Customer Data Management

Action Plan
Formulating management policy and setting up taskforce to protect customer privacy

2020 Goals
No violation against customer privacy

Achievement
No violation against customer privacy in 2020

Target Reached

- Tracking
- Under Development
- Target Achieved
- Target Exceeded

Future Goals
No violation against customer privacy

Sustainable Procurement

Action Plan
Incorporate products or raw materials with a sustainability label

2020 Goals
Tracking

Achievement
55.4% air-tight or liquid-tight packaging material of all packaging material of privately-owned beverages acquire FSC certification

Target Reached

- Tracking
- Under Development
- Target Achieved
- Target Exceeded

Future Goals
By 2021, 60% of air-tight or liquid-tight packaging material of all packaging material of privately-owned beverages acquire FSC certification

(Note) Based on the received official letter and penalty

Product and Service Innovation		Management Approach
Management Objectives and Policies	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 society accelerating, they have different needs and criteria for products. Continuously improving and optimizing products and services is not only the key to PCSC's stable operation, but also fulfills our responsibility of taking care of consumers.	
Responsibility	Integrated Marketing Department	
Action Plan	In 2020, the PCSC continued to invest in development and research to provide innovative products and services. The investment in R&D expenses in 2020 amounted to NT\$253,643 thousand. During the same year, we launched a mobile service that allows consumers to enjoy more convenience. Seeing that consumers have increasing awareness of health, PCSC has also given consumers more options of vegetable/vegetarian food, "New Life" concept store and a variety of health supplements.	
Grievance Mechanism	Integrated Service Center	

Customer Health and Safety & Marketing and Labeling		Management Approach
Management Objectives and Policies	Working in an industry that is highly intertwined with everyday life, safeguarding the customers' health and safety is PCSC's vital responsibility and highest guiding principle. Compliant labeling has a huge impact on consumer health and life quality. To this end, we strive to provide products that are safe and compliant with laws to succeed in the role as the partner for everyday life .	
Responsibility	Product Safety Committee	
Action Plan	<p>PCSC continues to stay updated with the latest regulations related to operations to protect the rights and interests of consumers. The value chain behind PCSC services can be divided into raw material, logistics and store sections. The quality of the raw material is controlled through quality assurance. The logistics section ensures delivery quality through the training and management of logistics personnel. In terms of stores, we continue to optimize our service quality through service assessment, quality assurance and ethical management certification training inspection, as well as tobacco and alcohol sales inspection.</p> <p>In terms of product labeling, we clearly stipulate in the "Product Safety Management" regulations that the labeling of delivered products must comply with the regulations of the competent authority. The stores are also required to inspect labeling of the products at the time upon delivery so as to ensure compliance.</p>	
Grievance Mechanism	Integrated Services Center	



Sustainable Supply Chain

Management Approach

Management Objectives and Policies	<p>PCSC does not operate factories, and all products are manufactured by suppliers. Therefore, the systematic management and inspection of the supply chain is the key to ensuring PCSC products.</p> <ul style="list-style-type: none"> Product Safety Management Regulations Measures for the Management of On-site Evaluation of Outsourcing Factories for privately-owned products Measures for Management of Raw Material Suppliers and Raw Material Measures for the Management of On-site Evaluation of Suppliers of Packaging Materials for Food Products PCSC and PCSC Subsidiaries' Code of Conduct for Suppliers Food Product Manufacturing Factory Risk Grading and Assessment Guide
Responsibility	<ul style="list-style-type: none"> Quality Assurance Department Supply Chain Management Department
Action Plan	The quality of products provided by suppliers is a key element in product quality consistency. In order to secure the quality, we manage our suppliers by identifying the key suppliers to figure out the suppliers that have the greatest impact on our operations. Afterwards, we ensured the quality of our services by implementing supplier management measures, requiring suppliers to sign the code of conduct, as well as continuing to educate and evaluate suppliers.
Grievance Mechanism	Stakeholder section



Customer Privacy & Customer Relationship

Management Approach

Management Objectives and Policies	<p>PCSC provides consumers with convenient life choices through online service platforms. The Company manages and protects the privacy of customers and provides them with better services based on the big data generated from consumption to fulfill sustainable operations and our responsibility towards consumers.</p> <p>Personal Data Protection Management System and Policy</p>
Responsibility	<ul style="list-style-type: none"> Digital Innovation Department Integrated Services Center Integrated Marketing Department Legal Affairs Department Personal Data Protection Task Force
Action Plan	PCSC has a Personal Data Protection Task Force to oversee consumer data protection. We also conduct internal audit and external verification (Taiwan Personal Information Protection and Administration System, TPIPAS), crisis prevention and training to fulfill data protection. In addition, PCSC continues to optimize and expand the service scope of the OPEN POINT membership system so that consumers can enjoy more convenient services during the e-commerce era.
Grievance Mechanism	<ul style="list-style-type: none"> Integrated Services Center Contact person for personal data declaration in each department

3.1 Product and Service Innovation

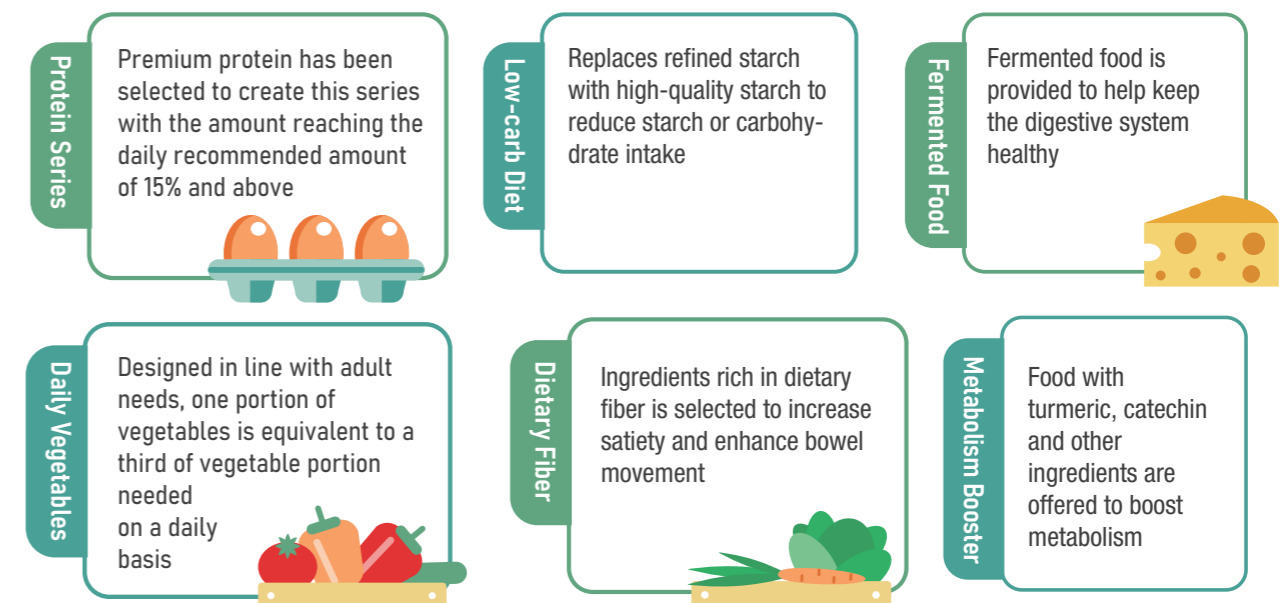
PCSC's goal is to provide a variety of innovative and quality products that exceed customers' expectations. Our Integrated Marketing Department is primarily responsible for integrating the Company's internal resources to reinforce its brand recognition and competitiveness.

