

2022 Year of Sustainability Action

PCSC

Sustainability Report



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Planet Sustainability In Our Everyday Life



“ Planet Sustainability In Our Everyday Life ”

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About This Report

This is the fourteenth Sustainability Report issued by President Chain Store Corporation (PCSC, 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 PCSC's viewpoints and actions taken on sustainable development, with details on corporate governance, economy, environment, and society in 2022, as well as future plans. Material topics applicable to PCSC 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 PCSC's sustainability performance for the 2022 calendar year (January 1, 2022 to December 31, 2022), with some of the information on relevant performance before 2022. This report focuses on PCSC, 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 PCSC's value chain.

Release Date

PCSC releases annual sustainability reports on the company website at www.7-11.com.tw.

- Current version issued June 2023
- Previous version issued June 2022

Report Management



Internal Audit

- The correctness of each chapter is verified by the supervisor of each PCSC department
- The report is approved by the PCSC Sustainable Development Committee
- The performance in sustainable development is reported to the PCSC Board of Directors each year

External Certification

- ▶ **Financial data**
Unqualified audit report from PwC Taiwan
- ▶ **Environmental data**
ISO 14064-1:2018 (SGS Taiwan), ISO 50001 (SGS Taiwan)
- ▶ **Governance data**
Taiwan Personal Information Protection and Administration System (TPIPAS, Institute for Information Technology); ISO 27001 (BSI Taiwan, British Standards Institution)
- ▶ **Occupational safety and health data**
ISO 45001 (SGS Taiwan)
- ▶ **Sustainability data**
AA1000 Type Two High Level (SGS Taiwan)
- ▶ **Sustainability data**
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)

Contact

Address: 2F, No. 65, Tung-Hsin Rd., Taipei 110, Taiwan
Phone: 886-2-2747-8711
Website: www.7-11.com.tw

PCSC Sustainable Development website: <https://www.7-11.com.tw/company/csr.asp>
Contact person: Zhao, Pei-Wen, PCSC Public Affairs Department, PCSC Sustainable Development Committee Secretariat.

President Chain Store Corporation

Message from Management



In 2022, the world suffered from the impact of inflation, geopolitical conflicts and the COVID-19 pandemic, bringing severe challenges for business operations. Facing an ever-changing external environment, all PCSC employees and franchisees stood firm in making a continuous effort for improving operating processes and business model, providing convenient products and services in a timely manner that meet consumer needs as an attempt to build a platform of everyday services that exceeds customer expectations. In addition to operating performance, PCSC shoulders the responsibility of providing sustainable products and services as a retail platform that is closely intertwined with people's daily life, making it easier for consumers to make better choices for the environment and society. Continuing with "Year One of Sustainability" in 2021, PCSC has made 2022 the "Year of Sustainability Action" to strive for the three goals of Environment, Social and Governance. Based on the core concept of "My Sustainability, Your Daily Life," PCSC will focus on furthering the four major projects "Plastic Reduction, Carbon Reduction, Food Waste Reduction and Sustainable Procurement" so that consumers practice green consumption and a sustainable lifestyle in a simpler and more convenient way through more than 6,700 (Note) 7-ELEVEN stores.

With the active engagement in ESG and sustainable development, PCSC achieved amazing performance in sustainable governance in 2022 with recognition from domestic and international sustainable ratings. It was re-listed by the Dow Jones Sustainability Index (DJSI) for the Sustainability World Index for 4 consecutive years. In the same year, PCSC responded to CDP (Carbon Disclosure Project) climate change questionnaires for the first time and achieved a score of A-. Moreover, PCSC continued to be selected by the FTSE4Good Emerging Markets Index, MSCI ESG Leaders Indexes, MSCI Global SRI Indexes and FTSE4Good TIP Taiwan ESG Index. In the meantime, PCSC was given the "Ten Most Prestigious Sustainability Awards-Top Ten Domestic Companies" in Corporate Comprehensive Performance by TCSA Taiwan Corporate Sustainability Award for 2 consecutive years. Various sustainability projects have been awarded sustainability awards such as Enterprise Asia, and it is the only retail business among listed companies that has ranked in the top 5% in the Taiwan Corporate Governance Evaluation System for 8 consecutive years.

PCSC's continuous recognition from ESG evaluations at home and abroad must be supported by solid sustainability actions that continue to evolve. PCSC has set 2022 as the "Year of Sustainability Action" to implement sustainable strategies in products, services and organizational structures, focusing on furthering the four major task forces in plastic reduction, carbon reduction, food waste management and sustainable procurement, actively promoting green operations by taking advantage of PCSC's core capabilities to respond to Taiwan's 2050 net-zero emission path and strategy. The specific actions of the four major task forces in 2022 include integrating group resources to introduce the "OPEN iECO Recycled Cups Renting" service and "Intelligent automatic recycling machines," taking the lead in building a "store of the future in plastic reduction on outlying islands" in line with the policy of the Environmental Protection Administration. PCSC pledges



eliminating single-use plastics by 2025 through the three aspects of "encouraging consumers to bring their own cups," "reduction at source" and "innovative packaging materials." In terms of climate change, PCSC officially became a "TCFD supporter" in 2022 to connect with the international community. The stores spared no effort in energy conservation and carbon reduction, making PCSC the first convenience store chain to obtain the "near-zero carbon building" label and the "micro-carbon offset" certification by ISO14064-2. Renewable energy devices were also installed in the Yawan store. We provided fresh food and beverages made of local agricultural products, as well as continuing to expand the "Veggie Selection" food section, encouraging consumers to reduce carbon emission from their diet. The stores continue to reduce food waste through the "iLove Food" campaign, gradually moving towards the goal of halving food waste by 2030. PCSC also continues increase the proportion of sustainable raw material procurement through procuring raw materials and store supplies with sustainable certification. In terms of social participation, PCSC expanded the application of circular economy in 2022 by building a "Good Neighbor Cardboard Library" with recycled cardboard boxes in the stores, implementing circular economy and improving the reading environment in towns and villages. We also continued to build a network of public welfare-friendly stores with the most extensive service network, joining hands with public welfare organizations to promote a variety of public welfare services and activities, and continuing to dedicate to areas such as environmental protection, public welfare donations, senior care, education quality, urban and rural sustainability, as well as health and well-being. PCSC also extends the concept of age-friendliness to store operations by encouraging Elderly-friendly Stores to hire middle-aged and senior jobseekers. PCSC aims at creating an age-friendly workplace by integrating measures such as optimizing training and work processes, as well as building age-friendly facilities. In 2022, PCSC won the "Excellence Award for Promoting the Employment of Middle-aged and Elderly Job Seeker" from the Ministry of Labor.

It was the best of times, it was the worst of times. Even with operational challenges caused by global economic uncertainty for all enterprises, PCSC will continue to 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." Building on the foundation laid by the Year of Sustainable Action in 2022 and looking forward to 2023, 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, sustainable procurement and so on, while improving corporate governance, taking care of employee well-being, and furthering social welfare. If you want to go fast, go alone. If you want to go far, go together. PCSC starts from its own operations to create sustainable value with partners in the value chain, as well as taking advantage of the close ties between PCSC and the general public's everyday life to co-create a sustainable lifestyle, never holding back on the effort towards sustainable development.

■ Note: Statistics of February 2023.



Highlights of Sustainability Performance

E Environment

In 2022, lightweight and decomposable materials were incorporated for online shopping packaging and traditional barcode slips were replaced with mobile phone barcodes,

reducing a total of

685,000 tonnes of paper

18.06 tonnes of single-use plastics

The EUI at the stores in 2022

decreased by

6.46%

compared with the year before

The Veggie Selection brand reduced carbon emissions

by approximately

20,865 metric tonnes

by the end of 2022

In 2022, the energy-saving transition of the overall stores saved 116.9 million kWh of electricity, which is equivalent to

reducing

59,524 metric tonnes of carbon emissions

In 2022, average waste generated by a single store was

5.80 metric tonnes,

a decrease of

31.24%

compared with the base year (2019)

In 2022, the purchase amount of sustainably-certified raw materials for PCSC private-label products

reached

NT\$ 2.385 million,

accounting for about 14.12% of procurement

In 2022, **500** stores

adopted the OPEN iECO Recycled Cups Renting service. 12.18% of consumers used their own cups

reducing about 58.8 tonnes of single-use plastic

"iLove Food"

reduced food waste by

9,780.15 metric tonnes

in 2022

The frequency severity indicator was

0.21

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

NT\$ 463 million

was raised for public welfare

over

150,000 people

took advantage of the DIY materials provided by the Good Neighbor Foundation

The Good Neighbor Meal Delivery Team delivered and picked up meals for

over

190,000 people

G Governance

The number of stores exceeded 6,600. PCSC ranks first in market share with

a total of

6,631 stores

Female managers in revenue-generating functions

accounted for

52.79%

The annual consolidated total revenue reached a record high of

NT\$ 290,434,137,000

an increase of

10.54% over last year

PCSC ranked in the top 5% in the 8th Taiwan Corporate Governance Evaluation System, which is the only retail business among listed companies that has

ranked in the top 5% for **8** consecutive years



Honors and Recognition

International



PCSC was listed for the fourth year on the Dow Jones Sustainability World Index, as well as being named as a global sustainability benchmark.



PCSC was once again selected by FTSE4Good Emerging Markets Index.



Awarded the 11th Asia Responsible Enterprise Award: the Good Neighbor O2O Community Funfest won the Social Empowerment category, the Age-friendly Store project won the Investment in People category, and the Plastic Reduction project won the Green Leadership category.



In 2022, PCSC was recognized by CDP (Carbon Disclosure Project) as an A- rating on the climate change questionnaire.



PCSC was once again selected by MSCI ESG Leaders Indexes and MSCI Global SRI Indexes.

Local



Ranked in the top 5% in the 8th Taiwan Corporate Governance Evaluation System, as the only retail business in the listed companies to do so for the eighth year running.



Selected by the FTSE4Good TIP Taiwan ESG Index and the Taiwan RAFI EMP 99 Index.



Won the TCSA "Ten Most Prestigious Sustainability Awards—Top Ten Domestic Companies" in Corporate Comprehensive Performance, with the ESG report winning the Platinum Report Award in the retail and department store category for the third consecutive year.



Presented the 18th CSR Award Model in ESG Integrated Performance by the Global Views Monthly.



Once again presented the Corporate Citizen Award by Commonwealth Magazine.



The OPEN POINT Ecosystem won the IDC 2022 Best in Future of Industry Ecosystems award.

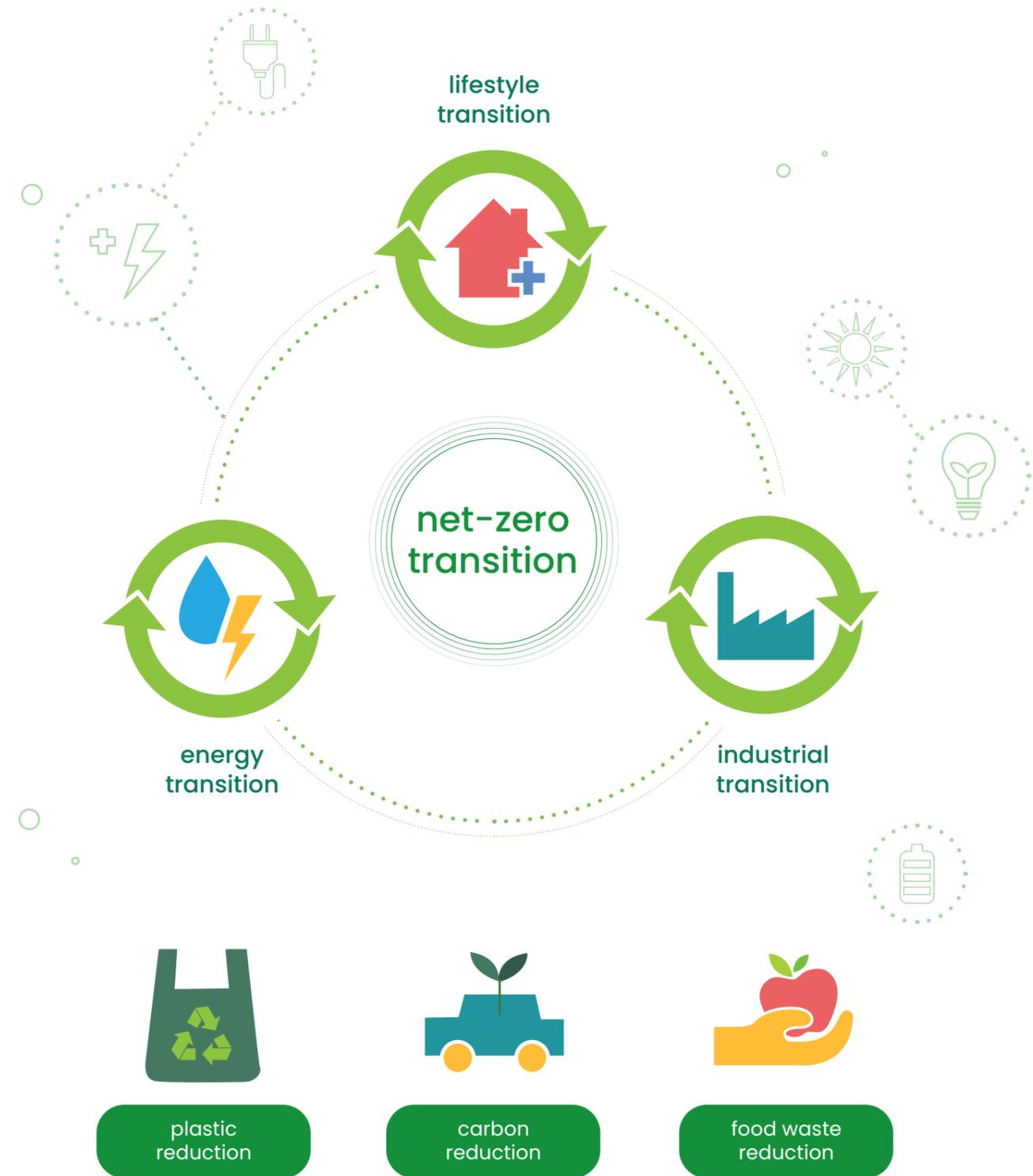


Won the "Excellence Award for Promoting the Employment of Middle-aged and Elderly Job Seeker" from the Ministry of Labor.



Sustainability Column

Climate change is a major challenge facing the world at the moment, with a profound impact on the human race, ecology and earth environment. To take on this challenge, countries at COP26 in 2021 reached a consensus to issue the Glasgow Climate Pact, reaffirming the goals of the 2015 Paris Agreement to limit global warming to 1.5°C. In 2022, COP 27 called for public disclosure of a comprehensive plan for net zero transition. In 2021, the government also announced the goal of achieving net zero emissions by 2050. The “Taiwan’s Pathway to Net-Zero Emissions in 2050” was then published in 2022, formulating transition strategies for the four major aspects of “energy, industry, lifestyle and society.” As one of the local retail channels, PCSC is duty-bound on the path to net-zero transition. We analyze our own key environmental issues and take actions, focusing on responding to the “energy transition,” “industrial transition” and “lifestyle transition” in the net zero transition strategy by promoting sustainability actions towards “carbon reduction,” “plastic reduction” and “food waste reduction.” To this end, PCSC starts from its own operations to reduce carbon together with suppliers/logistics partners, and taking advantage of close tie between PCSC and daily life of the general public to encourage people to transition to a low-carbon green life, working with stakeholders to move towards a net zero sustainable society.



Energy Transition

PCSC started conducting greenhouse gas inventory in line with ISO 14064-1:2006 since 2017, as well as adopting the new version of ISO 14064-1:2018 since 2020 and passing third-party verification. We also continue to expand the coverage of bases that are inventoried to include all stores and offices in the mainland and outlying islands. In 2021, the main source of carbon emissions came from purchased electricity, accounting for about 68% of the total, out of which nearly 99% was used for store operations. Therefore, we promote energy saving and energy efficiency improvement in the stores, as well as increasing the proportion of renewable energy while responding to the energy transition strategy in the net zero transition strategy. The relevant highlight projects in 2022 include the first near-zero carbon store, micro-carbon offsets in stores, and installation of renewable energy devices in stores.

■ Note: Please refer to [4.3 Climate Change Mitigation and Adaptation](#) for information on in-store energy-saving measures.

Near-Zero Carbon Store

The Antong store in Tainan has obtained the "Near-Zero Carbon Building" label issued by the Ministry of the Interior, making it the first convenience store in a "Near-Zero Carbon Building." The "Near-Zero Carbon Building" label means that the building has almost achieved carbon neutrality in which carbon reduction offsets carbon emissions, meaning existing buildings are equally capable of reducing carbon emissions.

Antong store improved energy efficiency by reducing the use of air-conditioning, refrigerating and freezing equipment, and energy consumption of lighting. The measures include adding a windbreak room to reduce cold air leakage, replacing the inverter systems for air-conditioning, refrigerators and freezers, and installing circulating fans to improve the indoor cooling effect from air-conditioning, choosing LED lamps and concentrating the lamps in the aisles to reduce the number of lamps, adopting large glass surface for the seating area so that less lighting is necessary during daytime, as well as managing the use of air-conditioning and lighting for different zones and periods of time.

We have continued to implement in-store energy-saving transformation to more stores. In 2022, the energy-saving renovation of all stores saved 116.9 million kWh of electricity, which is equivalent to reducing carbon emissions by 59,524 metric tonnes.