Innovative Products and Services

In 2020, Taiwan benefited from the effects of trade orders swift and the investment of Taiwanese businesses, which boosted the domestic demand. With the trend of growing domestic demand, PCSC started from the core concept of all-round life and continues to uphold the principle of providing consumers with value-for-money products and consumer experience. We continue to improve the research and development in technology with software and hardware, further integrating a number of innovative products and services to maintain the sustainable competitiveness of PCSC. We invested NT\$253,643 thousand in R&D expenses in 2020 to develop 7 new products. We continued to expand "Simple Fit" and launched "Vegetable Diet" and "Mobile pickup" products and services.

Simple-Fit Compound Concept Store

Uni-President Enterprises Corporation integrated the three major brands within the group, including PCSC, COSMED and BEING fit based on the concept of a micro department store to create the Simple-Fit Compound Concept Store. PCSC set up dedicated Simple-Fit shelves with 6 healthy diet themes, hoping to give people healthy and nutritious meal options in their busy daily lives.



Vegetable Diet

According to a scientific report, the concentration of greenhouse gases has reached the peak in 3 million years in 2020, with 2016 to 2020 being the hottest five years in history. One way to mitigate global warming is to reduce meat consumption. For the benefit of the environment, the "Vegetable Diet" was launched in 2020 to enhance services in this area. It is expected to reduce 7 million kilograms of carbon emissions a year, the equivalent of what can be absorbed by 18 Da'an Forest Parks in one year. The Vegetable Diet collection also won PCSC the "Food Innovation Award" organized by the professional catering media, "foodNEXT."

1

Three Meals a Day at PCSC

Vegetable Diet aims at satisfying the needs of people on a vegetarian/vegetable diet for 3 meals a day. The menu covers onigiri, sandwiches, main meal, snacks and side dishes with nearly 10 fresh food options, giving people on a vegetarian/vegetable diet easier way of obtaining vegetarian food.



2

Collaboration with Vegetable Meal Brands to Create a Variety of Options

PCSC works with Hi-Lai Foods, Hi-Lai Vegetarian, Yang Shin Vegetarian Restaurant and Master Wah Foods to create 6 green menus, including the signature dishes of Hi-Lai Vegetarian such as Quinoa Eight Treasure Rice, Hi-Lai Foods Vegetable Noodles, Hi-Lai Foods Stir-Fried Noodles with Vegetables, Yang Shin Vegetarian Restaurant Spicy Stinky Tofu and Master Wah Foods Vegetarian Dumplings, as well as the Black Truffle and Wild Mushroom Risotto developed by PCSC.



3

Vegetable/Vegetarian Food Section & Dedicated Packaging

PCSC has set up a brand section in the refrigerated food area with two shelves. The vibrant green and yellow signs have made the section pop. In terms of product packaging, a fresh and vibrant grass green is selected as the sealing film. The vibrant "lemon yellow" shade is used as the main color of the base. In addition to the industry's first vegetarian and Vegetable logo, the collection also focuses on the sides of the packaging design so that consumers can quickly identify what they want.



4

Dedicated Vegetable/Vegetarian Food Production Line to Guarantee Product Quality

PCSC works with factories that have passed the ISO22000 food certification, specialize in the production of vegetarian food or have dedicated vegetarian production lines. In PCSC's privately-owned brand production lines, everything is separated from that of non-vegetarian food, including the equipment, production lines, appliances and even airflow, striving to create options that will earn the trust from vegetarians consumers.

Mobile Pickup

In 2020, PCSC launched the new Mobile Pickup service with the OPEN POINT app, allowing consumers to pick up their products from different stores after having purchased a larger amount. The feature applies to a variety of products so that consumers can enjoy the discount from bulk purchase as well as picking up the products wherever they want. In 2020, over 1.5 million people tried the Mobile Pickup service with the presale performance reaching NT\$3 billion.

3.2 Customer Health and Safety

Product safety is the cornerstone of PCSC as well as our responsibility and obligation to consumers. PCSC has monitored and controlled the product value chain by setting up management mechanisms for raw materials, logistics and stores. We also track product safety information and facilitate internal reporting to keep our promise for product safety. In 2020, the cumulative expenses of food safety management reached NT\$125,628 thousand, which was much higher than our target of NT\$60,000 thousand.

Facilitate Nutritional Intake and Consumer Health

Healthy eating has become one of the biggest concerns for consumers. As a food retail business, PCSC provides a variety of products with healthy concepts to meet the consumers' daily dietary requirements. PCSC follows the internal "Privately-Owned Brand Product Policy", promoting a healthy-eating lifestyle through the development of vegetable concept products, selection of premium raw materials and SOPs.

- ✓ Promote the idea of healthy living by providing a variety of vegetable products, and develop new products with reference to the daily vegetable intake recommended by Health Promotion Administration. From raw materials to finished products, no preservatives and partially hydrogenated oils are used. Each product has passed the inspection of the third party certification body prior to being placed on the shelves. PCSC does not choose to add high-fructose corn syrup and MSG. If they exist in the ingredients, they are tracked and managed internally.
- ✓ Formulate microbiological standards for fresh foods in line with regulations and require suppliers to provide qualified third-party inspection reports and perform regular inspections for all product categories.
- ✓ Regarding products that may involve the use of genetically modified organisms approved by the Ministry of Health and Welfare, all privately-owned products that might contain GMOs are clearly labelled with such information on the packaging.

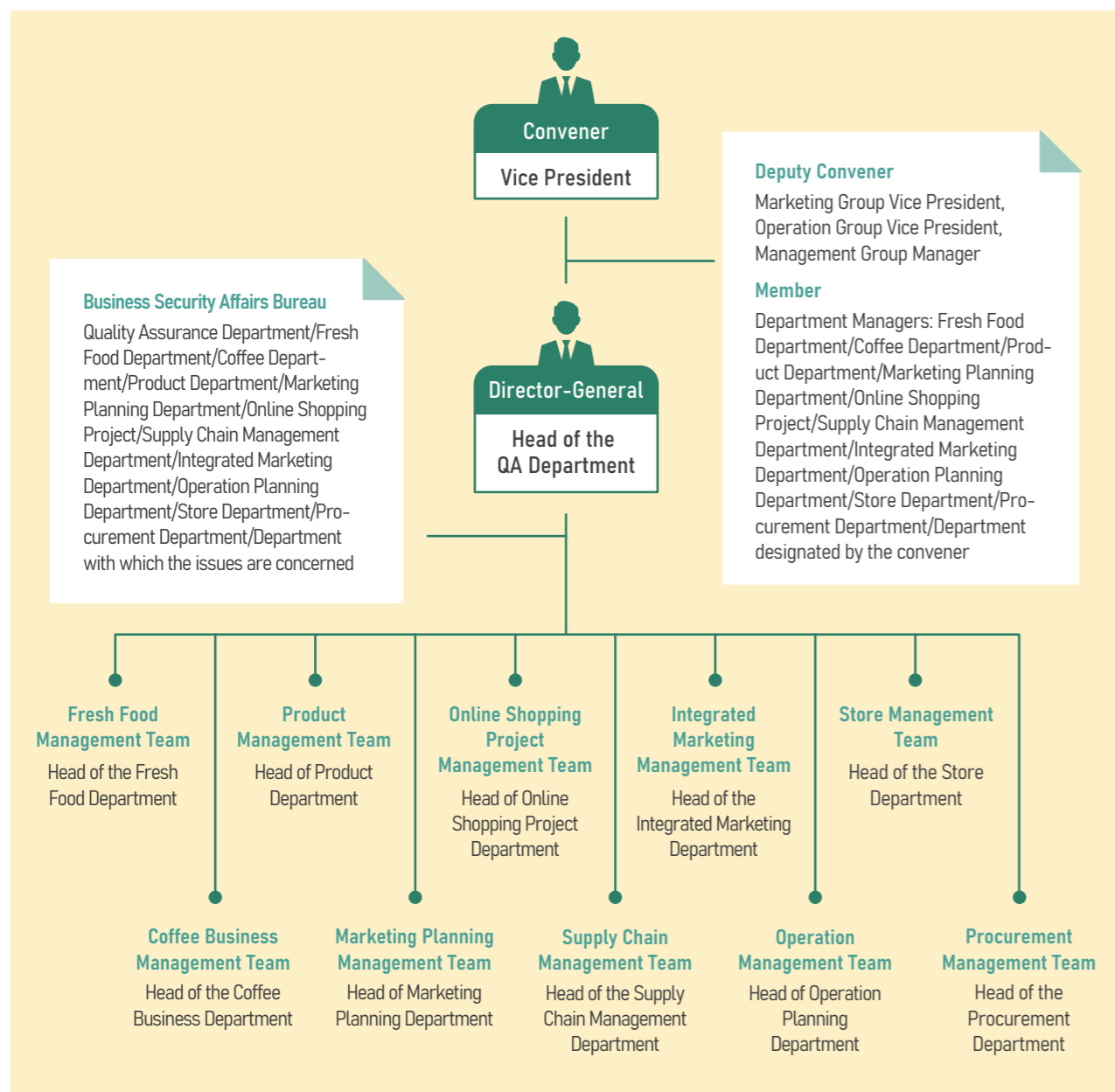
In 2020, PCSC continued to focus on developing products with reduced saturated fat, trans fat, sodium or sugar. In the meantime, PCSC strengthens the voluntary labeling of health and nutrition information on food products of its privately-owned brand. Such voluntary labelling includes compliance with the third point of Taiwan's "Packaged Food Nutrition Labeling," or other voluntary labeling approved by the government. Revenue from products related to labeling or health promotion and nutrition reached NT\$5,580 million.

In addition to focusing on products that promote health and nutrition, PCSC is also committed to obtaining relevant labels for its privately-owned products, and sell products that have obtained related labels. In 2020, the raw materials for PCSC's privately-owned products were inspected by

an external body to confirm no GMOs were adopted. To make it easier for consumers to make purchase decisions, PCSC is also committed to clear label on the outer packaging. Among its privately-owned products, the ones whose outer packaging was marked with a label stating “Does Not Contain GMO” reached a revenue of NT\$86,316 thousand.

Product Safety Committee

The Product Safety Committee is consisting of three main levels. The convener is appointed by the President, and the Marketing Group Vice President, Operation Group Vice President and the Management Group Manager serve 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 10 task forces, with each department head serving as leaders. The Product Safety Committee focuses on safety and quality, and establishes a unified management system for its privately-owned products, with the scope of 100% of its privately-owned products. One meeting was convened in 2020, with the discussion focusing on reporting and tracking important business security information, planning and responding to changes in regulations.



(Note) Due to organizational changes, the structure was modified in March 2020.

Product Value Chain



Raw Material Management

PCSC 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 (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) in 2019, a total of 376 products in the meal box category have undergone traceability management in 2020.

To effectively monitor product safety and take up the responsibility of PCSC as a retail business, PCSC works with the ROC Fresh Foods Development Association to set up a Material and Quality Assurance System (MAS). This ensures that product raw materials and suppliers can be tracked and managed. The main document in the MAS system is product specifications document, which records the sources of raw materials and the suppliers. As of 2020, 100% of the Company’s privately-owned food products had the corresponding product specification document in the MAS system.

(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 boxes or large containers. The products can be eaten after quick heating up. Those products do not include the baked items served in the box.

Quality Certification

To manage and stay on top of product quality, PCSC’s Quality Testing Laboratory obtained certifications following test 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, allowing us to sell safe products. As of the end of 2020, the laboratory conducted 621 test items per the announcements and requirements of the competent authority including CNS, the Taiwan Food and Drug Administration, etc. Another 111 test items of self-inspection that do not follow directives from the aforementioned announced methodologies were conducted.



TAF Certification Items	
Scope of microorganisms certification for ISO/IEC 17025:2017	4 items
TFDA of the Ministry of Health and Welfare certified items	
Microorganisms	4 items
Colorants	8 items
Ochratoxin A	1 item
Patulin	1 item

In 2020, a total of 1143 tests were run on products and raw materials, with 1135 passing the test. The passing rate was 99.3%. 7 products passed when retested, only one was taken off the shelf. In addition to dealing with the situation in accordance with our contracts, we also bolstered follow-up inspection and monitoring to ensure the quality of the products we sell. The quality testing laboratory resulted in costs of NT\$35,318 thousand, including NT\$17,425 thousand for entrusted laboratories (Note), accounting for 0.021% of the Company's operating revenue.

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

Product Labeling

Transparent product labeling is key to PCSC's promise to safeguard the rights and health of its customers. Our "Product Safety Management Regulations" 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 (including bar codes, expiration dates, and Chinese labeling) are the items that the logistics center must check upon receiving a shipment. PCSC also uses its "Packaging Internal Control Design System" to keep abreast of the information on our privately-owned brand product labels. This ensures that all products have clearly labeled information from manufacturing to shipping to final sale in the store. No product labeling violation took place in 2020.

Logistics Management

PCSC products are shipped to stores by a logistics company 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 PCSC products and raw materials are manufactured by suppliers or agents, 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 arising from temperature, employees or sanitation, we partner with logistics companies on initial logistics mechanism and in-store product management and service audits. Initial logistics management involves cooperation on shipping, making product quality management processes to start from the store and pushing them upstream to the supplier end to set up a comprehensive quality control. In 2020, the initial logistics mechanism was implemented on 100% exclusive selling and privately-owned products including rice, fresh noodles, salads, cooked food, refrigerated flavored breads, sweet potatoes and fresh foods.