Micro-carbon Offsets in Stores

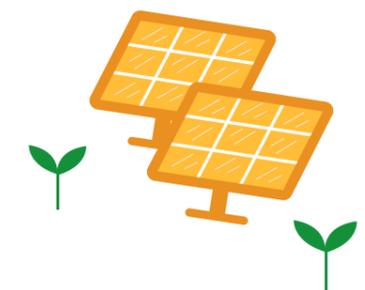
In 2022, PCSC started working on the micro-carbon offsets in stores together with the Department of Commerce, MOEA and Taiwan Green Productivity Foundation. Lighting tests were carried out in 4 stores in Taipei that were scheduled to be renovated. The number and illuminance of light fixtures were inventoried and measured by professionals with illuminance simulation, as well as replacing tubes with LED ones. According to Guidelines for Micro-carbon Offsets, the carbon reduction amount was assured by the external verification unit BSI before submitting to the Environmental Protection Administration for review. PCSC passed review in the same year as the first local convenience store with ISO14064-2 certification for micro-carbon offsets. The project of in-store micro-carbon offsets saves approximately 61,000 kWh of electricity each year.

In-store Renewable Energy Devices

In 2022, PCSC integrated the concept of green power into the store design for Yawan store by introducing solar power energy. PCSC worked with Taiwan Cement to develop a new energy model for Yawan store, using solar power energy and an energy storage system to prioritize power supply. In the event of a power outage, the micro-grid system will automatically switch to providing power through solar power energy and energy storage batteries, allowing Yawan store to maintain uninterrupted power for at least 4 hours, including lighting, monitoring systems, cash registers, automatic doors, etc. In addition, the use of green power and energy storage system also greatly reduces carbon emissions ^(Note).

PCSC also plans to expand the application of renewable energy by purchasing green power for the headquarters building in 2023, in order to gradually transition to renewable energy in line with policies.

■ Note: Since renewable energy certificate applications are still in process, the actual generation capacity cannot be presented.





Industrial Transition

In addition to our own operations, we have also expanded the scope of net zero transition to suppliers and logistics, facilitating carbon reduction in the entire value chain through local food procurement, equipment replacement and greenhouse gas inventory.

Procurement of 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 green diet and integrate a “sustainable table” into daily life. PCSC 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 fresh-brewed beverages to boost the added value of local agricultural and fishery products. In the meantime, the “iPre-order” and “iGroup-buying” 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. Among them high-quality local rice is used in more than 60 items such as our onigiri, stewed rice and boxed meals with the “Taiwan Rice Label” issued by the Agriculture and Food Agency. In 2022, more than 19,000 tonnes of rice were used. In addition, PCSC provided technical guidance on fresh food in the “King of Fried Rice in Taiwan” competition held by the Agriculture and Food Agency in 2022. Mass-produced products have been put on the shelf, and the award-winning “light boxed meal” made with local ingredients has been made available in the stores.



In addition to rice, we also concentrated on locally-grown coffee in 2022. The PCSC R&D team supports local farmers in planting coffee beans in a planned way through farm visits, technical exchanges and brand marketing. Alishan is one of the most important local coffee-producing areas. Local young farmers started growing Geisha coffee in 2018 without using pesticides and herbicides, setting an example for the local coffee industry by embracing the business philosophy of co-existing and prospering with the local environment. PCSC worked with young farmers from Alishan to create

“Alishan Fengshan Geisha Coffee” to bring consumers premium coffee while practicing low-carbon consumption.

In 2022, the purchase amount of special agricultural products reached 63,000 tonnes and NT\$7.45 billion, including categories such as rice, chicken, pork, eggs, vegetables, fruit and so on. The quantity of local agricultural products purchased accounted for 76% of the total. The purchase amount of local agricultural products reached NT\$4.76 billion, accounting for 64% of the overall purchase amount.

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

Low Carbon Transportation

To reduce carbon emissions caused by transportation, PCSC replaced a total of 62 old vehicles in 2022 and introduced 4 phase IV vehicles and 98 phase VI vehicles to meet business needs, including low-temperature and room-temperature ones in different sizes for logistics and transportation demands of all stores. It is estimated that by 2026, 267 phase III and phase IV environmentally-friendly vehicles will be replaced, and a total of 267 environmentally-friendly vehicles of newer phases will be purchased. Besides actively introducing new environmentally-friendly vehicles, we also stay updated with domestic and international logistics suppliers through exchanges to respond to trends in industries and regulations.

Expanded Scope 3 GHG Inventory

To stay updated with the Company's carbon emissions, we decided to expand the inventory Scope 3 greenhouse gases in 2023. Scope 3 includes procured goods and services, end use of goods, investment (greenhouse gas emissions of subsidiaries) and upstream transportation and distribution. The result of the inventory is adopted to formulate future carbon reduction goals and to strengthen the carbon governance of the entire value chain and move towards the goal of net zero emissions.





Lifestyle Transition

In addition to industrial transition, as one of the industries with the closest link to people's lives, PCSC assists consumers with their lifestyle transition. Just like the slogan "My Sustainability, Your Daily Life," we make good use of our core retail capabilities to promote sustainable actions in everyday consumer lives such as "food waste reduction," "plastic reduction" and "carbon reduction" to promote low-carbon diets, reduce food waste, encourage plastic reduction and recycling to help consumers move towards a low-carbon green life. In addition to promoting sustainable life to consumers, we became a TCFD supporter in May 2022 to respond to climate change issues in line with international trends, as well as supporting the government's social transition strategies with actions.

Zero Waste Low-Carbon Diet

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 is as high as 3.3 million, accounting for 13% as the second highest in the world. To this end, PCSC took the lead as the first retail channel to launch its own brand, "Veggie Selection," at the end of 2020. In November 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.



Veggie Selection also took the initiative to create a detailed vegetarian label system with different production lines, so that everything is clear and reassuring for consumers upon making purchase decisions. 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, PCSC 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 2022, 67 Veggie Selection Compound Stores have been set up, with the line sold at 2,500 stores. The performance of vegetarian products increased by more than 30% compared with 2021 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 20,865 metric tonnes by the end of 2022, equivalent to the annual carbon absorption of 54 Daan Forest Parks.

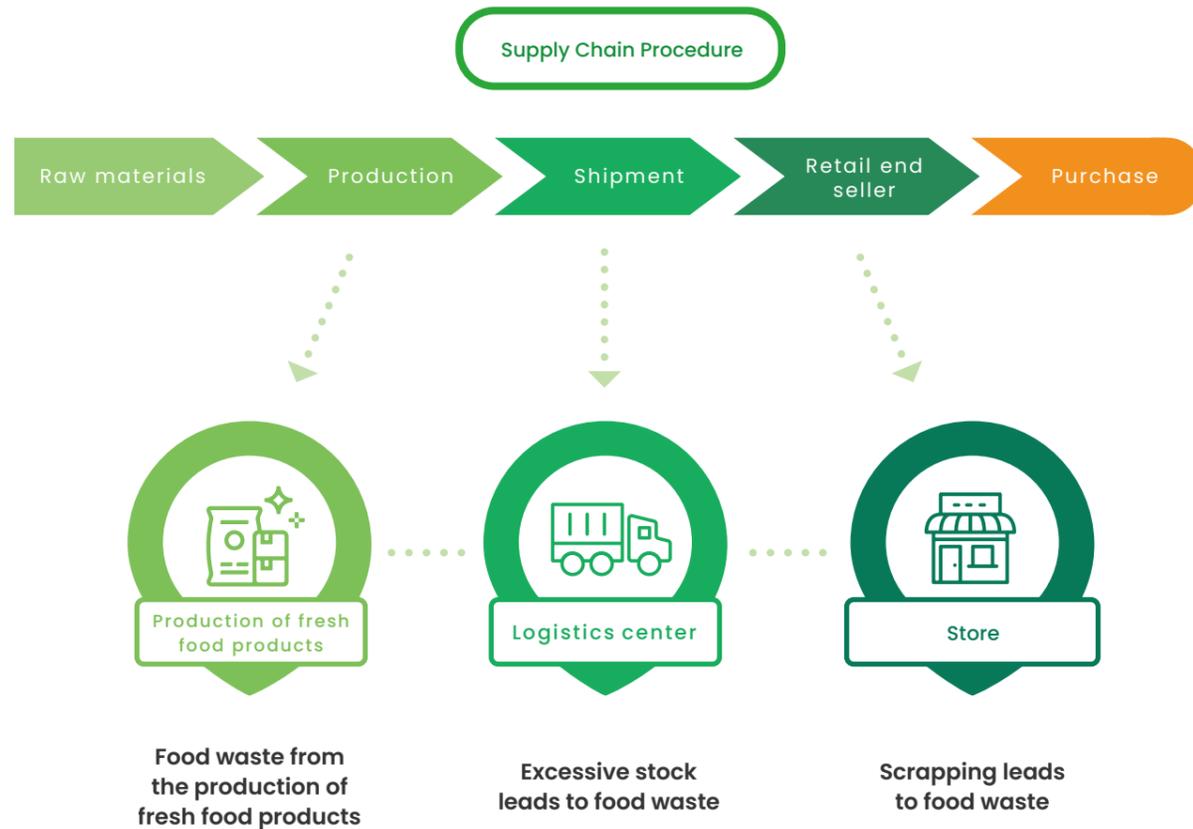


In the future, PCSC will create a more professional vegan/vegetarian brand for consumers based on the three strategies of "co-branded green meal," "expanding sales bases" and "optimizing vegan/vegetarian food labels." PCSC plans to launch new products, collaborate with known brands and attract vegan/vegetarian 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. In the future, more eco-friendly and sustainable production methods will be adopted, including using local raw materials to reduce carbon footprint and whole food ingredients.

Food Waste 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. Food waste is not simply about wasting ingredients, it involves the loss of resources consumed during food production, including land, water, energy and labor, etc., which may also lead to food security problems. The decomposition of food waste in landfills also produces greenhouse gases. Therefore, the urgency of reducing food waste is self-evident.

As part of the retail industry, PCSC is closely intertwined with food. It has taken the responsibility in reducing food waste 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.



Production

Reducing Food Waste from the Production of Fresh Food Products

PCSC reduces food 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. The second reducing the waste of raw materials 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 2022, the production losses (amount of food waste per NT\$ million of revenue) decreased by 44.82% compared to the base period of 2019.

Reducing Food Waste from Excessive Stock

PCSC 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 in the process of logistics and distribution, PCSC 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.



Order Shipment

Reduce Food Waste from Scrapped Food

PCSC 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 OPEN POINT APP in November 2021 to check on the stock as well as subscribing for product availability notifications. In 2022, the "iLove Food" program reduced the generation of leftover food by approximately 9,780.15 metric tonnes. In the future, PCSC also plans outsource cleaning and transportation to certain stores, all of which will join the food waste recycling process.



Retail

PCSC 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 waste in stores (the proportion of stores with food waste recycling) and other management indicators, in order to achieve the goal of halving food waste by 2030 (with 2019 as the base year) and contributing to the mitigation of climate change.

Use Instead of Owning

Recycled Cups Renting Service



According to the statistics of the Environmental Protection Administration as many as 4 billion disposable beverage cups are consumed each year. The production of beverage cups and waste disposal both cause a heavy burden on the environment that cannot be ignored. PCSC joined hands with President Packaging Ind. Corp. to create the first "OPEN iECO Recycled Cup Renting Machine. It took more than a year and invested more than 10 million to successfully establish 500 stores by the end of 2022 to provide recycled cups renting services. Consumers can borrow and return reusable circular cups by accessing OPEN POINT on their mobile phones, namely the dedicated membership app, to reduce environmental pollution caused by disposable beverage cups. The OPEN iECO Recycled Cup Renting machine has developed the first "stacking" function on the market, effectively saving about 50% of the space each time it is filled. In addition, the cup has a patented PP heat insulation layer to reduce the amount of cup sleeves. The recycled cups that are retired afterwards will be turned into other items to achieve resource reuse.

In order to promote the use of recycled cups renting service, we started from "convenience" and "rewards", and invested a total of 228 million dollars in 2022 in the promotion of recycled cups and self-contained cups. In terms of convenience, the recycled cups service was introduced to 500 stores in 2022, and the service area is expected to expand to another 500 stores in 2023 for a total of 1,000 stores. In terms of rewards, in addition to providing an NT\$5 discount for bringing your own cup in line with the regulations, PCSC offers an NT\$7 discount for bringing your own cup on the first of each month. In 2022, the percentage of bring your own cup grew from 6.29% in 2021 to 12.18% (reducing approximately 58.8 metric tonnes of single-use plastic), achieving the 10% goal for this year. In 2023, PCSC's goal for bring your own cup has been increased to 15%, continuing to encourage consumers to reuse cups. After the introduction of the recycled cups renting service at the end of 2022, nearly 5,000 people have used recycled cups by February 2023, reducing a total of 5,000 disposable beverage cups. The PCSC recycled cups renting service has also received external recognition as the first enterprise to win the "Excellence in Circular (Rental) Cup Service" by the Environmental Protection Administration.



Intelligent Automatic Recycling Machine

PCSC pioneered the 100% locally built "Intelligent Automatic Recycling Machine", which took more than one year for PCSC and President Packaging Ind. Corp. It recycles PET bottles and dry cells using patented AI optical image and material identification technology while being easy and fast to use. To encourage people to take advantage of the machine, they can earn store gift vouchers by recycling PET bottles and batteries. 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, greatly reducing the environmental impact of transportation and minimizing carbon footprint. 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. PCSC 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, giving new life to discarded PET bottles and building a green circular supply chain.



The Intelligent Automatic Recycling Machine Task Force holds monthly meetings to review the progress of the promotion of intelligent automatic recycling machines. By the end of 2022, the machines have been installed in 50 stores with nearly 40,000 people recycling a total of over 400,000 PET bottles and dry cells, with the stack height about the same as 105 Taipei 101 in height. It is estimated that another 200 intelligent automatic recycling machines will be installed in 22 counties and cities in 2023.

Good Neighbor Cardboard Library

Since 2014, PCSC Good Neighbor Foundation has promoted reading motivation for students through the Reading Program by continuing to support the schools in the network. Rural elementary school libraries have outdated facilities that reduce the students' willingness to step into the library, which in turn has an impact on reading education. In view of this, PCSC joined hands with Cheng Loong Corp., Retail Support International to create the Good Neighbor Cardboard Library for the Hudong Branch of Liujia Elementary School in Tainan City. The cardboard library was made of 5,000 kilograms of cardboard boxes recycled by PCSC stores, which was equivalent to saving 100 trees and reducing carbon emissions by 29 metric tonnes. The Good Neighbor Cardboard Library was coordinated by the Good Neighbor Foundation, with PCSC providing recycled cartons to Retail Support International for sorting and transportation, before Cheng Loong Corp. utilizing low-carbon green manufacturing and design development technologies to decompose the recycled cartons into 100% recycled corrugated cardboard, ending up in the form of sustainable paper tools that met the reading needs of schoolchildren. In addition, PCSC prepared the space by investing more than 20 partners to assist with renovation, cleaning and transportation. Associated companies also offered 100 books as the first batch of books for the cardboard library. We took advantage of our resources as a retail channel and collaborated with many different parties to make circular economy a reality as well as improving the reading environment in rural areas to create a sustainable and circular ecosystem.



7-ELEVEN “Brings Back the Love” Sustainable Circular Economy Project

PCSC has furthered its collaboration with social welfare and social enterprises through the 7-ELEVEN Bring Back the Love fundraising platform. In 2021, it collaborated with the Cerebral Palsy Association of R.O.C. and zero-waste fashion social enterprise Story Wear on the “Addition and Subtraction in the New Life – CHIC Corporate Charity Project” to create a sustainable circular economy for convenience stores. Sustainable products are designed and remade by the social enterprise before being handmade by social welfare organizations. Consumers can purchase the products from stores or the preorder website to create job opportunities for families with patients of cerebral palsy. The funds raised will be invested in the employment program for patients of cerebral palsy. The program has helped over 100,000 families.

Two new sustainable products were launched in 2022, including the “Hugging Hedgehog Bag” and “Small Star and Moon Bag on Strap.” The materials for the products come from PE bottles and milk bottles recycled by PCSC stores. Moreover, PCSC helped its supplier Swire Coca-Cola to join the initiative by donating recycled PET bottles. The bottles are then made into recycled fabrics. With designs by Story Wear, the bags are hand-sewn by mothers of children with cerebral palsy in the non-profit organization. To let consumers who agree with the concept feel the warmth of the product, children with cerebral palsy worked together with the popular online character Happy Cat in 2022 to demonstrate their feelings and dreams.



Over the past two years, the program recycled 3,527 kilograms of PET bottles and 3,064 kilograms of empty milk bottles (PE), with more than 20,000 people responding to the charitable actions by purchasing the products and assisting nearly 100 families with employment opportunities. Over NT\$120 million have been raised for two consecutive years. This project realizes circular economy by not only solving the problem of plastic waste, but also creating employment opportunities for families with children of cerebral palsy and connecting them with the society, helping them find self-worth and a sense of accomplishment while reducing plastic and helping the disadvantaged, creating a win-win situation for public welfare groups, social enterprises and corporates.

Note: Please [click here](#) to watch the video.