Elite Logisticians

Behind our renowned service is a group of tireless logisticians who deliver the goods in fair weather or foul weather. As we uphold our principle of caring for society, PCSC continues to optimize personal welfare, driving safety, and labor-saving operations. In terms of the driving system, a total of 352 stores introduced trusted delivery operations for non-24-hour stores so that logisticians did not have to wait outside the stores that are not open or change their routes while they waited. To show our appreciation for their hard work, we also provide complimentary beverages, incentive bonuses and a contract renewal bonus incentive program.



PCSC hosts award ceremonies to thank our logisticians for their outstanding performance and contribution. Large gatherings were banned in 2020 due to the pandemic, so 12 sessions of Elite Logisticians Recognition Ceremony were organized for 83 elite logisticians out of a total of 2,056 from four companies, including Uni-President Cold-Chain Corporation, Wisdom Distribution Service Corporation, Retail Support International, and President Logistics International Corporation. To be qualified to be awarded, awardees were required to not have any customer complaints or major violations during the year, as well as being leaders in terms of scores on various measures of safety, service and operations.

Store Management

Our stores are our points of service. As such, the quality of service of our stores, product best-by date management, ethical corporate management, and cigarette and alcohol sales audits greatly influence the quality of our delivery. In order to ensure that all of our stores, both self-operated and franchises, provide customers with the same high-level of quality, we have established a variety of store evaluation mechanisms to maintain service quality.

Service Excellence Assessment

PCSC conducts an annual service excellence assessment on all its directly owned stores and franchises, examining items including basic service, professional service, comfort of the environment, and appropriateness of responses. The results of the assessment are graded A (excellent), B (meets expectations) or C (needs improvement). In 2020, a total of 2,661 stores were graded A out of all the stores that were audited, accounting for 66.59% of the stores audited. Operations specialists visit stores receiving a grade of C to provide guidance and hold meetings to draft improvement plans and to track results. In 2020, 98.85% of stores were graded A or B, surpassing our goal of 95%. We will continue to use district consultants to provide guidance to improve our service quality.

2020 Annual Initial Assessment Grade	Number of stores Audited	Percentage
A (excellent)	2661	66.59%
B (meets expectations)	1289	32.26%
C (needs improvement)	46	1.15%

Quality Assurance Assessment

In addition, a management consulting company was engaged to perform quality assurance assessment. In 2020, 99.2% (Note) of all stores underwent this audit. A total of 23,882 assessments were conducted with a pass rate of 94.3%. PCSC provided concrete suggestions for substandard branches and followed up to ensure that improvements were made.

(Note) A small number of stores were closed in early 2020 or had opened for less than three months in 2020. Therefore, they were not audited in 2020.

▪ **QA and Ethical Corporate Management Certification Training Assessment**

To maintain the quality of the overall workforce, in addition to the store audits described above, PCSC continues to provide quality assurance education and training for both new hires and existing employees. A total of 40,073 people participated in the training in 2020. PCSC hired a management consulting company to audit the quality assurance training certification status of stores, with 98.95% (Note) of the stores audited in 2020. Ethical corporate management training covers QA operation execution, ethical corporate management compliance and company image maintenance.

(Note) A small number of stores were closed in early 2020 or had opened for less than three months in 2020. Therefore, they were not audited in 2020.

▪ **Tobacco and Alcohol Sales Assessment**

Additionally, to implement the law and protect youth and children, we took progressive action. The product system warning language alerting that alcohol and tobacco cannot be sold to customers under 18 years of age was in place, with this system 100% adopted. The goals set in this area for 2020 were completely met.

Tracking and Responses to Product Safety Information

▪ **Product Safety Information Collection**

Staying abreast of the latest product safety information has been key to PCSC’s product quality. Product safety information defines those negative information or non-compliance on regulations promulgated by relevant authorities concerning its privately-owned brand. PCSC 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 PCSC privately-owned products. In 2020, the Company collected 464 product safety-related memos, including 2 A-level information, 337 B-level information and 125 L-level information. The A-level information was followed up to ensure improvement, with all cases closed.

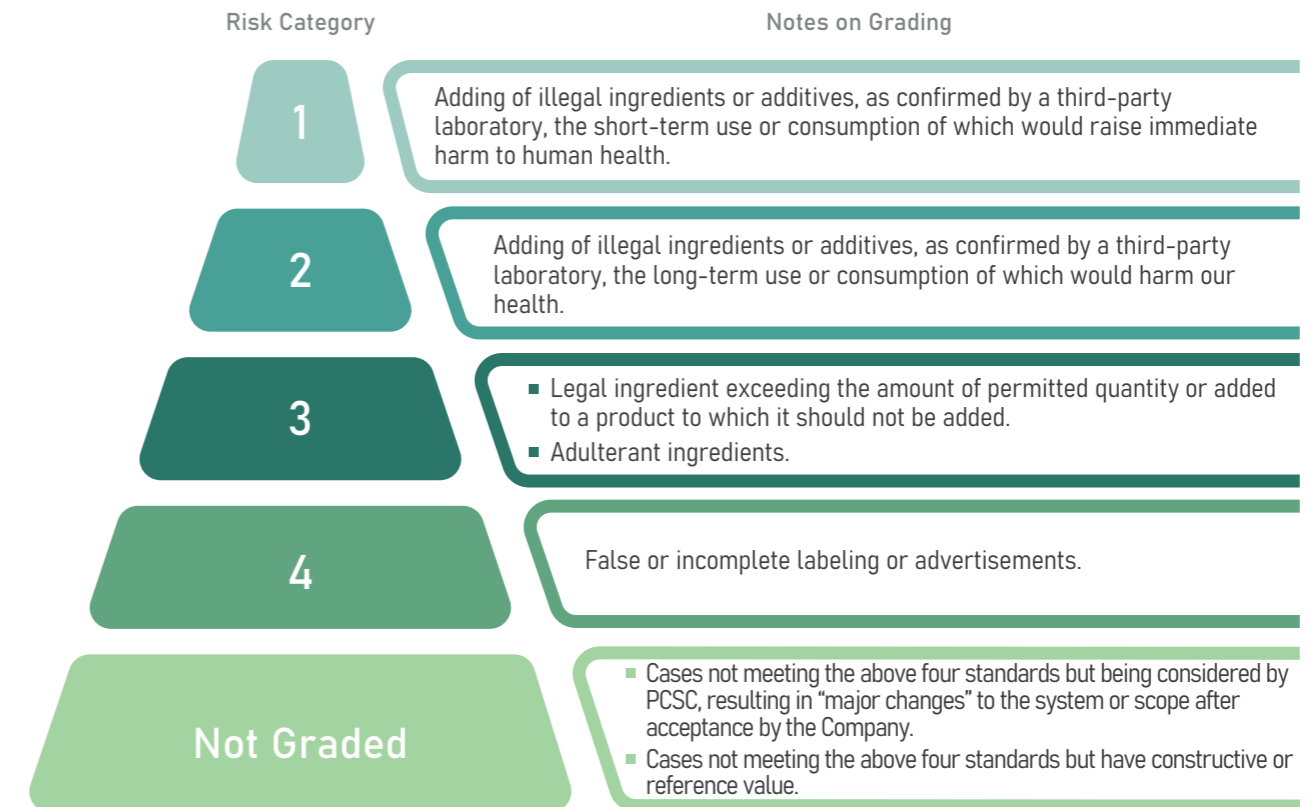
Level of Information	Description
A-level information	Negative product safety information and information on non-compliance regarding PCSC and its joint ventures. Information in this category must be included to be tracked and closed.
B-level information	Product safety information, other than Level A
L-level information	Drafts of law 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.

▪ **Internal Reporting System**

PCSC has established an internal product supervision mechanism based on the “Rules for Maintaining Safety of Privately-Owned Brand.” This mechanism invites employees to come together to play a role in supervising product safety. In cases where employees in logistics, wholly-owned 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 (see details below). In 2020, one case was reported. It was not given a grade category and NT\$1,000 in reward was paid out.

PCSC product safety risk categories



▪ **Grievance Mechanism**

PCSC established an “Integrated Services Center” to act as the internal and external channel for issues involving products and services. Consumers can use a telephone hotline or e-mail to file their complaints or suggestions to the Integrated Services Center. 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 PCSC responded to and handled the issue. In 2020, the Center handled 90% of the cases online in real time without receiving a major complaint.

3.3 Sustainable Supply Chain Management

PCSC has four main types of suppliers, including privately-owned brand product manufacturer, suppliers of raw materials through direct transactions, suppliers of egg products, and suppliers of packaging materials for food products. We ensure that suppliers adhere to our stringent quality standards using our supplier management rules and evaluation system.

Key Supplier Identification

▪ **Key Suppliers**

If viewed from a wider perspective, PCSC has three types of suppliers, including privately-owned product contractors, non-privately-owned-brand suppliers and other suppliers. Among these, privately-owned-brand suppliers have the closest relationship with PCSC, and PCSC also has a greater responsibility correspondingly. Among our privately-owned brand product contractors, PCSC identifies “tier-1 suppliers”

and “non-tier 1 suppliers.” Tier-1 suppliers are defined as privately-owned brand suppliers that directly trade with PCSC, such as food manufacturers. Non-tier 1 suppliers are defined as suppliers of raw materials for privately-owned goods that PCSC does not directly trade with. Among tier-1 suppliers, we further identify “key tier-1” and “key non-tier 1” suppliers based on the procurement amount and product category, so as to strengthen the control of important suppliers.

There were 17 key suppliers in 2020, defined as follows:

Key Suppliers	Definition of Key Suppliers	Number of Key Suppliers in 2020
Key tier 1	Procurement amount over NT\$30 million, supplying packaging material for food products	2
	Privately-owned brand product supplier whose transaction amount for previous year ranked among top five	5
Key non-tier 1	PB raw materials supplier whose transaction amount for previous year ranked among top 10	10

Supplier Code of Conduct

As the leader among domestic retailers, PCSC hopes to make itself an example to spur suppliers to practice corporate social responsibility. In addition to the above management rules and assessment systems, we have also set a “PCSC and PCSC Subsidiaries’ Code of Conduct for Suppliers,” as well as requiring all suppliers to sign an “Agreement of the Ethical Corporate Management and the Corporate Social Responsibility.” In 2020, 100% of PCSC suppliers signed the Agreement.

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, are to ensure a non-discriminatory workplace and fundamental human rights, and provide products that conform to environmental protection and food safety laws and regulations to reduce their impact on the environment and human health.

Signing of the Code of Conduct

All the suppliers are encouraged to sign the code of conduct. For suppliers unwilling to sign the code of conduct, PCSC will examine their existing internal regulations and the scope of commitment to ask them to make commitments to certain significant matters. If the supplier doesn’t agree to all the above requirements, but it is still necessary to purchase the products from the supplier, the supplier will be asked to sign a “Affidavit on the Ethical Corporate Management” to ensure the practice of corporate social responsibility at the suppliers’ end.

In 2020, 100% of tier-1 suppliers signed the code of conduct. We have started requiring non-tier 1 suppliers to sign the Code of Conduct since 2018. With our effort in 2020, 100% of non-tier 1 suppliers have signed the Code of Conduct, completing the goal set for 2023.

Supplier Management policy

In order to monitor supplier’s quality, we set the “Product Safety Management Regulations” to ensure all suppliers conform to laws and regulations and to PCSC’s rules in terms of company establishment, product quality and testing. PCSC requires all the supplier to sign Product Quality Guarantee Agreement. And for privately-owned brand suppliers and suppliers of packaging materials for food products, PCSC sets up different management rules based on the nature of each. These management rules clearly require that specific standards be adhered to for product manufacturing, packaging, testing and appraisal.

Privately-owned brand Supplier Management Rules

Item	Supplier Type	Measures
1	All suppliers	Product Quality Guarantee Agreement
2	Privately-owned brand product manufacturers	Rules for Onsite Appraisal for Privately-Owned Brand Product Manufacturers
3	Suppliers of raw materials through direct transactions	Raw Material Supplier and Raw Materials Management Rules
4	Suppliers of packaging materials for food products (Note)	Management Measures for On-site Evaluation of Suppliers of Packaging Materials for Food Products

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

Additionally, to improve the quality of suppliers, we do our utmost to require that suppliers of privately-owned brand products obtain food safety management system ISO22000 certification. During 2020, suppliers of privately-owned food products (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 40 companies. If calculating using the number of the plants, there were a total of 74 manufacturing sites, among those 41 were manufacturers of privately-owned food products within Taiwan. Of these, 41 manufactures obtained international food safety management system ISO22000 certification. Moreover, 23 manufacturers have updated to ISO 22000: 2018.

2020 ISO22000 Certification

Supplier type	Number of suppliers for privately-owned food products	Number of domestic manufacturers of privately-owned food products	Number of ISO22000 obtained by domestic suppliers of privately-owned food products		Number of ISO22000:2018 obtained by domestic suppliers of privately-owned food products	
			Number	Percentage (Note 1)	Number	Percentage
Suppliers of privately-owned food products	40	41	41	100%	23 (Note 2)	56%

(Note 1) The number in the denominator does not include factories abroad.

(Note 2) 2020 is the promotion period. Therefore, 23 food suppliers finished the update to ISO 22000:2018 in 2020. PCSC will continue to assist suppliers in updating to ISO 2000:2018 by 2021.

Supplier Training

In addition, PCSC's Supply Chain Management Department communicates regularly each year with major suppliers of materials for its privately-owned products on the concepts of sustainable procurement and tracing management and asks them to provide us with materials that meet PCSC's sustainable procurement standards. In addition to the signing of contracts, PCSC conducts supplier training. In 2020, 100% of tier-1 suppliers completed training, and 82% of non-tier 1 suppliers completed training. We will strive to achieve the goal of having 95% of non-tier 1 suppliers trained by 2025.

Supplier Appraisal System

PCSC uses the rules mentioned above to undertake periodic evaluations to suppliers of privately-owned brand products, suppliers of raw materials through direct transaction, suppliers of eggs, and suppliers of packaging materials for food products. The rules are established based on the special characteristics and risks of each supplier type. This rigorous assessment allows us to provide safe and quality food for customers. Key supplier assessment points, standards, frequency, and results are disclosed below. In response to developments in sustainability, the weighting of ESG-related assessment items is also disclosed below.