Plastic Reduction Stores on Outlying Islands

To reduce the environmental impact of plastic waste from tourism on outlying islands, PCSC became the first convenience store to set up two Plastic Reduction Future Stores on Orchid Island in June 2022 in line with “Guidelines for Source Waste Reduction Service Design for Convenience Stores on Outlying Islands” issued by the Environmental Protection Administration. The stores adopt the three principles of “unpackaged, large packaging, and alternative materials” to tailor a “disposable waste reduction” plan for outlying islands. First of all, most beverage PET bottles are replaced by aluminum cans that are easy to recycle, and packaged food and refrigerated dairy products are sold in family-sized large packages so as to reduce waste from packaging. In terms of fresh food products, microwaved box meals adopt packaging with reduced plastic. Plastic packaging is replaced by round paper boxes, and the plastic lids are replaced by seal with less plastic. Paper packaging has also been introduced. Recycled cups renting services and recycling machines have also been introduced to encourage people to produce less plastic waste. With replacing packaging materials, the Plastic Reduction Future Stores on outlying islands saved about 0.7 metric tonne of plastic in 2022. Reverse logistics has also been employed to transport about 1 tonne of plastic back to the main island for recycling every year. According to the estimates of the Environmental Protection Administration, it can reduce the generation of plastic waste by about 1.3 metric tonnes per year. In the future, the program will be expanded to more than 70 stores in Penghu, Kinmen, Matsu, Green Island and Lambai Island.

Note: Please refer to [4.2 Packaging Material Management](#) for information on other actions towards plastic reduction management.



01

Implementing Sustainable Management

7-ELEVEN Global Sustainable Development Declaration

7-ELEVEN will promote sustainable development in the global society and the communities we serve in a balanced and consistent manner in the areas of economy, society and environmental protection.

From now till the end of 2030, 7-ELEVEN will honor its commitments, including achieving sustainable and eco-friendly economic growth and co-prosperity, while providing decent work for the public.

In line with the United Nations Sustainable Development Goals (SDGs) #17, we will strive to fulfill our commitments and realize this global partnership. We will also work together to take into account the situation faced by each authorized country and its local development while implementing the goals.

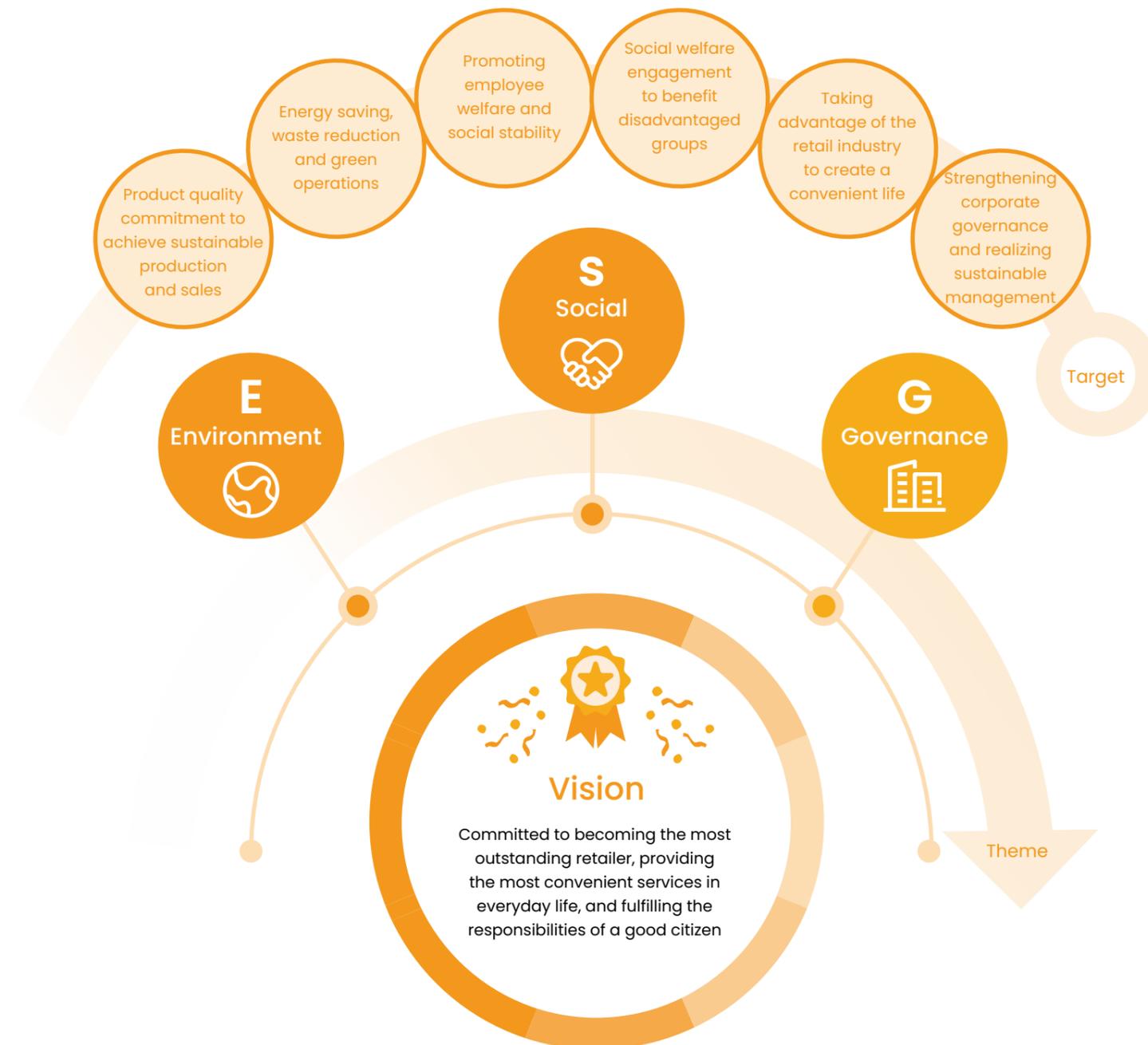
1.1 Blueprint for Sustainable Management

PCSC believes that corporate sustainability is the core of corporate operations. A strong management mechanism must be formulated in order to achieve sustainable development, while drawing up a clear blueprint and engaging in continuous communication with stakeholders. To this end, PCSC has set up a Sustainable Development Committee and Sustainability Task Forces 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 to become a corporate leader in sustainable operations.

Continuing with "Year One of Sustainability" in 2021, PCSC has made 2022 the "Year of Sustainability Action" to strive for the three goals of Environment, Social and Governance. To this end, it has focused on furthering the four major task forces in plastic reduction, carbon reduction, food waste reduction and sustainable procurement, as well as basing its operations on the concept of "Planet Sustainability In Our Everyday Life", allowing consumers to practice a sustainable lifestyle and green consumption in simpler and more convenient ways through over

6,600 7-ELEVEN stores. In addition to taking actions towards a sustainable lifestyle and green consumption together with the consumers, PCSC has signed sustainability-linked loans (SLL) with CTBC Bank, MUFG Bank and Taipei Fubon Bank in 2022 to strengthen internal sustainable management. The banks take into consideration PCSC'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 PCSC through substantial financial incentives and demonstrating "green" power through the operations. In addition to continuous internal improvement, PCSC also actively exchanges experience with sustainable actions with international peers. In 2022, PCSC continued to participate in the 7-ELEVEN Global Summit, and the plastic reduction project won ESG awards in many regions where 7-ELEVEN has been authorized.

Sustainability Impact



PCSC SDG Actions

Committed to becoming a world-class enterprise, PCSC actively responds to the United Nations Sustainable Development Goals by integrating the spirit and concepts of the 17 SDGs 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 groups in need.



GOAL 3: Good Health and Well-being

Protecting consumers' 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.

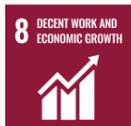
Passing ISO 45001 system verification every year as well as implementing safety and health education and training, safety risk assessments and safety audits to ensure the health and safety of employees.

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" as part of the reading incentive program. And actively use the power of channels to cooperate with multiple parties to create the "Good Neighbor Cardboard Library", implement circular economy and improve the reading environment in towns and villages.



GOAL 8: Decent Work and Economic Growth

As part of the targeted project, age-friendly stores organize "age-friendly store manager experience and recruitment events," tailor-made training programs, a friendly working environment as well as building benchmark stores to encourage middle-aged and elderly people to return to the workplace.

Sustainable circular economy project turns PE and empty milk bottles recycled in the stores into materials for sustainable products made by families with cerebral palsy patients and non-profit organizations. The products are sold in the stores, providing employment opportunities for families belonging to the non-profit organizations.



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 local agriculture with shared access to resources (physical and online), as well as providing stores as spaces for young people to hold local cultural promotion activities.



GOAL 17: Partnerships to achieve the Goal

Officially became a TCFD supporter in 2022 to stay updated with the response to climate change issues from the international community.



GOAL 12: Responsible Consumption and 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." Actively partnering with suppliers to develop innovative packaging materials to reduce the consumption of single-use plastic from private-label products and services, as well as reducing single-use containers with discounts. In 2022, the Group 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 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.

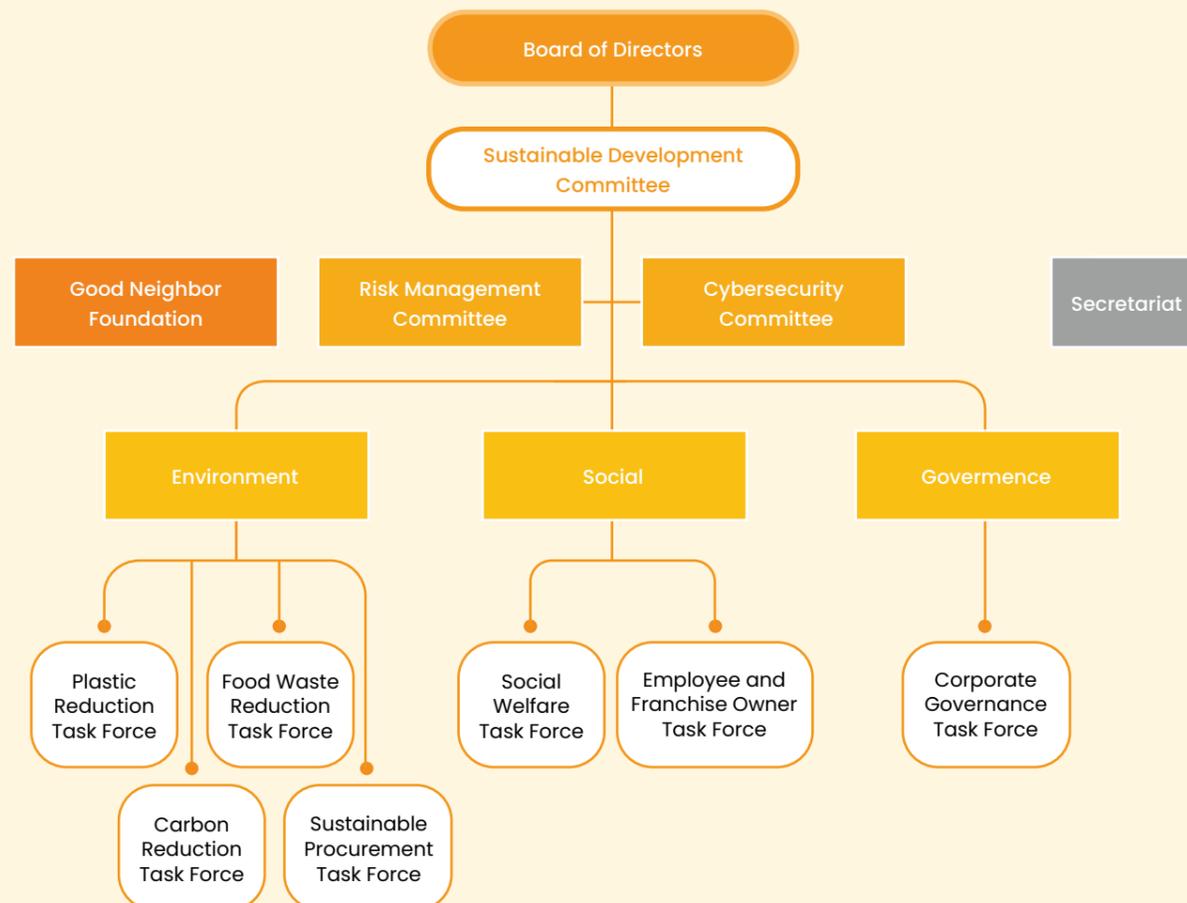
Promoting a low-carbon diet with the "Veggie Selection" brand by continuing to launch innovative vegan and vegetarian food products to contribute to the mitigation of climate change.



1.2 Sustainable Development Committee

To oversee the implementation and management of corporate sustainability, the “Sustainable Development Committee” has been set up under the PCSC Board of Directors. The Sustainable Development Committee is responsible for formulating and supervising the direction and promotion plans for corporate sustainability policy, as well as reporting the annual results to the Board of Directors. In view of the increasing emphasis on information security issues in international corporate governance in recent years, the PCSC Board of Directors resolved in December 2022 that the “Risk and Information Security Management Office” under the Sustainable Development Committee should become the “Cybersecurity Committee” and “Risk Management Committee.”

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 Franchise Owners.” 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.



The Sustainable Development Committee Confirmed Work Plans → Report to the Board of Directors → Concrete Actions Implemented by the Task Force

Results of the Current Year

- Result of the four environment task forces in plastic reduction, such as the self-developed “OPEN iECO Recycled Cups Return Machine” and “Intelligent Automatic Recycling Machines”
- Result of the four environment task forces in carbon reduction, such as low-carbon diet with the “Veggie Selection” brand, installation of renewable energy devices in the Yawan store, calculation and disclosure of financial impact of climate scenarios on key issues of TCFD
- Result of the four environment task forces in sustainable procurement, such as continuing to procure of raw materials and packaging materials with sustainable certification
- Result of the four environment task forces in food waste reduction, such as continuing to reduce food waste and increasing the proportion of recycling and reuse
- Sustainable circular innovation public welfare: combining social welfare and social enterprises to develop a fundraising model for public welfare and sustainable circular economy
- Risk management: optimizing the risk identification process and form, formulating preventive measures to strengthen the effect of risk identification
- Adjustment of the organization of the Sustainable Development Committee and committee member positions

Plans for the Following Year

- Expanding the inventory of scope 3 greenhouse gas
- Innovative development of local food ingredients
- Promoting a low-carbon diet
- 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

1.3 Materiality Assessment

To identify and manage the risks to sustainable development, PCSC has adopted the four steps recommended by GRI Universal Standards 2021 to conduct materiality assessment. We analyze global trends and collect 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. After a primary selection, the material topics are confirmed and elaborated on at regular internal meetings. Finally, it is submitted to the Sustainable Development Committee under the Board of Directors for review, and the chairman of the committee (chief financial officer), who is also a director, approves and resolves the major topics of the year. 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 are concerned about.



Results of Material Topics Impact Assessment



(Note) The materiality threshold means the top ten before the total score of positive and negative impacts were calculated. Information security, sustainable procurement, climate change and occupational health and safety were not considered as material topics in the bar chart during the initial impact assessment analysis. However, the Sustainable Development Committee referred to the principle of double materiality by taking into consideration factors such as the Company's future development and financial impact 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 impact, as well as comparing the rankings of material topics this year and the previous year (Note) to obtain ranking changes of material topics in the past two years.

(Note) Due to the adjustment of the GRI materiality analysis methodology, the ranking in the previous year was based on the average score of the degree of impact and stakeholder concern.

 Ascending
  Descending
  New

Material Topic	Description of Impact	Corresponding GRI Standards	Corresponding Chapter (Including Management Policy)	Change in Order
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 PCSC's impact on the environment and society.	306-1~ 306-5	4.4 Food Waste and Waste Management	
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, PCSC is committed to reducing plastic pollution in its own operations and the negative impact on the environment and human health.	NA	4.2 Packaging Material Management	
Legal compliance	Ensuring PCSC operations comply with government regulations to reduce the risk of violations, while protecting the rights and interests of stakeholders and avoiding environmental hazards.	2-27 416-2 417-2 417-3	2.4 Legal Compliance 5.2 Occupational Safety and Health	
Product labeling and marketing communication	Product labeling and marketing communications are important channels for PCSC to communicate with customers. Correct product labeling and marketing communications can help consumers make choices that meet their needs, foster trust and avoid risks of violation.	417-1	2.4 Legal Compliance 3.2 Customer Health and Safety	
Customer health and safety	Valuing the health and safety of customers is the most important responsibility and the highest guiding principle of PCSC. To this end, PCSC 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	2.4 Legal Compliance 3.2 Customer Health and Safety	

Material Topic	Description of Impact	Corresponding GRI Standards	Corresponding Chapter (Including Management Policy)	Change in Order
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 PCSC's value chain operations. Proper waste management reduces waste generation, improve the efficiency of resource utilization to reduce the overall environmental impact of PCSC.	306-1~ 306-5	4.4 Food Waste and Waste Management	
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	2.2 Risk Management	
Talent attraction and retention	By providing competitive talent retention measures, PCSC can attract and retain talents in order to improve employee satisfaction and sense of belonging to the Company. This ensures that PCSC can continue to attract and retain talents to facilitate stable growth of the enterprise.	401-1~ 401-3 402-1	5.1 Talent Attraction and Retention	
Sustainable supply chain management	Consumers have developed an awareness of sustainability by attaching importance to the ESG performance of the companies they purchase from. PCSC 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	3.3 Sustainable Supply Chain Management	
Social welfare	PCSC 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. PCSC works with social welfare groups, suppliers and other partners to create prosperity for the society.	NA	6. Promotion of Social Welfare & Charity	

Material Topic	Description of Impact	Corresponding GRI Standards	Corresponding Chapter (Including Management Policy)	Change in Order
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 PCSC 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	3.4 Sustainable Procurement	↑
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	5.2 Occupational Safety and Health	↓
Information security	PCSC 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	2.3 Information Security and Privacy Protection	↓
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 PCSC, 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	4.3 Climate Change Mitigation and Adaptation	↓

(Note) Ethical corporate management and product and service innovation are material topics in 2021, but they were not material topics based on the impact questionnaire assessment results in 2022. Since ethical corporate management is disclosed by GRI2, and product and service innovation has been the Company's focus with continuous management, the topics were not included in material topics. However, relevant information is disclosed in different chapters of this report.