In 2020, PCSC reached the target of "100% PB (Note 1) joint procurement suppliers+ direct trade suppliers + farm suppliers were audited" and the target of "100% of PB/PL (Note 2) manufacturers were audited" in 2020. 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/development of goods with unique specifications, such as oden, rice, instant food, bread and other fresh food products, as well as CITY CAFE.

(Note 2) Refers to privately-owned brand products designed by PCSC, such as iseLect collection of frozen foods and snacks, etc.




▪ New Supplier Appraisal

For new suppliers, we set our standards based on the relevant legal conditions, quality certification, management systems, and traceability of materials of new suppliers. We also include economic, environmental, and social standards in the assessment system to evaluate and stay on top of supplier quality. Potential suppliers are all required to undergo these assessments and pass them before they are accepted as new suppliers. In 2020, a total of 9 new suppliers and manufacturers came on board. All of them passed this assessment.


In order to ensure consumer rights and product safety, we expect to increase the eligibility standard for the introduction of new suppliers (both domestic and abroad) of packaging materials for food products from 70 to 75 points in 2025 to fully fulfill the responsibilities of supplier selection and management. In 2020, the average score of the new supplier introduction appraisal reached 75 points or higher, achieving the goal set for 2022.






▪ Manufacturers

 Legal conditions	Domestic	Hold legal business registration and factory registration, etc. (Industry type listed on the registration must include processing of product types for outside organizations)
	Foreign	For foreign manufacturers, they must conform to relevant laws and regulations in that country.
 Quality certification	Food product manufacturers	<ul style="list-style-type: none"> Manufacturers in Taiwan are required to have ISO22000 Management System Certification. The scope of inspection is to include items that they produce for PCSC. Foreign producers are required to have at least HACCP or ISO9001 Management System Certification or other international food safety system certification.
	Non-food product manufacturers	Priority is given to international quality accreditation/certification, such as ISO 9001.
 Comprehensive management system	Good product quality management, 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	Eggs source of egg washing site must be CAS certified farms. The site also need to pass CAS assessment and be qualified (such as product certification).	
 Packaging and labeling compliance	Egg packaging labels should conform to national law and regulations and CAS's quality agricultural product egg item standards, such as product name, manufacturer and agent's name, address and telephone number.	
 Inspection	Eggs are inspected for conformity based on announced national methods, the inspection items include salmonella, 48 veterinary drugs, antibiotics, tetracycline, antibiotics and other metabolites, and chloramphenicol.	

▪ **Suppliers of Packaging Materials for Food Products**

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 accreditation/certification, such as ISO 9001.

Existing Supplier Appraisal

▪ **Assessment Items**

Supplier assessment items differ due to different characteristics of manufacturer, supplier of raw materials through direct transaction, suppliers of egg products, or suppliers of packaging materials for food products. The scope includes management systems, environmental sanitation, manufacturing, and quality management systems. The above-mentioned items for inspection ensure that product safety and organizational operations are managed well. Assessment items for different suppliers follows:

1.Manufacturers

- 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
- Corporate Social Responsibility

2.Suppliers of raw materials through direct transactions

Factory/trade type	Primary raw farm materials
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ Raw materials control ■ Quality and supply capacity ■ Factory cleanliness and sanitation ■ Manufacturing process control

3.Suppliers of egg products

- Factory environment
- Factory facilities
- Equipment and packaging materials
- Manufacturing process management
- Product quality management
- Sanitation management
- Shipping management
- Product sampling results
- Raw materials and product audits
- Risk management

4.Suppliers of Packaging Materials for Food Products

- Management
- Quality management
- Environmental conditions
- Product development
- Purchasing 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), B ($90 > \text{points} \geq 80$), C ($80 > \text{points} \geq 70$), D (< 70 points). Passing standards are shown in the table:

In the event of failure to meet standards, a penalty will be imposed per the “Product Quality Guarantee Agreement” or “Supplier Assessment Agreement.”

▪ **Frequency of Appraisal**

The frequency of assessment differs and is based on the results of the previous on-site assessment.

Type of suppliers	Passing standards
Manufacturers	B or above (80 points or more)
Manufacturers of non-food products	C or above (70points or more)
Suppliers of raw materials through direct transactions	
Suppliers of egg products	
Suppliers of Packaging Materials for Food Products	

1. Manufacturers

Contract manufacturers are divided into food product, non-food product, domestic, and international. Assessment frequency differs by category. PCSC formulated the “Food Product Manufacturer Risk Grading and Assessment Guide” to serve as a basis for assessing domestic food product manufacturer risk levels. We also completed 2019 privately-owned brand food product manufacturer risk grading for determining assessment frequency in 2020. 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 results indicate a failure to meet our standards, the case is handled as a failure on the part of domestic food product manufacturers.

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

Risk Category	Grade		C 80 > points \geq 70	D < 70points
	A \geq 90 points	B 90 > points \geq 80		
Result	Pass		Fail	
Low-risk	12 months	6 months	Suppliers receiving a C are to be assessed once a month and must pass the assessment for 2 consecutive months. Suppliers not passing two months in a row is to be halted production. For those passing assessment, the most recent passing assessment is served as the benchmark for determining when the next assessment takes place.	Suppliers receiving a D are to be immediately halted producing for PCSC or be assessed once a month and must pass three assessment(per month) in a row. Suppliers not passing two months in a row are to be halted production. For those passing assessment, the most recent passing assessment is served as the benchmark for determining when the next assessment is to take place.
Medium risk	6 months	4 months		

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

Grade	Score	Result	Assessment Frequency/Measures for Failing
A	≥ 90 points	Pass	1 assessment/year and 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 PCSC must be terminated.
D	<70 points		

2. Foreign Non-Food Manufacturers

For foreign 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 PCSC must be terminated.

3. Others (raw materials suppliers through direct transactions, egg product suppliers, suppliers of packaging materials for food products)

In addition to manufacturers, suppliers of raw materials through direct transactions, suppliers of egg products, and suppliers of packaging materials for food products are slated for assessment every 3 to 15 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 2020, there were a total of 40 suppliers of privately-owned brand food products with whom PCSC had a cooperative relationship (Note 1) (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products). 100% (Note 2) of those suppliers were audited. Please refer to the table on p.69-70 for these 40 suppliers. A total of 133 audits were performed with 132 passing, with the compliance rate of 99%. The non-conforming suppliers had insufficient protective gear and unclear instructions for safety protection. Required improvement has been made after guidance.

(Note 1) Defined as

- (1) Suppliers that passed the assessment prior to 2020 and passed internal submission.
- (2) New suppliers that successfully passed the introduction assessment during 2020.
- (3) Those eligible to halt assessment in 2020 are also included.

(Note 2) 7 manufacturers, 4 suppliers of raw materials through direct transactions and 1 egg product supplier ended their transactions and cooperation with PCSC based on last year’s supplier assessments. Therefore, they were not required to be audited in 2020 based on the corresponding management rules.

In 2020, there were 12 suppliers of packaging materials for food products (Note 1), with 100% (Note 2) audited. Please refer to the table on p.69-70 for these 12 suppliers. A total of 13 audits on supplier assessment items were performed, resulting in 13 passing audit results, the 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) Expansion Inc., Chien Fa Paper Pipe Co., Ltd (Yuanlin factory site), Excellent Gravure Industrial Co., LTD have stop transaction with PCSC before the assessment month. As a result, those entities are not required to be audited according to our rules.

	Number of Suppliers	Percentage of Audits Completed	Number of Audits	Number of Passing	Passing Rate
Suppliers of privately-owned brand food products with whom PCSC had a cooperative relationship (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products)	40	100%	133	132	99%
Domestic suppliers of packaging materials for food products	12	100%	13	13	100%

For privately-owned brand suppliers, food-related factories with grades of C or lower and non-food factories with grades of D or lower, PCSC define them to be “suppliers with high sustainability risks.” There was one supplier with high sustainability risks in 2020, which has since then passed 3 re-assessments.

ESG Assessment Items

In addition to product quality and health issues, PCSC has responded to trends in sustainable development by integrating ESG (Economics, Social and Governance) into its scope of assessment in the hope that including sustainability indices will serve to combine the efforts of PCSC’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 Economic Category %	Weight in the Environmental Category %	Weight in the Social Category %	Weight in Other Categories %	
Manufacturers	Non-food	14%	3%	13%	70%
	Food	50%	15%	14%	21%
Suppliers/Processing Plants of Egg Products		50%	2%	2%	46%
Raw Material Suppliers	Factory	61%	30%	4%	6%
	Trade	61%	24%	4%	11%
	Primary Farm Raw Materials	58%	21%	0%	21%

PCSC lays great emphasis on “sanitation of the operational environment” and “occupational health and hygiene of workers” in supplier ESG assessments. Since many of PCSC’s privately-owned brand suppliers are tied to food product manufacturing or raw materials, to ensure that suppliers conform to food product safety laws and regulations and PCSC’s own 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 on product quality. Therefore, this is an important social aspect to which we attach great importance.

In the tier 1 supplier evaluation in 2020, 4 companies were involved in failure to regularly check safety protection measures, unclear instructions, or not completing follow-up to physical examinations. All of them have been improved with PCSC consultation.

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

Sustainable Procurement

In order to reduce the environmental footprint of PCSC's supply chain and exert positive social influence, PCSC continues to value local procurement, and is committed to obtaining relevant sustainability certifications. Our goal is working with suppliers to pursue sustainable development.

Local Procurement

Supporting local products not only helps make environmental sustainability a reality by reducing carbon footprint, it also serves to support the society as it benefits the locals involved in the agricultural industry. In 2020, 70,000 tons of agricultural products valued at NT\$7.8 billion were procured by PCSC, including rice, chicken, pork, eggs, vegetables and fruit. 62% of procurement was made from suppliers of agricultural products in Taiwan at a value of NT\$4.86 billion, accounting for 62% of the procurement amount.

Area	Supplier quantity (tons)	Proportion of procured quantity (%)	Purchasing amount (NT\$100 million)	Proportion of procurement amount (%)
Locally sourced agricultural products (Taiwan)	45,832	64%	48.6	62%
Non-locally sourced agricultural products (abroad)	25,743	36%	29.6	38%
Total	71,575	100%	78.2	100%

Sustainability Certification

As a retail business, the only way for PCSC to realize sustainable operations is providing consumers with sustainable product options. Even though no privately-owned brand product received sustainable certification in 2020, elements of some of its privately-owned brand products, such as raw materials for meal boxes or beverage packaging did receive sustainable certification. The relevant certification and procurement categories are as follows:

Type of Procurement	Certification	
Plant Products	Soybean: U.S. Soybean Sustainability Assurance Protocol	Potato: Taiwan Agriculture and Food Traceability System
	Rice: Taiwan Agriculture and Food Traceability System	Carrot: Taiwan Agriculture and Food Traceability System
Animal Products	Pork: PCSC procures pork with the Better Life Label or Certified Humane® label	Eggs: The animal-welfare certificate from Taiwan Society of Agricultural Standards, Egg-Friendly Production System Definition and Guidance from Council of Agriculture, Executive Yuan
		Aquaculture: ASC certification (Aquaculture Stewardship Council)
	Beef: PCSC procures beef from suppliers with an animal welfare plan	Wild aquatic products: Factory with MSC certification (Marine Stewardship Council)
Paper and Wood	iseLect beverage packaging material: FSC certification (Forest Stewardship Council).	

3.4 Customer Relationship Management

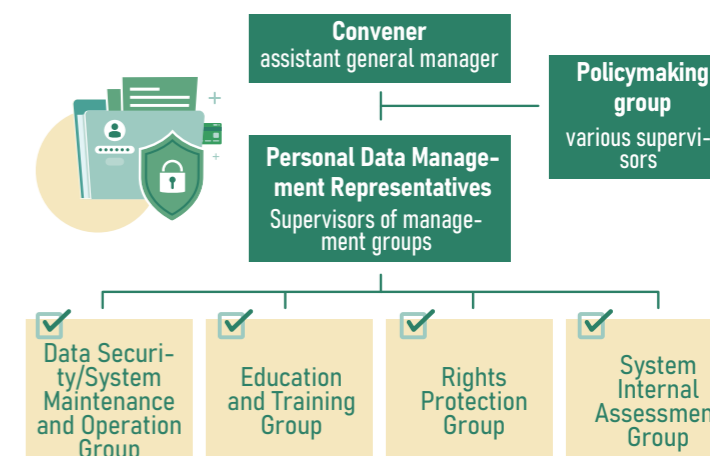
PCSC is an inseparable part of the lives of those who live on this land. How we manage customer data matters to their privacy, and our membership system and preferential programs can help them with their purchases. We at PCSC, therefore, take utmost care in protecting personal information, as well as launching innovative services to become the best partner for the public.