Corresponding Value Chain Boundary of Material Topics

	Upstream			Company Operations			Downstream		
	Investors	Suppliers	Government Agencies	PCSC (employees included)	Franchise Owners	Affiliated logistics (note) companies	Customers	NGOs	Local communities
Sustainable supply chain management	●	●	●	●	●		●	●	
Sustainable procurement	●	●	●	●	●		●	●	
Customer health and safety	●	●	●	●	●	●	●	●	
Product labeling and marketing communication	●	●	●	●	●		●	●	
Climate change		●	●	●	●	●		●	●
Waste management		●	●	●	●	●		●	●
Food waste management		●	●	●	●	●		●	●
Packaging material management		●	●	●	●			●	●
Occupational health and safety		●	●	●	●			●	
Talent attraction and retention				●	●				
Social welfare				●				●	●
Legal compliance	●	●	●	●	●		●	●	●
Risk management	●	●	●	●	●	●	●		
Information security	●	●	●	●	●		●	●	●

(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 Process Management of Sustainable Targets

PCSC 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

Theme of Sustainability	Material Topics	Management Metrics	2025 Medium-term Targets ^(Note 1)	2023 Targets	2022 Targets	2022 Performance	2022 Achievement	Management Approaches and Actions
E Environment	Sustainable Supply Chain Management	Proportion of tier-1 suppliers with ESG risk assessment incorporated	95%	80%	100% of significant tier-1 suppliers	100% of significant tier-1 suppliers	✓	Management Approaches in Chapter III
		Proportion of non-tier-1 suppliers receiving the importance of ESG awareness-raising campaign	95%	80%	100% of significant non tier-1 suppliers	100% of significant non tier-1 suppliers	✓	
	Customer Health and Safety	The proportion of A-level stores in the PCSC High-Quality service qualification	72%	70%	70%	59.15%	-	
	Product Labeling and Marketing Communications	Number of incidents of private-label products violating the regulations on product or service labelling and marketing communication specifications	0	0	0	0	✓	
	Sustainable Procurement	Proportion of the cost of sustainably-certified raw materials (base year 2021)	11% in 2025, 14% in 2030	10.55%	9%	14.12%	➤	
		Proportion of cost spent on products with environmental protection and energy saving labels	10%	9.5%	9%	9.43%	➤	
	Climate Change	Proportion of reduction in direct (Scope 1) and indirect (Scope 2) GHG emission intensity (base year 2020)	7%	5%	3%	2.35%	-	
		Proportion of store EUI value decrease compared with the previous year	0.5%	0.5%	0.5%	6.46%	➤	
		The number of vehicles with the latest environmentally-friendly standards introduced in the current year	151 phase VI vehicles	36 phase VI vehicles	16 phase V vehicles	4 phase V vehicles, 98 phase VI vehicles	➤	
	Waste Management	Proportion of volume reduction in waste removal reduction in each store (base year 2019)	40%	35%	13%	31.24%	➤	
	Food Waste Management	Total discarded of food waste	4,461 metric tonnes	5,969 metric tonnes	7,436 metric tonnes	6,206 metric tonnes	➤	
		Proportion of reduction in food waste in factory per NT\$ million of revenue (base year 2019)	45% in 2028; 50% in 2030, 55% in 2050	45%	40%	44.82%	➤	
		Proportion of food waste recycled in the stores (base year 2019)	45% in 2028; 50% in 2030, 70% in 2050	40%	35%	36.12%	➤	
	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%	21%	25.00% ^(Note 2)	-	

(Note 1) Unless otherwise stated in the table, the target year for all KPIs is 2025.

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

Theme of Sustainability	Material Topics	Management Metrics	2025 Medium-term Targets ^(Note 1)	2023 Targets	2022 Targets	2022 Performance	2022 Achievement	Management Approaches and Actions
E Environment	Packaging Material Management	Proportion of cups brought by consumers	18% in 2024; 20% in 2025; 30% in 2030; 50% in 2050	15%	10%	12.18%	↗	Management Approaches in Chapter IV
		Number of stores offering Recycled Cups Renting Service	2300 stores in 2024, 4000 stores in 2025	1000	500	500	✓	
S Social	Occupational Health and Safety	Frequency-severity indicator of employee	Continues to be lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	Continues to be lower than the average retail industry standard value published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	Continues to be lower than the average retail industry standard value of 0.42 (2019-2021) published by the Occupational Safety and Health Administration, Ministry of Labor in the past three years	0.21	↗	Management Approaches in Chapter V
		Talent attraction and retention	Proportion of middle-aged and elderly employees in the company ^(Note 3)	27%	25%	24%	24.89%	
	Social Welfare	Amount of in-store cash donation/goods donations ^(Note 4)	\$244 million	\$224 million	\$202 million	\$249 million	↗	Management Approaches in Chapter VI
		Number of Good Neighbor Funfest sessions and participants	18,000 sessions with 340,000 participants	15,000 sessions with 120,000 participants	16,000 sessions with 320,000 participants	9,331 sessions with 80,000 participants	—	
		Number of elderly people served by Good Neighbor Meal Delivery ^(Note 5)	58,000	43,000	40,000	46,496	↗	
G Governance	Legal Compliance	Number of major violations of laws ^(Note 6)	0	0	0	0	✓	Management Approaches in Chapter II
	Risk Management	The number of times to report to the board of directors every year after reviewing risks on a regular basis	1	1	1	1	✓	
	Information Security	Number of violations against customer privacy and the total amount of fines paid for information security incidents	\$0 for 0 cases	\$0 for 0 cases	\$0 for 0 cases	0	✓	
		Number of major information security incidents	≤ 3	≤ 3	≤ 3	1	✓	

(Note 1) Unless otherwise stated in the table, the target year for all KPIs is 2025.

(Note 2) Due to sales growth in 2022

(Note 3) Middle-aged and elderly employees refer to people over the age of 45

(Note 4) Fundraising schedule is adjusted each year depending on the needs of external organizations and social context. Therefore, it is difficult to set goals for future performance based on the result of the previous year. The goal is steady growth.

(Note 5) The goals are adjusted based on the service capacity of public welfare organizations and the needs of the elders they serve.

(Note 6) The materiality of penalties for PCSC refers to the fines where the amount exceeds NT\$100,000.

1.5 Stakeholder Communication

PCSC stakeholders include investors, suppliers, employees, franchise owners, NGOs, government agencies, media and local communities. PCSC 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 PCSC corporate website. A physical mailbox has also been made available, with stakeholder communication compiled and reported to the Board of Directors each year. We aim at understanding 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 2022
PCSC needs to communicate with investors on business performance and results in various sustainable governance aspects to be held in high regard by the investors	<ul style="list-style-type: none"> Ethical corporate management Risk management Occupational health and safety Labor rights Product and service innovation Customer health and safety Product labeling and marketing communication Customer relationship management Sustainable supply chain management Sustainable procurement 	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"> 226 phone conferences 4 online forums
		TWSE Market Observation Post System Website	As needed	146 important messages in Chinese/English
		Answering questions from investors and analysts via face-to-face meetings/ phone or e-mail	As needed	As needed

Stakeholders' Topics of Concern

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

PCSC response

- 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 2022.
- Introducing TCFD and passing the verification of ISO14064-1 greenhouse gases

Suppliers

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
Suppliers are important partners for PCSC 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"> Legal compliance Risk management Waste management Talent attraction and retention Occupational health and safety Information security 	Management meetings	As needed	2 sessions
		Supplier Conference	As needed	4 sessions
		Supplier audit	As needed	<ul style="list-style-type: none"> 4 procurement meetings 5 product category meetings Over 20 meetings in different categories during the pandemic
		Consultation for information security issues/vulnerability management/incident management	As needed	Enhanced information security agreement with 1 supplier
		Management system verification	As needed	1 external ISO 27001 audit

Stakeholders' Topics of Concern

Deficiencies in tier-1 supplier evaluation

PCSC response

Assisting the suppliers in improving the deficiencies

Customers

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
Customers' point of view is an important reference for PCSC to improve its products and services. Customer satisfaction is also deeply intertwined with the Company's operational performance	<ul style="list-style-type: none"> Legal compliance Occupational health and safety Labor rights Product and service innovation Customer health and safety Customer relationship management Information security 	Regular replies by Integrated Services Center ^(Note)	As needed	<ul style="list-style-type: none"> A total of 1,917 emails were sent to the stakeholder mailbox, all of which were addressed by the supervisors of relevant units in the same month A total of 115,548 phone calls were received with feedback and suggestions, all of which were addressed by the supervisors of relevant units in the same month
		Information security complaints/inquiries	As needed	3 inquiries

(Note) 100% of customer letters were replied to on the same day in 2022, and the progress was updated within three working days. The annual case close rate is 100%.

Stakeholders' Topics of Concern **PCSC response**

Customers reported the problem of "fraudulent packages" with MyShip

- Platform of appeal
- Customers can make a complaint on the [MyShip platform](#) by scanning the QR CODE and filling in the form on the fraud complaint platform
- Contact customer service
- PCSC will assist in contacting the manufacturer by requiring the manufacturer to contact the customer with regards to returns
- Product refund
- Once confirmed as fraudulent package:
(1) A cross-border package will be quickly refunded by the consolidator
(2) Local packages will be refunded according to the refund method of the e-commerce platform

Franchise owners

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
Franchise owners are at the forefront of providing consumer services. Franchise owner engagement is the key to providing assured and high-quality services	<ul style="list-style-type: none"> • Legal compliance • Talent attraction and retention • Occupational health and safety • Product and service innovation • Customer health and safety • Product labeling and marketing communication • Customer relationship management • Information security 	Update the dedicated franchise website	As needed	As needed
		Planned district consultant visits	Regularly (monthly)	At least 16 visits a week
		Monthly publications	Regularly (monthly)	12 publications
		Franchise owner forums	As needed	13 sessions

Stakeholders' Topics of Concern **PCSC response**

- Subsidies for long-term franchise owners
- Franchise insurance rate
- Labor inspection and occupational safety and health deficiencies
- Caring for the health of franchise owners 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 franchise owners
- Assist franchise owners in improving matters regarding labor inspection

NGOs

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
PCSC 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"> • Ethical corporate management • Public policy • Labor rights • Social welfare • Customer health and safety • Information safety 	Participation in public welfare/events initiatives	As needed	A total of NT\$463 million charity donations raised
		Bring Back the Love Charity Donation Program fundraising events	As needed	3 times
		Fundraising proposal/review meeting	Regularly (annual)	Once

Stakeholders' Topics of Concern **PCSC response**

- 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 public 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

Employees

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
Employees are the vital cornerstone of PCSC operations, and engagement with employees is the key to its sustainable operations	<ul style="list-style-type: none"> • Talent attraction and retention • Employee diversity and equality • Talent development and cultivation • Occupational health and safety • Customer health and safety • Information security 	Employer-employee meetings	Regularly (quarterly)	4 sessions
		Staff Welfare Committee	Regularly (quarterly)	4 sessions
		Stakeholder mailbox for employees	As needed	217 cases
		Happy Cooperative Society consultations	As needed	<ul style="list-style-type: none"> • The volunteers provided services to 110 people • A total of 65.6 hours of consultation and 16 hours of external professional consultation
		Safety and Health Committee meetings	Regularly (quarterly)	4 sessions
		Information security training	As needed	2 sessions

Stakeholders' Topics of Concern **PCSC response**

Expecting the company to continue to provide a healthy, safe and friendly working environment

- Organized the "Prevention of Workplace Violence and Sexual Harassment" course to enhance a friendly working environment and awareness of respect.
- Continuously conduct labor safety inspections, occupational safety education and training, operating environment monitoring, and contractor management, etc.

Government Agencies

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
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 PCSC operations	<ul style="list-style-type: none"> Legal compliance Customer health and safety Product labeling and marketing communication 	Internal Regulatory Committee	Regularly (quarterly)	4 times (internal communication)
	<ul style="list-style-type: none"> Customer relationship management Information security 	Comply with systems as promoted	As needed	As needed

Stakeholders' Topics of Concern

To facilitate environmental sustainability, the Environmental Protection Administration intends to formulate a draft of the "Guidelines for Best Practice Regarding Circular Cups." Industry players were invited to offer feedback

PCSC response

- PCSC proposed to add a circular cup certification mechanism, which was included in the plan of EPA together with a good service label for circular cups
- PCSC collected internal feedback and confirmed the operations to provide industry experience for the competent authority, as well as actively exchanging official documents and communications. In December 2022, PCSC obtained the certification as the first company to do so

Media

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
Communicating the Company's sustainable business performance to the media so that more stakeholders can understand the sustainable actions of PCSC	<ul style="list-style-type: none"> Ethical corporate management Legal compliance Risk management Climate change Packaging material management Food waste management Employee diversity and equality Talent development and cultivation Customer health and safety Product labeling and marketing communication Customer relationship management Information security 	The Company set up a dedicated contact to release press releases and provide media assistance	As needed	A total of 198 press releases were issued, and a press contact was provided to assist the media in real-time communication

Stakeholders' Topics of Concern

- Specific actions promoted by sustainability projects
- The specific practice and process of the plastic reduction project
- The most special/effective projects among sustainability projects

PCSC response

- 2022 was the "Year of Sustainability Action" for PCSC. With the intention of achieving sustainable production and sales, four task forces have been set up for plastic reduction, carbon reduction, food waste reduction and sustainable procurement with specific **short-, medium- and long-term goals** while promoting sustainability actions in all stores

- PCSC started with the three aspects of "source reduction," "innovative packaging materials" and "encouraging consumers to bring their own containers" to reduce single-use plastic for private-label products and services, developing innovative packaging materials and encouraging the reduction of disposable containers.

(Note) For further details, please refer to [4.2 Packaging Material Management](#)

- The scope of products with reduced plastic was expanded in 2022 with a comprehensive review of private-label fresh food and plastic material replacement. The number of products with reduced plastic doubled compared with previous year. Not only did the project get full marks in the "Packaging Materials" category of the DJSI environment questionnaire, but it also won the "Green Leadership Award" at Asia Responsible Enterprise Award

Local Communities

Importance to the Organization	Topics of Concern	Communication Channel	Frequency	Number of Communications in 2022
Being part of the retail industry, PCSC can be found on all corners of the country. Reducing negative impact on the society and environment during operation is PCSC's responsibility and obligation	<ul style="list-style-type: none"> Climate change Packaging material management Product and service innovation Customer health and safety Customer relationship management 	Good Neighbor Funfest events	As needed	9,331 events
		Good Neighbor Foundation website	As needed	A total of 117,000 people took advantage of the sustainable materials provided on the website

Stakeholders' Topics of Concern

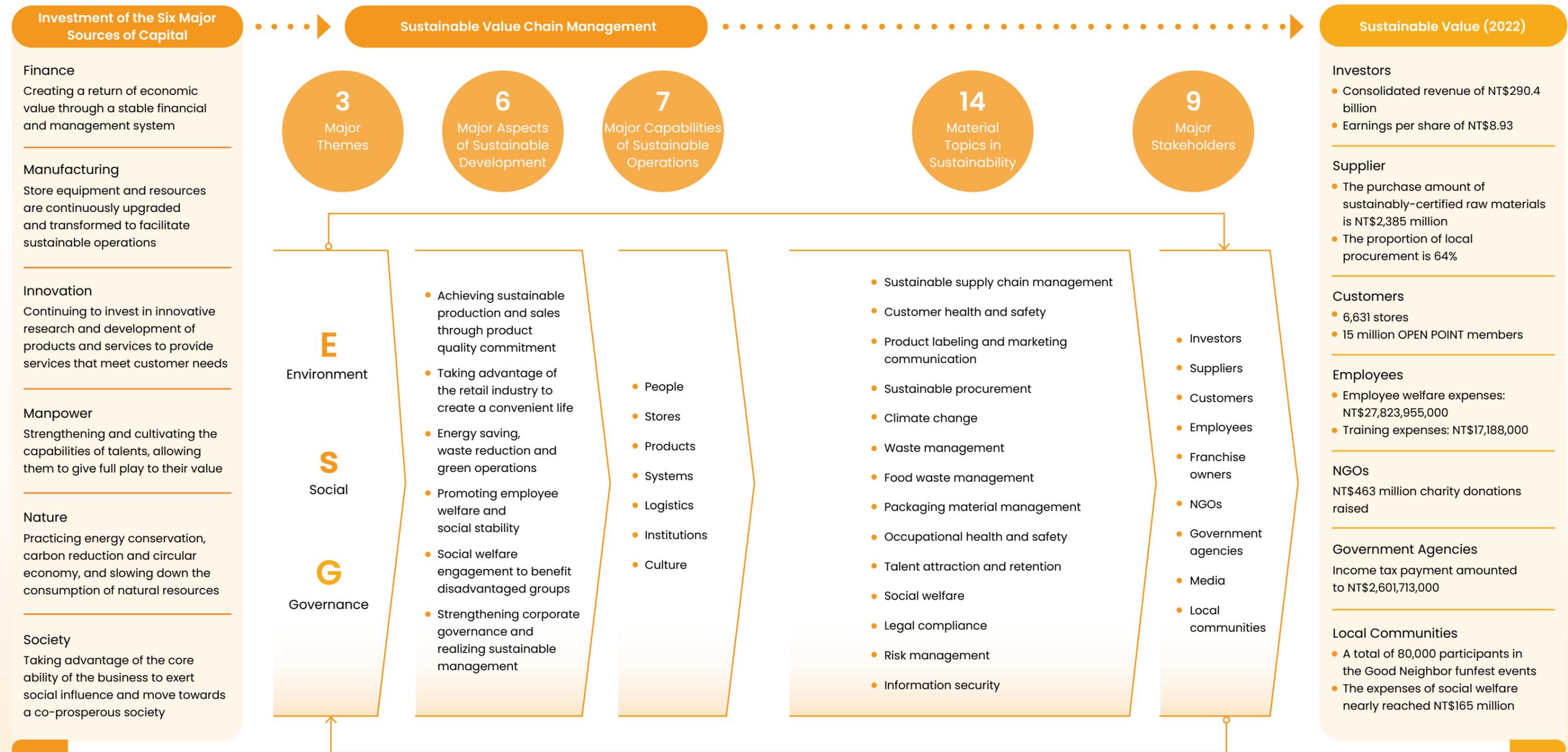
Environmental sustainability literacy

PCSC response

Nine sustainable materials were launched by working with units such as the Society of Wilderness, Tetra Pak, Sisters of Our Lady China Catholic Charity Social Welfare Foundation and Fishbar to touch upon sustainability issues such as paper recycling, plastic reduction, biodiversity and food waste reduction.

1.6 Sustainable Value Chain

PCSC 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 management the value 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

PCSC 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, PCSC 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.



Corresponding Material Topics



Management Policies

Policies and Commitments

- PCSC Principles of Legal Control and Breakthrough
- Personal Data Protection Management System and Policy
- [Personal Data Protection Handbook](#)
- [PCSC Risk Management Policy](#)

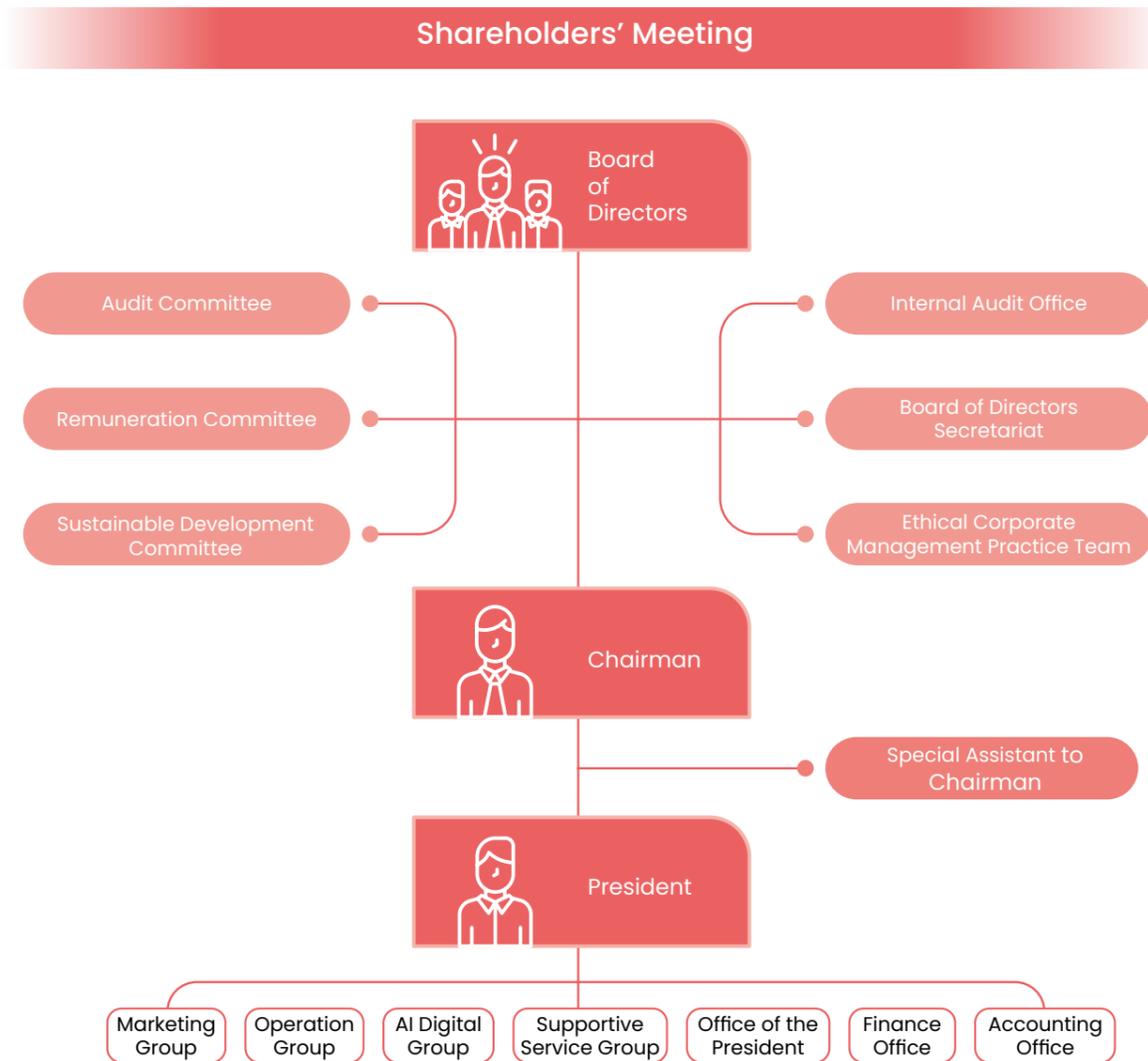
Management Actions

- PCSC has established a Regulation Identification Committee to ensure and strengthen legal compliance through legal information reporting, regulation identification and legal breakthrough.
- PCSC 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 Information Protection and Administration System, TPIPAS), crisis prevention and education and training.
- PCSC 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 and reporting to the Sustainable Development Committee at the end of the year. Each dedicated unit offers feedback on risk response measures through a form to realize risk identification, measurement and reporting.
- In December 2022, the PCSC Board of Directors approved the resolution to divide the "Risk & Information Security Management Office" under the Sustainable Development Committee into the "Cybersecurity Committee" and the "Risk Management Committee" with independent operations to strengthen information security management and gain more comprehensive risk control.

2.1 Corporate Governance

Board of Directors

Sound corporate governance is crucial to the sustainable operations of a business. PCSC 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 material topics to safeguard the rights and interests of stakeholders. To continuously strengthen corporate governance, the Company drafted the "PCSC 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, fulfilling the function of supervisor, respecting the rights and interests of stakeholders and improving information transparency.



As the highest governing body of PCSC, the Audit Committee, Remuneration Committee and Sustainable Development 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. PCSC'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 PCSC board is characterized by diversity. The average age of board members is 63 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 19-27 of the 2022 Annual Report ^(Note 2). In 2022, each director received an average of 6.77 hours of training, covering topics such as environment, society and governance. For detailed information on director training, refer to page 35 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 "Rules of 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 2022, the Board convened 8 times with an average attendance rate of 99.04%.

(Note) The independence of the Board can be found on [page 22 of the 2022 Annual Report](#)

Functional Committee

In order to improve the supervisory function and strengthen the Company's management, the PCSC Board of Directors has set up an Audit Committee, a Remuneration Committee and a Sustainable Development Committee 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 PCSC's website. ^(Note)

(Note) The description of functional committees can be found on the [PCSC's website](#)

Remuneration System for Directors and Senior Management

PCSC 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.

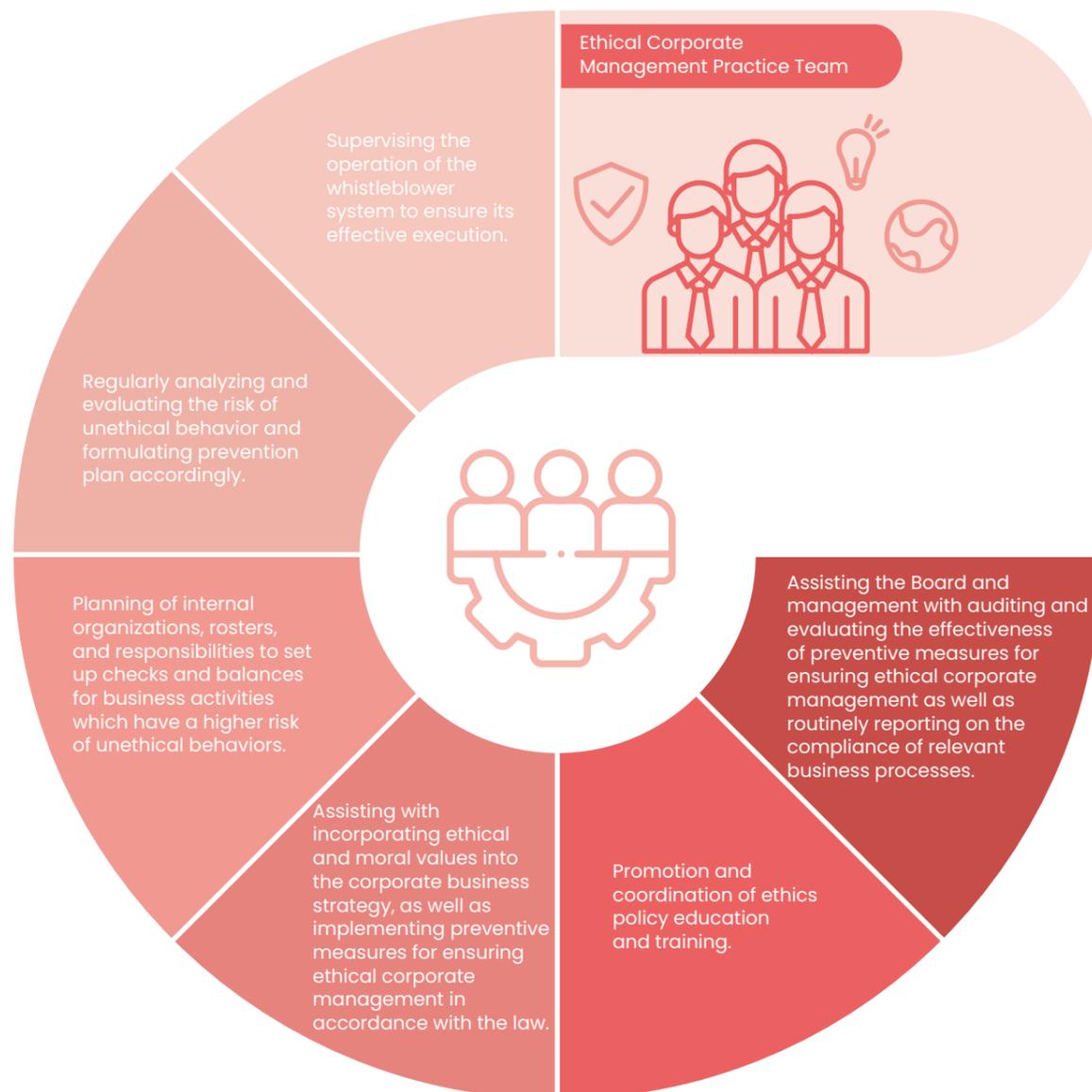
PCSC has set forth the "Rules for Performance Evaluation of Board of Directors" ^(Note) to implement corporate governance and enhance the functions of the Company's Board of Directors and functional committees, as well as setting performance targets to enhance operational efficiency. A number of indicators that have been selected are highly linked to corporate governance and corporate sustainable development so as to ensure the Company's sustainable operations. In 2022, 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.

(Note) The Rules for Performance Evaluation of Board of Directors can be found on the [PCSC's website](#)

Ethical Corporate Management

Ethical management is one of the most significant guiding principles for PCSC. PCSC 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. The status of the Company's performance of ethical corporate management 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 2022.

Ethical Corporate Management Practice Team



The Results and Plans of Promoting Ethical Corporate Management

PCSC 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. Relevant education and training applies to all PCSC employees, and store managers. In terms of external collaboration with suppliers, we have formulated ethical corporate management clauses to ensure ethical corporate management from suppliers. In 2022, a total of 1,147 supplier contracts and raw material supply agreements, as well as a total of 1,090 procurement contracts were signed. The signing rate of the 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 PCSC's Internal Audit Office and Integrated Services Center, or the 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. PCSC keeps track of the number of reports as well as the progress each month.

Fiscal and Tax Governance

PCSC actively opened new stores in 2022 and drove growth through the integration of strategies for online and physical businesses. The annual consolidated total revenue hit a record high with a 10.54% growth compared with the previous year. The pandemic ceased to be a factor affecting the operations. For further detailed information, please refer to the PCSC financial statement available on the Market Observation Post System.

In the meantime, PCSC stays in conformity with the core values of our tax policy by being committed to following the tax laws and regulations 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.

Direct economic value distribution

Item	2022 (NT\$1,000)
Operating costs	121,633,971
Employee wages and benefits	7,583,938
Payment to providers of capital	Interest: 433,240 Dividend: 9,356,600
Payment to government	1,269,828
Community investment	90,340

Operating revenue, pre-tax profit and loss, income tax payable and income tax payment in each country/region in which PCSC and its subsidiaries operate in 2022.

Revenue: NT\$290,434,137 thousand			
Region	ROC	Philippines	Others (including Mainland China and Japan)
Amount	248,245,454	35,264,978	6,923,705
Percentage	85.48%	12.14%	2.38%

Pre-tax profit and loss: NT\$14,069,981 thousand

Region	ROC	Philippines	Others (including Mainland China and Japan)
Amount	13,082,792	1,523,659	(536,470)
Percentage	92.98%	10.83%	-3.81%

Income tax payable for the current year: NT\$1,897,728 thousand

Region	ROC	Philippines	Others (including Mainland China and Japan)
Amount	1,830,365	60,538	6,825
Percentage	96.45%	3.19%	0.36%

Income tax paid: NT\$2,601,713 thousand

Region	ROC	Philippines	Others (including Mainland China and Japan)
Amount	2,204,672	352,875	44,166
Percentage	84.74%	13.56%	1.70%

Effective Tax Rate

The effective tax rate for 2022 and 2021 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	2021	2022	Industry average tax rate (Note 1)
Reported tax rate (%) (Note 2)	17.01%	21.32%	26.40%
Cash tax rate (%) (Note 3)	23.33%	18.49%	26.60%

(Note 1) Industry average tax rates were taken from GICS's (Global Industry Classification Standard) for food and consumer staple retailers.

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

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

2.2 Risk Management

PCSC's ability to respond to and deal with risks has been an important key to its continued growth and stable operations. Our risk management covers the entire group and all its subsidiaries. To strengthen the management and control of cyber security and control risks in a more comprehensive manner, the "Risk & Information Security Management Office" was divided into the "Cybersecurity Committee" and "Risk Management Committee" at the end of 2022. The "Risk Management Committee" integrates and manages all potential risks associated with strategies, operations and finances that may have an impact on the operations and profits. In October 2022, a total of 5 risks were compiled and identified for the year. From 2023 onwards, all departments will monitor and give feedback every month, and the Risk Management Committee will collect the risk identification data of all departments every six months and report to the Sustainable Development Committee once a year. The five major risks identified in 2022, corresponding management organizations and various risk management implementation and dedicated units are as follows:

Risk Identification

Type	Risk Management Measures	Dedicated Unit
Finance Risks	PCSC'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. PCSC 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	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, PCSC 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.	Various business units/Regulation Identification Committee/Crisis Management Task Force
Food Safety Risks	PCSC 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: 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. 2. Establishing the Product Safety Information Collection and Inventory Tracking Operational Standards, collecting private-label product safety information and setting up inventory and tracking procedures to ensure the safety of our products. 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.	Operations Group/Marketing Group
Franchisee Risks	To keep individual stores growing and the overall operations of the Company stable, PCSC continues to optimize its franchising mechanism, improving the remuneration to franchisees, and keeping franchises in good order as countermeasures.	Operations Group/Marketing Group
Cybersecurity Risks	PCSC 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.	Cybersecurity Committee

There was a case of labor dispute at Books.com Co., Ltd., a subsidiary of PCSC, in 2022. We communicated with the employee as soon as the incident occurred and reached a settlement agreement. In the follow-up, PCSC did a comprehensive review of relevant contracts and labor conditions of all affiliated companies to ensure that they are reasonable and compliant. In the meantime, PCSC reiterated major guidelines in its Human Rights Policy, such as “providing a friendly and safe working environment” and “prohibiting forced labor.” We entrust a third party to conduct inspections on labor conditions and occupational safety and health matters in stores, as well as continuing make diverse complaint channels available to ensure that employees can be taken care of in a prompt and proper manner in case of labor rights and interests infringement. We also actively organize various meetings that employees can participate in to facilitate two-way communications on matters such as labor conditions, working environment, workplace health and safety to attach importance to and protect the rights and interests of employees.

Emerging Risks

In order to stand firm in this fast-changing food retail industry, PCSC places great importance on significant social, economic, and environmental trends to better control risks that might affect the Company’s profits and sustainable operations.