Customer Data Management

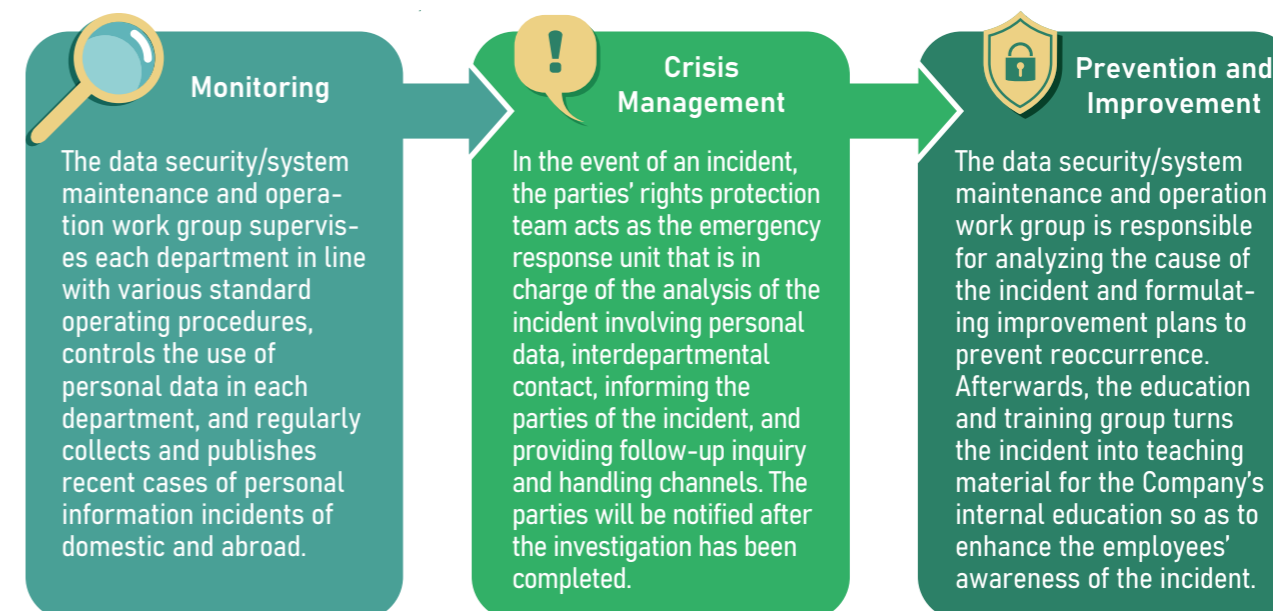
The personal data of many customers is involved in the use of digital technology. In our "Personal Data Protection and Management System and Policy," PCSC has formulated a comprehensive personal data management system and ensured its operations by setting up "Personal Data Protection Working Group", conducting internal training, managing suppliers, performing internal audits, obtaining external certification, formulating crisis prevention and handling procedures, as well as building a grievance mechanism to ensure personal data protection. In 2020, there was no infringement of customer privacy or data leakage.

Personal Data Protection Working Group

The "Personal Data Protection Working Group" is an interdepartmental organization with the Vice President being the convener. The group regularly conducts personal data inventory, risk analyses, internal system assessments, reporting for revision, data destruction, as well as education and training. The group details the results of the previous month in its monthly report, including incidents involving customer privacy violations.



Crisis Prevention and Handling Procedure



▪ **Internal Audit and External Certification**

PCSC integrates personal data risk management into the overall risk management and audit mechanism of the Company, and its internal evaluation program and external certification system can effectively supervise and audit various departments in formulating internal evaluation or audit non-conforming aspects. Afterwards, correct preventive measures or improvement are saved in the record. For key systems, PCSC performs a vulnerability scan each year to check the operating system, network services, operating system or network service settings, account password settings and management measures to ensure the safety of the PCSC information system.

In order to further ensure information security, PCSC first obtained TPIPAS certification in 2014 (Taiwan Personal Information Protection and Administration System). In 2018, the Company updated its certification. The certification was still valid in 2020. Moreover, PCSC entrusted a third-party to manage the security and maintenance of the system and obtained the ISO 27001 certification through the entrusted company. The certification covers the in-store POS system, the online and offline point exchange for OPEN POINT members, as well as the mobile pickup system.

▪ **Internal Education and Training and Supplier Conformity**

PCSC has systematized our training, completing 100% of internal training online. We have formulated corresponding punishment for employees violating Company personal data management measures. Clauses concerning data security have been added to all its contracts with external suppliers to ensure that all operating units and suppliers conform to the Company's personal data security policy.

▪ **Grievance Mechanism**

To provide customers with comprehensive personal data protection, PCSC has also set up personal data issue reporting and contact windows that correspond to our various personal data collection channels.

Identity	Personal Data Grievance and Contact Window	
Consumer	Integrated Services Center	Tel: 0800-008711 Email: public@mail.7-11.com.tw
Non-consumer	All PCSC departments have respective contact person for reporting privacy issues	As there are many departments within PCSC, it is impossible to list every point of contact for reporting privacy issues. These points of contact are also windows for handling and responding to privacy issues. The processed cases will be reported to the Personal Data Protection Plan Working Group for record-keeping.

Customer Relationship Management

PCSC takes advantage of digital technology to make life more convenient for consumers. Digital tools such as 7-ELEVEN online shopping site, ibon, OPEN POINT app, and MyShip provide consumers with services in cash flow, logistics and information. Consumers are given the opportunity to make the most of PCSC as the base and service center for dealing with errands.

OPEN POINT Membership System

In 2020, PCSC adopted three major strategies for OPEN POINT to show exponential growth. We hope to become the best partner that helps make life more convenient for consumers by optimizing online service scope and quality.



Expansion

The initial challenge of online services is membership expansion. The traditional membership application is cumbersome, as consumers were required to download the OPEN POINT APP or fill in multiple application fields online. This created an obstacle to membership participation. In order to expand the number of people OPEN POINT can serve, PCSC adopted the measure of joining by phone number in September 2020. This successfully attracted more than 3 million new OPEN POINT members. By the end of 2020, the number of OPEN POINT members has reached 12 million, showing an increase of 66% compared to 2019, surpassing the original target of 10 million members.



Linking

In addition to attracting consumers to become members of OPEN POINT, PCSC linked many different channels to provide them with a variety of consumption options.

PCSC actively engaged in cross-industry linking in 2020. In addition to introducing multiple bank resources into OPEN E-Wallet so that consumers can make payments with the OPEN POINT app, it also actively expanded the scope of application. In 2020, the OPEN POINT APP was extended to COSMED and Mech Smile Gas Stations. The "NT\$1 for one membership point" multi-channel point accumulation mechanism contributed to nearly 4 million active app users by the end of 2020. Users of various services increased by 138% compared with the beginning of 2020. In the future, OPEN POINT members will expand from 7-ELEVEN's digital services to the entire PCSC Group, providing high-quality services to a wider customer base.



Integration and Innovation

The OPEN POINT APP integrated OPEN E-wallet, icash Pay, ibon APP (including courier services and mobile printing) in 2020, allowing consumers to use all features in one app.

In addition to integrating different digital service features, PCSC actively expanded the services of OPEN POINT app in 2020, including mobile pickup, point exchange, payment, electronic point collection, pre-order, invoice log and other popular features to create a virtual online shelf. In terms of payment, PCSC integrated LINE Pay and JKOPAY, so that users of these two payments could link their OPEN POINT membership to pay with one barcode, collecting OPEN POINT member points, as well as saving invoices. The Three-in-one service eliminates the inconvenience of switching between different barcodes. In addition, consumers can also check invoice

details through the OPEN POINT app to confirm winning numbers and messages, which greatly improves the convenience of consumption.

In addition to setting up membership systems, we design "member prioritized" and "member exclusive" promotions through understanding current customer information including member characteristics and loyalty status, analysis of new product potential and potential buyer segments based on the OPEN POINT member database to meet the needs of our customers. With big data analysis, revenue from members increased significantly in 2020, growing by some 126% over 2019.

PCSC will continue to refine our membership operations in the future. We are committed to integrating internal and external resources through strategic partnerships to build a more attractive membership ecosystem. We will continue to expand the OPEN POINT membership numbers to enhance customer loyalty. We anticipate a 25% growth in 2021 compared to 2020, meeting the goal of 14 million members.