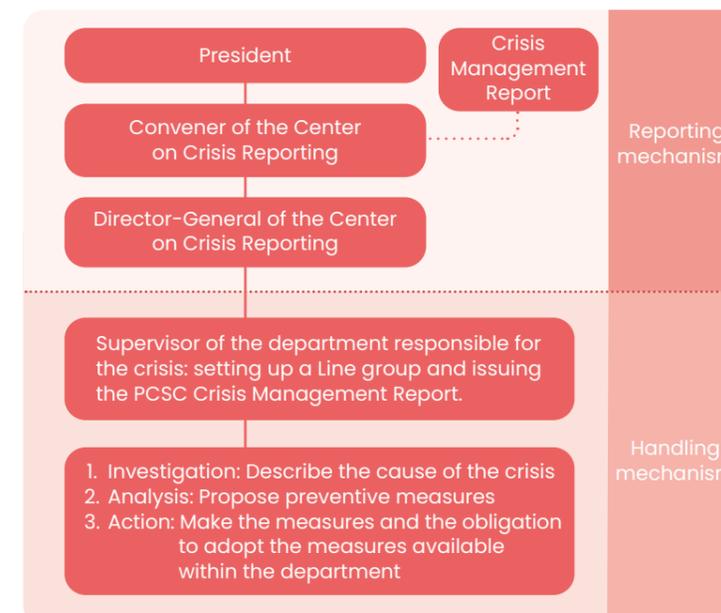
PCSC has integrated the way we identify and respond to emerging risks into our risk management structure. Emerging risks that have been identified are as follows:

Type	Emerging Risk	Future Impact	Countermeasures
Social - employment and life crisis	Changes in the demographic structure	PCSC 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.	<ol style="list-style-type: none"> 1-1. Plan to collaborate with schools to develop diverse employment channels, and establish a human resources recruitment platform to integrate resources for human recruitment. 1-2. 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. 1-3. Plan to introduce various AI intelligence and labor-saving tools in stores, such as 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.
	According to the statistics published by the Ministry of Interior, only 139,000 babies were born, making it the third consecutive year where there were more deaths than births. 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.	Convenience stores and logistics which is vital to their operations, require high labor input. In addition, an aging society will also lead to changes in the main consumer group. Therefore, PCSC may experience the impacts listed below as a result of this risk: <ol style="list-style-type: none"> 1. Impact on talent recruitment and personnel costs. 2. The impact of different product structures and services required by the elderly consumer group. 	<ol style="list-style-type: none"> 2-1. Focus on developing products for the elderly and introduce the veggie selection lifestyle store. 2-2. Evaluate the age-friendly store design to provide a friendly environment for consumption.

Type	Emerging Risk	Future Impact	Countermeasures
Economic - Inflation	Recession	Due to the impact of extreme weather events in recent years, the production and quality of raw materials for agricultural products have been unstable. The phenomenon is now coupled with geopolitical risks, making oil and energy prices skyrocket, which in turn has increased production and transportation costs and fluctuations in bulk staples. These two uncertainties have led the overall price to continue to increase and result in inflation.	<ol style="list-style-type: none"> 1. Engage with multiple suppliers to improve bargaining power and reduce the risk of shortage risk. 2. Integrate companies in the Group for joint purchases that will lower the costs to maintain price competitiveness. 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. 4. Continue to develop innovative products and new brands, such as Star Rated Cuisine that launch new fresh food products with 5-star hotels/restaurants to enhance the sense of value and reduce price sensitivity.
	Geopolitics and extreme weather events lead to unpredictable inflation. Tthe 2023 WEF Global Risks Report also pointed out that Taiwan will face rapid or continuous inflation and commodity price shocks, resulting in a great impact on the economic aspect of the food retail industry. According to the Taiwan Institute of Economic Research, the annual growth rate of consumer price index was 2.95% in 2022, and the annual growth rate of the wholesale price index was 12.43%. Among them, the growth rate of the consumer price index has hit a new high since 2009. According to the latest forecast released by the Directorate General of Budget, Accounting and Statistics in February 2023, the annual growth rate of the consumer price index in 2023 will be 2.16%.	<p>The commodity structure of convenience stores focus on food, daily necessities and services. The potential risks associated with inflation are as follows:</p> <ol style="list-style-type: none"> 1. The rising price for raw materials leads to increased operating costs and reduced profits. 2. The impact of recession reduces the consumer spending power. 3. The energy price increase leads to the increase in operating costs and decrease in store profits. 	

Crisis Management

Organizational Chart of the Headquarters’ Crisis Handling Task Force



In addition to managing risks, PCSC has also set up a comprehensive dedicated risk management unit and SOP for dealing with crises to minimize potential losses. The Company drafted the “PCSC Crisis Management Mechanism” to minimize losses caused by crisis. We also promptly review crisis SOP by making the president the head of the Center on Crisis Reporting. The head of the Support Service Group acts as the convener of the Center on Crisis Reporting. When a crisis occurs, the supervisor responsible for the department will report the incident for timely response. From the occurrence, handling to external response, this rigorous mechanism strengthens PCSC operations.

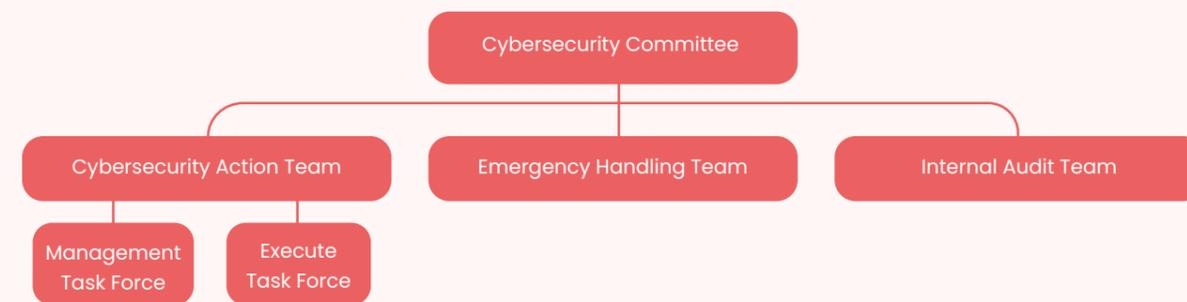
2.3 Information Security and Privacy Protection

PCSC 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 i-Preorder) and MyShip. This allows consumers to make the most of PCSC as the base and service center for everything in life.

Cybersecurity Committee

The "Cybersecurity Committee" is the highest decision-making unit for PCSC's information security management. It was turned into an independent unit from the "Risk & Information Security Management Office" originally under the "Sustainable Development Committee" in 2022, with the Chief Information Security Officer as the convener. The "Cybersecurity Action Team," "Emergency Handling Team" and "Internal Audit Team" under the committee hold at least one review meeting a year, with the convener regularly reporting the implementation and results of cybersecurity implementation to the Sustainable Development Committee (Note).

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

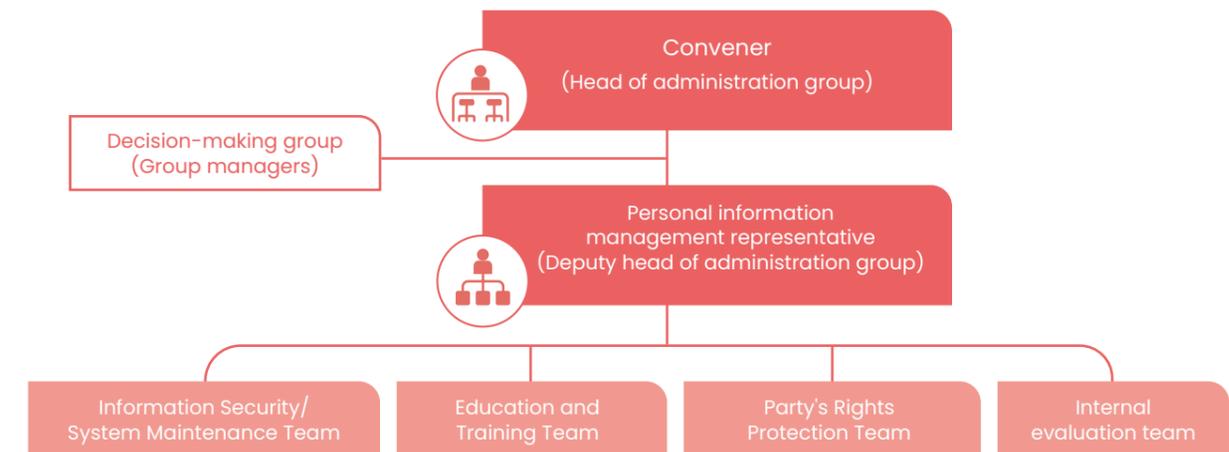


Personal Data Protection Task Force

Digital technologies involve a lot of customers' personal data. PCSC 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, revision of notification, data destruction, education and training. Education and training is systemized with online courses for new employees to pass tests and senior employees to finish courses online with a 100% completion rate for internal training. In addition to embedding 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. PCSC's internal audit plan and third-party 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. If the violation is serious, disciplinary actions will be taken according to the Company's internal reward and punishment system.

Organizational Structure of the PCSC Personal Data Protection Task Force



Adjustments will be made to the aforementioned task force by making the head of the Supportive Service Group the convener and the head of the Department of Legal Affairs the personal data management representative.

Internal Audit and External Certification

PCSC integrates cybersecurity 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.

In order to further ensure cybersecurity, PCSC first obtained the third-party TPIPAS certification in 2014 (Taiwan Personal Information Protection and Administration System). In 2022, the Company updated its certification with the validity period for 2 years. Besides the personal information protection certification, PCSC obtained the ISO 27001 international certification for cybersecurity regarding the in-store POS system to complete the cybersecurity management mechanism.

Grievance Mechanism

To provide customers with comprehensive personal data protection, PCSC has also set up personal data issue reporting and contacts that correspond to our various personal data collection channels. In 2022, no complaint was received regarding customer privacy infringement from the competent authority of external parties.

Identity	Personal Data Grievance and Contact
Consumer	Integrated Services
	Tel: 0800-008711
	Email : public@mail.7-11.com.tw
	All PCSC departments have respective contact persons for reporting privacy issues
Non-consumer	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 responsible for handling and responding to privacy issues. The processed cases will be reported to the Personal Data Protection Task Force for record-keeping.

In 2022, phrases with a political nature were displayed on the Open Channel in the stores as the consequence of a cybersecurity incident occurring on the server leased by the outsourced company. PCSC urgently required the stores to restart the screens, strengthen the security management of the digital signage, building a real-time monitoring system and third-party cybersecurity checks. We expect to make changes in 2023 with Presco Netmarketing taking over to further ensure cybersecurity.

2.4 Legal Compliance

PCSC has formulated the "PCSC 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, ensuing the operations of each company organization comply with government regulations.

In 2022, PCSC actively communicated with the employees about the importance of legal compliance. Training sessions on the "Fair Trade Act" and "Regulations Managers Must Learn: Competition Law in the Digital Economy" were organized for management level with 603 people attending. 214 executives of affiliated companies were invited to participate in the "Regulations Managers Must Learn: Competition Law in the Digital Economy" course. In the meantime, 9 legal education training courses were organized for other employees, with a total of 69,174 people passing the training in 2022.

Legal Identification Committee



Legal Compliance Mechanism

With the establishment of the Legal Identification Committee, PCSC is committed to fulfilling the goals of "legal information reporting," "regulation identification" and "legal breakthrough."

Aspect	Legal Information Reporting	Regulation Identification	Legal Breakthrough
Target and Mechanism	Step 1 Collect newly revised laws and draft amendments of various central and local government agencies.	Step 1 Each unit conducts an impact assessment on the Company's operations based on the laws and regulations collected within the scope of business.	Step 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.
	Step 2 Provide each unit for identification based on its business relevance to the Company.	Step 2 Information is provided to each unit in the legal identification meeting based on the assessment result.	Step 2 Set up a new system based on the final result.
	Step 3 Encourage all units to immediately respond to new amendments to laws and drafts.	Step 3 Facilitate legal breakthroughs based on bills with impact.	

Violations in 2022

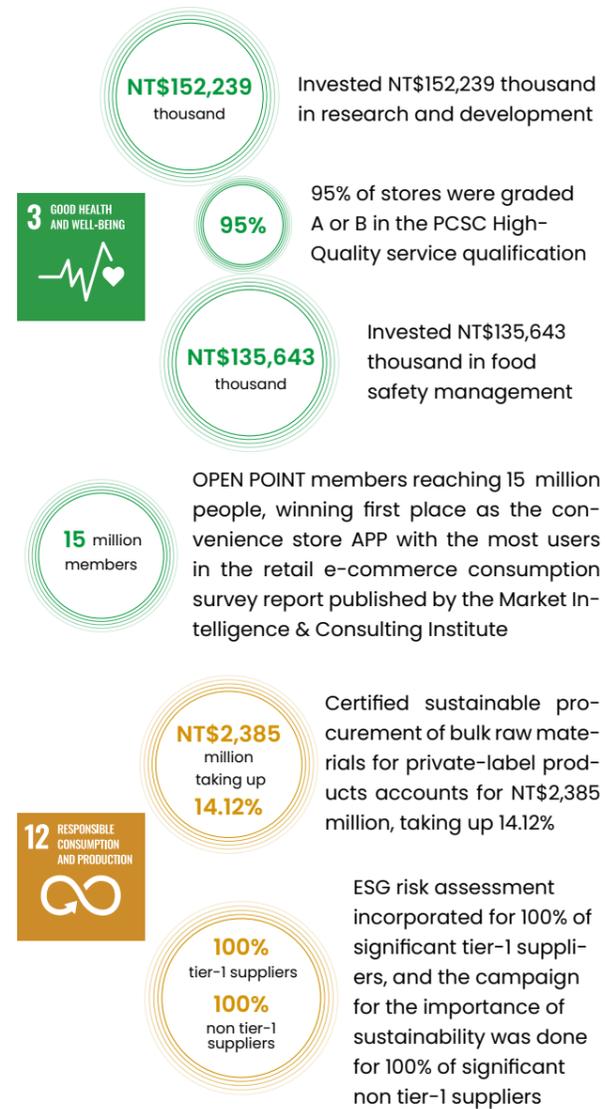
Food is a staple that has a huge impact on everyday life. Therefore, PCSC lays great emphasis on food safety. Food products sold through PCSC stores must all comply with the Act Governing Food Safety and Sanitation as well as its sub-laws. The sub-laws include "Regulations on Good Hygiene Practice for Food," "Food Sanitation Standards," as well as other relevant laws issued by the Ministry of Health and Welfare. In 2022, there was an incident with store staff selling cigarettes to an underage person. In the follow-up, PCSC organized an information campaign in the district, requiring all cadres reiterate the importance of following relevant regulations during the district group meetings and store manager meetings. A notice was placed on the bulletin board for all personnel to read and sign. Stores were required to err on the strict side when determining the age of a customer to prevent similar incidents. Moreover, a specific vanilla raw material from France used in Haagen-Dazs ice cream was polluted with Ethylene oxide in 2022. PCSC voluntarily removed 5.995366 metric tonnes of products from the shelf and notified the competent authority in a document.

In 2022, PCSC paid a total of NT\$51,500 in fines due to 2 violations that year. There were no other major violations with fines above NT\$100,000.

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, PCSC 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, PCSC 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

Management Policies

- Product safety management regulations
- Product safety information collection and inventory tracking SOP
- Rules for Safety on Private-label Products
- Rules for Onsite Appraisal of Manufacturers by Private-label Product Committee
- Raw Material Supplier and Raw Materials Management Rules
- Management Measures for On-site Evaluation of Suppliers of Food Safety Products in Stores
- PCSC and PCSC Subsidiaries' Code of Conduct for Suppliers
- Food Product Manufacturer Risk Grading and Assessment Guide

Policies and Commitment

- 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
- 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
- PCSC strengthens supply chain management to ensure service quality by identifying key significant suppliers, implementing supplier management measures, requiring suppliers to sign the code of conduct, and continuing to educate and evaluate suppliers
- The Sustainable 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

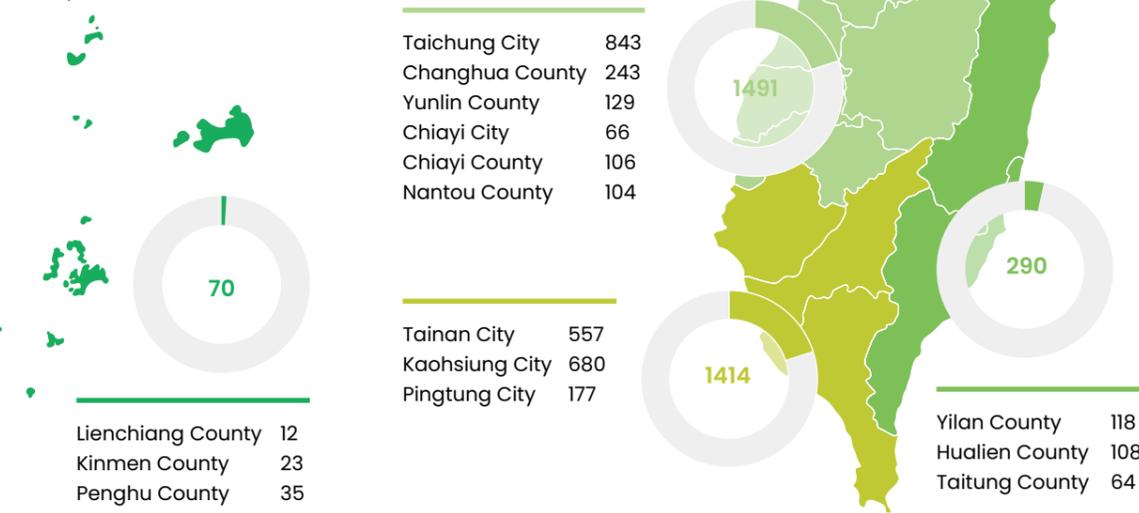
Management Actions

3.1 Product and Service Innovation

PCSC'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 6,942 products and 1,662 services in 2022 as well as actively developing private-label products own brand products. In 2022, private-label products accounted for 21.02% of total revenue, exceeding the annual target by 19.57%. By continuing to provide consumers with more high-quality products and convenient services, PCSC will become a good partner in people's daily life.

Stores

PCSC focuses on providing customer service characterized by convenience and peace of mind. As of 2022, we had 6,631 stores, 252 more compared to 2021, located in the northern, central, and southern parts of Taiwan as well as its outlying islands. It is our hope that we can continue to expand the scope of services offered by PCSC, 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.



PCSC 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, OPENPOINT app and MyShip. This allows consumers to make the most of PCSC as the base and service center for everything in life.

We believe that consumer choice can drive sustainable progress. To this end, we have set up task forces focusing on plastic reduction, carbon reduction, food waste reduction and sustainable procurement, a "smart circular packaging material recycling network" that offers a one-stop solution for the 3 major processes of sending, receiving and recycling circular packaging materials, the "Veggie Selection" private-label product of vegetarian food, launching a dedicated production line for vegetarian and vegan food in the fresh food factory and the "iLove Food" initiative that provides a 35% discount 8 hours prior to expiration. PCSC has internalized ESG as part of the company philosophy to fulfill the role of a good neighbor in sustainability in the communities.

OPEN POINT Membership System

PCSC has adopted the three strategies of membership, points and payment since 2020 to expand internal and external channels of the group, breaking the single-channel membership model in the retail industry to establish a cross-brand and cross-channel OPEN POINT ecosystem. So far, it has served more than 15 million members with channels covering over 50 top brands in their industries such as catering, department stores, hypermarkets, drugstores, aviation, tourism, banks, gas stations, etc., driving the number of active members to over 10 million in 2022 and surpassing the target of 9.6 million members set for 2022. In May 2022, it won the first place as the convenience store APP with the most users in the retail e-commerce consumption survey report published by the Market Intelligence & Consulting Institute (MIC) as "an app that people are highly dependent on." PCSC plans to further expand the scope of the OP membership ecosystem to provide consumers with more diverse and convenient membership service experience as a "lifestyle service platform" that meets customer needs.

15 million members



To expand groups of customers OPEN POINT can serve, PCSC continues to optimize system performance, user interface and functions of OPEN POINT APP, as well as actively expanding the OPEN POINT ecosystem, point features and fields of application, allowing people to feel "it's wonderful to have OPEN POINT." In 2022, the number of members officially exceeded 15 million as an important milestone in membership expansion.

NO.1 Downloaded Apps



PCSC actively builds the point ecosystem. In 2022, the OPEN POINT ecosystem included 50 major channels with more than 20,000 stores. Members only need one account to collect and redeem points through these major channels with ease. OPEN POINT APP has over a million active users on a daily basis, with over 5 million active users every month. The app is now installed on over 10 million devices with the penetration rate continuing to be the leading retailers in Taiwan.

grew 20%



PCSC has set up a complete OPEN POINT member database as part of the membership system and the cornerstone of member management and strategic planning. The database combines consumption data in the stores collected by POS machines with the digital behaviour and footprint of the online app to clearly understand the profiles, consumption preferences and lifestyles of OPEN POINT members. Furthermore, data processing such as attribute labelling and member grouping has been implemented for the labels to be used for the purpose of NES model (new, existing and sleeping customers) and targeted marketing to effectively increase the proportion of member consumption and the continuous growth of per capita contribution. In 2022, the revenue from members grew nearly 20% in comparison with 2021.

Innovative Products and Services

Based on the core concept of a comprehensive lifestyle, PCSC 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 2022, PCSC invested NT\$152,239 thousand in R&D to create a variety of new products and service models. We built the “Smart Circular Packaging Material Recycling Network” that connects over 6,500 stores, as well as launching the “X POS Machine” ahead of our peers to connect PCSC’s digital services to a 10.1-inch screen and turning it into a POS machine that allows self-checkout with simple settings. In the meantime, PCSC continues to invest in sustainable procurement. We built a new convenience store business model targeting home cooking needs. “OPEN NOW” is the first of its kind in the industry that connects stores to delivery services with the goal of expanding business opportunities in fresh food and groceries, continuing to create reassuring and convenient shopping experience for consumers.



X POS machine

PCSC developed and launched the X POS machine together with other manufacturers in April 2022. What sets the machine apart is that it faces the direction of consumers, and it is equipped with a code scanning device. It can be turned into a self-checkout device with simple settings, saving space for additional self-checkout machines. In addition, the machine has a 10.1-inch screen that can display the latest information on products and events to attract the attention of customers waiting in line for checkout. The dual screens are presented in a vertical setting similar to that of a smart phone, which makes it easily understandable to people accustomed to mobile devices.

X POS gathered over 100 IT technicians to develop the system, connecting the ibon ticketing system, ibon kiosks, and devices such as digital mobile device pick-up service, iPre-order, iGroup-buying, OPEN NOW, smart vending machines and other smart retail devices to integrate consumer digital experience and increase membership activity of PCSC. In February 2023, the machine was made available in 6,758 stores in Taiwan with the current total reaching 14,000 machines.

Smart Circular Packaging Material Recycling Network

PCSC started collaborating with the social enterprise Pack-Age+ in April 2021 to launch the “Circular Packaging Material Recycling Station” in selected stores to solve the pain point of sparse recycling stations and the time-consuming process of recycling by staff. In June 2022, the service was upgraded to connect over 6,500 7-ELEVEN stores to build a dense “Smart Recycling Packaging Material Recycling Network.” Consumers do not have to look for recycling points, and recycling companies do not have to travel from store to store to collect circular packaging materials. Instead, a simple trip to a nearby 7-ELEVEN completes the 3 processes of sending, receiving and recycling circular packaging materials. For the moment, PCSC collaborates with Gama-nia on customer gifting so that customers receiving the gifts can recycle the bags in the stores. In the future, PCSC plans to work with more companies to make circular packaging materials more popular.

- Logistics Technology Series
- Sending, receiving and recycling circular

- 14,000 machines
- 10.1-inch screen

OPEN NOW

PCSC built a new convenience store business model targeting home cooking needs. “OPEN NOW” is the first of its kind in the industry that connects stores to delivery services with the goal of expanding business opportunities in fresh food and groceries. It adopts the three strategies of “24-hour delivery service,” “real-time store satellite stock” and “increased frozen food, fresh fruits and vegetables” to provide consumers with fresh food in small packages, simple and fast cooking, instant cooking and other light cooking needs, making PCSC the closest fresh grocery supply station to home.

In addition, “OPEN NOW” actively expands diverse delivery services while satisfying the demand for fast parcel pick-up. To this end, PCSC joins hands with the foodomo delivery platform to include “parcel collection” in the delivery service for the first time. Furthermore, the store parcel pickup service is combined with delivery so that customers can preorder products from the convenience store to have the products and parcels delivered at the same time, creating a new fast business model.



- 24-hour delivery service
- Real-time store satellite stock
- Increased frozen food, fresh fruits and vegetables

3.2 Customer Health and Safety

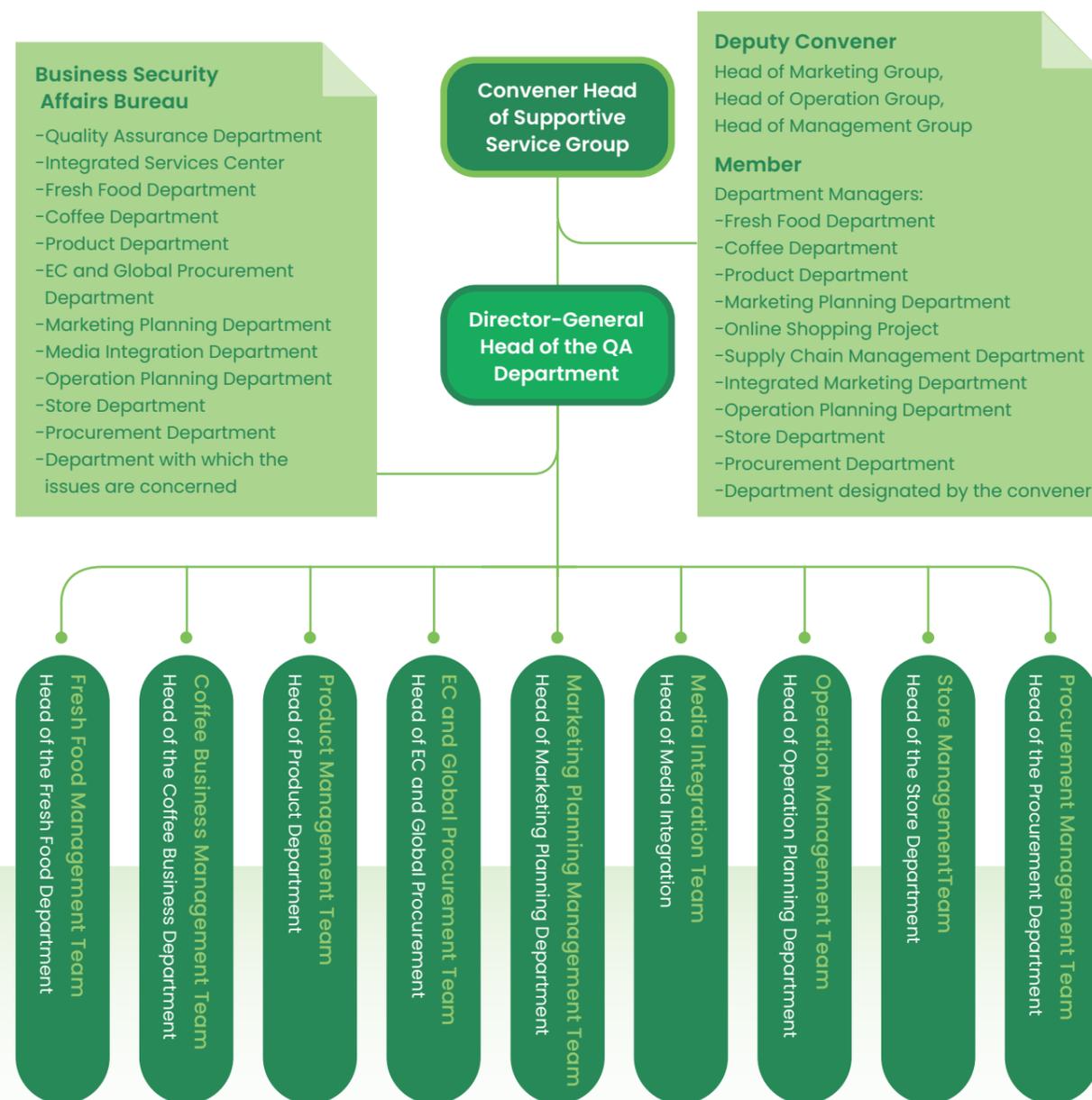
Product safety is the cornerstone of PCSC operations. A healthy diet has become one of the top priorities for consumers nowadays. As a member of the food retail industry, PCSC provides products with a variety of health concepts to meet the nutritional needs of consumers in their daily diets to fulfill our responsibility and obligation to consumers. PCSC 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 2022, a total amount of NT\$135,643 thousand was invested in food safety management.

- No preservative 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.
- 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.
- For private-label products that may contain GMO materials approved by the Ministry of Health and Welfare, the information will be disclosed.

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. 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 2022, with the discussion focusing on reporting and tracking important business security information, planning and responding to changes in regulations.



(Note) In 2023, the Management group will shift to the Supportive service group, and the Supply chain department will be changed to the Marketing planning department.

Collection and Inventory for Product Safety Information

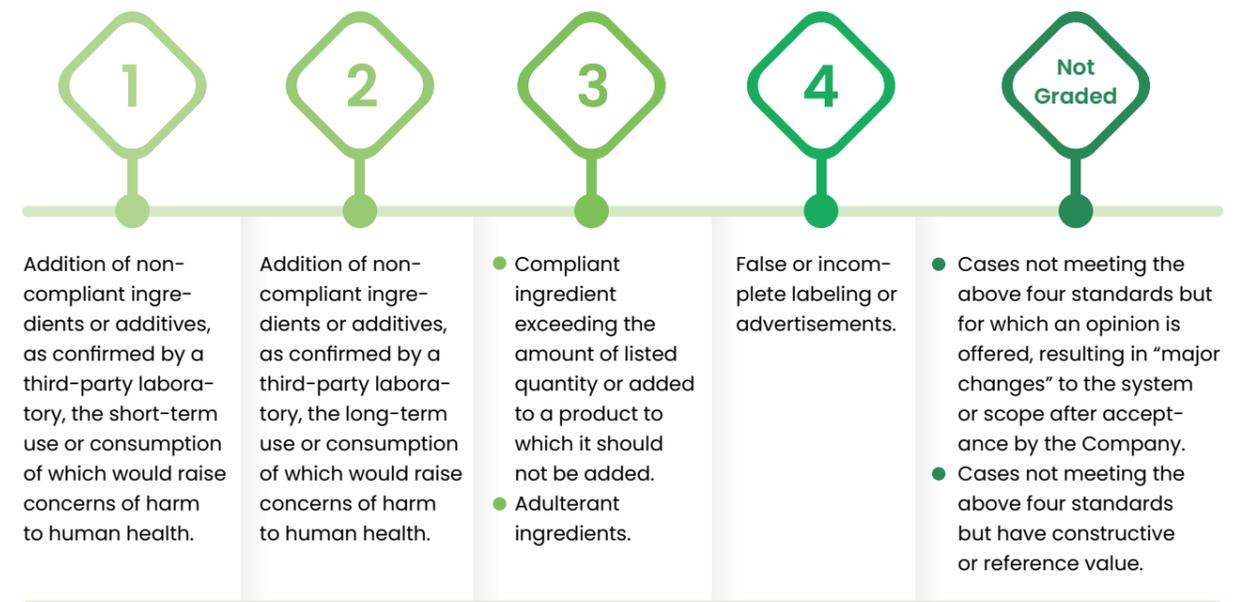
Staying abreast of the latest product safety information has been key to PCSC's making product quality management a reality. Product safety information is negative reports collected by PCSC on its private-label products, information on unqualified products, and information on regulations promulgated by relevant authorities and issued in other countries. 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 labelled products. In 2022, the Company collected 416 product safety-related memos, including 0 A-level information, 265 B-level information and 151 L-level information.

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 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.

Internal Reporting System

PCSC 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 2022, no incident was reported internally.



External Grievance Mechanism

PCSC 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 PCSC responded to and handled the issue. In 2022, the Center handled 92.1% 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.

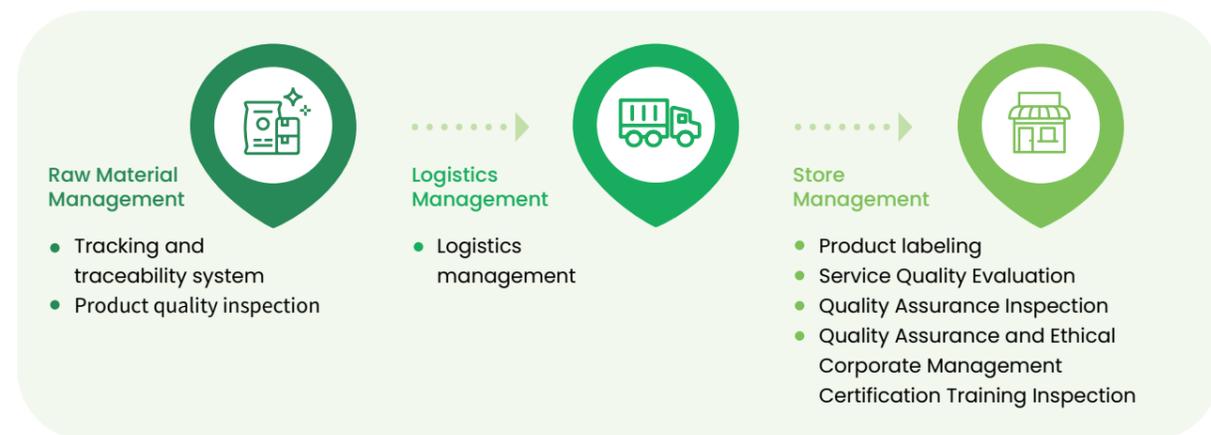
^(Note) The online processing rate is the rate of giving consumers explanations online and successfully solving the problem afterwards. The case closing rate is the percentage of cases that cannot be effectively addressed online and require follow-up and settlement after being handled by the responsible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

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, ensuring product safety before it is put on the shelf. As of the end of 2022, the laboratory conducted 627 test items per the announcements and requirements of the competent authority including CNS, the Taiwan Food and Drug Administration, etc. Another 125 test items of self-inspection that do not follow directives from the aforementioned announced methodologies were conducted.



Product Value Chain



Raw Material Management

- Tracking and traceability system
- Product quality inspection

Logistics Management

- Logistics management

Store Management

- Product labeling
- Service Quality Evaluation
- Quality Assurance Inspection
- Quality Assurance and Ethical Corporate Management
- Certification Training Inspection

TAF Certification Items

Scope of microorganisms for ISO/IEC 17025:2017 certification	4 items
Caffeine	1 item

TFDA certification items

Microorganisms	4 items
Colorants	8 items

In 2022, a total of 1,008 tests were run on products and raw materials, with 1,008 passing the test. The passing rate was 100%. The quality testing laboratory resulted in costs of NT\$37,877 thousand, including NT\$20,716 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, as well as miscellaneous purchases.

Raw Material Management

Tracking and Traceability

To effectively monitor product safety and take up the responsibility of PCSC as a retail business, PCSC 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 2022, 100% of the Company's private-label food products had the corresponding product specification document in the MAS system.

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 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 527 products in the meal box category ^(Note) have undergone traceability management (must be traceable) in 2022, taking up 100% of all box meal items in the current year.

^(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 after brief heating up. Those products do not include the baked items served in the box.

Logistics Management

PCSC 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 PCSC 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 2022, 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.

Store Management

Product Labeling

Transparent product labeling is key to PCSC’s promise to safeguard the rights and health of its customers. 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). PCSC also uses its “Packaging Internal Control Design System” to keep abreast of the information on our private-label product labels. This ensures that all products have clearly labeled information from manufacturing to shipping to final sale in the store.

In 2022, PCSC continued to focus on developing products with reduced saturated fat, trans fat, sodium and sugar. In the meantime, PCSC strengthened the voluntary labeling of health and nutrition information on food products from its private-label brands, stating whether there are added chemicals, low-fat, low-sodium, low-sugar, or other nutrient content of voluntary labeling in private-label products, etc. by following MOHW’s “Guidelines for Nutrition Labeling of Packaged Foods” and “Nutritional Claims of Packaged Foods,” as well as other health and nutrition-related voluntary labeling and other products that help promote health and nutrition, totaling NT\$6,272 million in revenue.

In the meantime, PCSC is also committed to obtaining relevant labels for its private-label products. In 2022, the raw materials for PCSC’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, PCSC 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\$87,773 thousand in 2022.

PCSC High-Quality service qualification

PCSC conducts an annual PCSC 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 2022, a total of 2,999 stores were graded A out of all the stores that were audited, accounting for 59.15% 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. We set dual goals of the proportion of A-level stores and the combined proportion of A-level and B-level stores. In the service quality evaluation in 2022, the

2022 Annual Initial Assessment Grade	Number of stores audited	Percentage
A Excellent	2999	59.2%
B Meets expectations	1827	36%
C Needs improvement	244	4.8%

combined proportion of A-level and B-level stores reached 95.19% , which is higher than the target (95%). The proportion of A-level stores is slightly lower than the high-standard target we set (70%). We will continue to provide in-depth counseling through district consultants to improve the overall service quality, organize a quarterly training session for cadres, as well as focusing on the four tips for conversing with customers to enhance the overall service quality in the stores.

Quality Assurance Audit

PCSC performs quality assurance audits through the engagement of an external management consulting company. In 2022, 98.02% of all stores underwent this audit. In 2022, 98.02% of all stores underwent this audit. A total of 28,130 stores were inspected with a pass rate of 95.36%. The stores were unqualified mainly due to expired products. PCSC 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, PCSC 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 82,947 people participated in the training in 2022 (including employees who have quit). PCSC hired a management consulting company to audit the quality assurance training certification status of stores, with 99.06% of the stores audited in 2022.

3.3 Sustainable Supply Chain Management

PCSC 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 suppliers adhere to our stringent quality standards using our supplier management rules and evaluation system.

Significant Supplier Identification

Significant Suppliers

If viewed from a wider perspective, PCSC has three types of suppliers, including private-label product contractor manufacturers, non-private-label product suppliers and other suppliers. Among these, private-label product suppliers have the closest relationship with PCSC, and PCSC also has a greater responsibility correspondingly. From our private-label product contractor manufacturers, PCSC identifies “tier-1 suppliers” and “non-tier 1 suppliers.” Tier-1 suppliers are defined as suppliers that trade directly with PCSC’s private-label brand such as food manufacturers. Non-tier 1 suppliers are defined as suppliers of raw materials for private-label products that PCSC does not directly trade with. Based on the procurement amount and the corresponding risks of product categories, we also take country-specific risks into consideration (such as the impact of local regulations on cross-border procurement of raw materials), the sector-specific risks and commodity-specific risks faced by industries or products (such as food safety, packaging materials and other resources, etc.), and whether they have signed the “PCSC and PCSC Subsidiaries’ Code of Conduct for Suppliers” to further identify “significant tier-1” and “significant non-tier 1” suppliers so as to strengthen the control mechanism of significant suppliers.

There were 17 significant suppliers in 2022 with definitions as follows:

Significant Suppliers	Definition of Significant Key Suppliers	Number of Significant Key Suppliers in 2022
Significant Tier-1	Procurement amount over NT\$30 million, supplying packaging and items directly related to food products in store and the suppliers have signed the PCSC Subsidiaries' Code of Conduct for Suppliers, or the transaction amount is ranked within top 5 for own brand private-label brands for the previous year and the suppliers have signed the PCSC Subsidiaries' Code of Conduct for Suppliers.	7
Significant Non-tier 1	PB raw materials suppliers that have signed the PCSC and PCSC Subsidiaries' Code of Conduct for Suppliers with transaction amount reaching top 10 for the previous year	10
Total Number of Significant Suppliers	Total number of significant key tier-1 and significant key non-tier 1 suppliers	17

Supplier Code of Conduct

PCSC 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 formulated the "PCSC and PCSC Subsidiaries' Code of Conduct for Suppliers" 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, PCSC 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 2022, 100% of PCSC 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.

Supplier Management

Supplier Management Policy

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 PCSC's rules in terms of company incorporation, product quality and testing. PCSC 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	Raw Material Supplier and Raw Materials Management Rules
Suppliers of store food safety supplies (Note)	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.

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. During 2022, suppliers of private-label products (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 39 companies. If calculating using the number of the plants, there were a total of 78 manufacturing sites, among those 45 were manufacturers of private-label food products within Taiwan. Of these, 44 manufactures 100% obtained international food safety management system ISO22000 certification.

2022 ISO 22000 Certification

Type of supplier	Number of suppliers for private-label brand food products	Number of domestic manufacturers of private-label brand food products	Number of ISO22000:2018 obtained by domestic suppliers for private-label brand food products	
			Number	Percentage
Suppliers for private-label brand food products	39	45	45	100%

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

Supplier Training

PCSC's Supply Chain Management Department communicates regularly each year with major suppliers of materials for its private-label products on the concepts of sustainable procurement and traceability management, as well as asking them to provide us with materials that meet PCSC's sustainable procurement standards. In addition to the signing of contracts, PCSC actively conducts supplier training by providing suppliers with 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 column of the report: [smart recycling machine, smart circular packaging material recycling network](#)).

Supplier Appraisal System

PCSC 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 response to current ESG developments, the percentage of ESG-related assessment items among overall assessment score will also be disclosed below.

In 2022, PCSC reached the target of “100% achievement rate for the PB (Note 1) joint procurement + direct transaction with stores + farm suppliers audits” and the target of “100% of PB/PL (Note 2) 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 PCSC, such as iseLect collection of frozen foods and snacks, etc.

In addition, PCSC has responded to trends in sustainable development by integrating ESG (Environment, Social and Governance) into its scope of assessment in the hope of the incorporation of ESG metrics 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 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 products	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%

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 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 PCSC’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. The 2022 tier-1 supplier assessment showed 9 suppliers with issues such as failing to conduct regular inspections of safety protection measures, unclear announcements and labeling, or failing to follow up properly after employee health checks, all of which have been addressed with mitigation plans provided.

In order to effectively reduce ESG risks for the overall supply chain and increase suppliers’ attention to sustainability issues, PCSC has set a long-term goal of increasing the proportion of tier-1 suppliers with ESG risk assessment and the proportion of non-tier-1 suppliers in raising the awareness for sustainability. In terms of tier-1 suppliers, we interacted with significant tier-1 suppliers in 2022 to understand the feasibility of ESG risk assessment implementation, as well as further designing an ESG risk assessment mechanism to achieve the Company’s annual goal. For non-tier-1 suppliers, we collected promotional materials of ESG trends and importance to achieve the Company’s annual goal of completing 100% of the planning and sorting of sustainability promotional themes and materials.

PCSC 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.

New Supplier 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 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 before they are accepted as new suppliers. In 2022, a total of 10 new suppliers and manufacturers came on board. All of them passed this assessment.

The passing score for local suppliers of disposable food packaging materials in the stores went from 70 to 75 points ahead of schedule in August 2022. In order to ensure consumer rights and product safety, we expect to increase the passing score for new domestic and overseas suppliers of store food packaging supplies to 75 points by 2025 to fulfill the 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 ISO 22000 Management System Certification. The scope of inspection should include items they produce for PCSC. 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 ISO 9001.
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	The source of eggs at the egg washing and grading site should use eggs from CAS-certified farms and the washing and grading sites must further pass CAS assessment and be qualified (with product certification).
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.

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

	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

	ESG Assessment		
	Environment (E)	Social (S)	Governance (G)
Factory type			
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	●		
Trade type			
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			
Primary raw farm materials			
Raw materials control			●
Quality and supply capacity assessment			
Factory cleanliness and sanitation	●		●
Manufacturing process control			●



Suppliers of Egg Products

	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

	ESG Assessment		
	Environment (E)	Social (S)	Governance (G)
Management			●
Quality management			●
Environmental conditions	●		
Product development			●
Procurement and raw materials intake testing			●
Procurement and raw materials intake testing			●
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 or above (80 points or more)
Suppliers of disposable food packaging materials used in stores	C or above (75 points or more) <small>(Note)</small>
Non-food manufacturers	
Suppliers of raw materials through direct transactions	C or above (70 points or more)
Suppliers of egg products	
Suppliers of other store supplies	

(Note) The quality assurance management was in August 2022, increasing the passing score for Level-C to 75 points and above for local suppliers of disposable food packaging materials.

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

PCSC 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 2022.

Frequency of Assessment

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

1. Food Manufacturers

Contract manufacturers are divided into food product, non-food product, domestic and overseas categories with different assessment frequency. PCSC 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 2021 as reference for determining on-site assessment frequency in 2022.

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		
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 PCSC 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 PCSC 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 PCSC 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 2022, there were a total of 39 suppliers of private-label 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 3) of those suppliers were audited ^(Note 2). A total of 114 audits were performed on the 39 suppliers on P.73-75 with 114 passing, with the compliance rate of 100%.

(Note 1) Defined as

- (1) Suppliers that passed the assessment prior to 2022 and passed internal submission.
- (2) New factories which passed the assessment prior to 2022.
- (3) Those eligible to halt assessment in 2022 are also included.

(Note 2) Assessment items are those listed in the "Assessment Criteria."

(Note 3) One manufacturer and 3 suppliers of raw materials through direct transactions 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 2022 according to the corresponding rules.

In 2022, there were 13 suppliers of disposable products ^(Note 1), with 100% ^(Note 2) audited. Please refer to the table on P.73-75 for these 13 suppliers. A total of 16 audits on supplier assessment items were performed, resulting in 16 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) One suppliers have stopped transactions with PCSC 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 2022.

	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 PCSC had a cooperative relationship (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products)	39	100%	114	114	100%
Domestic suppliers of in-store disposable products	13	100%	16	16	100%

3.4 Sustainable Procurement

To stay updated with international trends and maximize PCSC'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.

Green Procurement and Sustainable Raw Materials

Green Procurement

PCSC actively manages equipment, consumables and building materials by promoting green procurement, purchasing equipment and consumables that have obtained energy labels, environmental labels or certifications, or have actual environmental protection benefits for use in stores. Green building materials are chosen for store renovation to maintain smooth operation and service quality while reducing the consumption of natural resources and negative impact on the environment.

The total amount for green procurement in 2022 reached NT\$1.19 billion, accounting for 9.43% of the total annual procurement amount of PCSC and reaching the 9% annual target. The target for 2025 has been set at 10%.

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 156,643
FSC certification	The manufacturing process of wood products is in compliance with FSC requirements	OURS publications, Stirrers, disposable chopsticks for boxed meals 50,857
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 440,208
Energy-saving Label	1. Air Conditioner Efficiency Label - Cooling Seasonal Performance Factor (CSPF) Level 1 2. Energy Label, Bureau of Energy, Ministry of Economic Affairs	Inverter air conditioners, circulation fans, LED lamps 318,340
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 92,135
Actual environmental protection benefits	Plastic replacement	Eco-friendly packaging materials used in stores: PLA coffee cups, ice cream/slushy cups, PLA/paper straws 41,666
	Customized equipment that has been tested by PCSC and proven to have energy-saving benefits	Energy-saving devices 90,406
Total amount of green procurement:		1,190,255

Sustainable Raw Materials

PCSC 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. In 2022, the procurement amount of joint-purchase raw materials for private-label products with sustainability certification reached NT\$2,385 million, reaching 14.12%, of which over 90% of the two categories of pork and beef raw materials have obtained sustainability certifications respectively. FSC certification has been 100% introduced to the iseLect refrigerated beverage packaging materials sold in 2022. In addition, stores sell coffee with rainforest certifications with the revenue of all certified products reaching NT\$320.36 million.

Category	Certification	Certification/Label
Soy	U.S. Soy Sustainability Assurance Protocol	
Vegetables Rice	TGAP	
Aquaculture	ASC (The Aquaculture Stewardship Council)	
Beef	AAWCS(The Australian Livestock Processing Industry Animal Welfare Certification System)	
Pork	Better Life Label、Certified Humane®、G.A.P Certification、WELFAIR™™、IAWS(Interporc Animal Welfare Spain)	
Poultry	Taiwan Animal Welfare System, PAACO (Professional Animal Auditor Certification Organization)	
Wild Fisheries	MSC (Marine Stewardship Council)	
Packaging	FSC、PEFC	

Local Procurement

PCSC 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 2022, over 60 products in our 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, PCSC 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. PCSC 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 shelf.

In 2022, PCSC procured and used a total of 63,000 tonnes of special agricultural products worth NT\$7.45 billion, including rice, chicken, pork, eggs, vegetables and fruits. The percentage of agricultural products procured by suppliers in Taiwan accounted for 76% of the total at NT\$4.76 billion, which was 64% 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)	48,717	76%	47.6	64%
Non-locally sourced agricultural products (foreign origin)	15,147	24%	26.9	36%
Total	63,864	100%	74.5	100%

04

Creating a Sustainable Planet

At present, various environmental issues such as climate change, plastic pollution, food waste and waste treatment are closely related to sustainable corporate operations. Effectively adopting green operations, optimizing resource efficiency and realizing environmental sustainability are important elements in PCSC'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, food waste and waste in our operations, as well as actively improving our ability to address climate change issues.



Corresponding Material Topic



Climate Change



Waste Management



Food Waste Management



Packaging Material Management

Management Policies

Policies and Commitments

- Environmental Policy
- Greenhouse Gas Policy
- Energy Policy

- Packaging Material Management
- Waste Management
- Food Waste Management

Management Actions

- Inventory and management of environmental information (greenhouse gas emissions, packaging material consumption, waste removal and food waste production in the stores)
- Energy-saving and carbon reduction actions and low-carbon transition plan for own operations and value chain
- Adaptation Strategies for climate-related physical and transition risks
- Actions towards plastic reduction (single-use plastic reduction, expansion of recycling mechanism, circular economy collaborations, designs with reduced plastic, procurement of packaging materials with sustainability certification)
- Food waste management (reducing the scrap rate of fresh food, improving the management mechanism of the manufacturers, improving the recovery rate of food waste, order-to-delivery system)
- Waste management (setting up a convenient eco-friendly recycling platform in stores, refurbishment and reuse of store equipment, waste reduction for all operating locations, managing waste flows with suppliers)

4.1 Environmental Management

Policies and Commitments

To realize the vision of green operations, PCSC has formulated “Environmental Policy”, “Energy Policy”, and “Greenhouse Gas Policy” 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 PCSC to expand the strategies of plastic reduction, carbon reduction, and food waste reduction to our operations and business model in order to realize sustainability, making green consumption a part of daily life. Moreover, PCSC 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.

Environmental Policy

PCSC 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 ESG 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.”
- Consider the environmental impact of our products and services in each phase of the life cycle, from R&D, design, manufacturing, packaging to delivery. 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.

Energy Policy

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.

- 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.

Greenhouse gas Policy

As a member of the global village, PCSC 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, with a view to reducing greenhouse gas emissions and doing our best for the environment.

Communications and Incentives

PCSC 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 2022, a total of 35,419 store employees completed the campaign and training course in environmental protection, including employees of directly operated stores and franchisees with a total of 6,450 hours.

Environmental Protection Campaigns or Training Courses in 2022

Topics	Targets	Man-Hours
Plastic Reduction Online Course	All employees/franchisees	1,159
Compliance campaign: eliminating plastic straws	All store employees	68
In-store recycling and coffee ground reuse	All store employees/franchisees	332
In-store energy-saving and carbon reduction measures	All store employees/franchisees	1,557
Coffee quality assurance and raw material management of regulations on the use of plastic straws, encourage the use of reusable cups	All store employees/franchisees	3,334

To encourage employees to actively manage energy use in stores, PCSC 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 2022, NT\$7,884 was given out as reward to those discovering abnormality in store electricity bills. As of 2022, the cumulative of NT\$17,729 was given out as reward money.

In addition to internal training for store employees, PCSC continues to launch various sustainable initiatives to integrate sustainable actions into consumer behavior. This includes not taking the initiative to offer 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 addition, we worked with the “Good Neighbors O2O Funfest” to educate children about the importance of recycling, in order to extend plastic reduction actions from 7-ELEVEN stores to home. To this end, numbers of online activities and social media campaigns have been organized, including the “Super Positive Quotes,” and “Raise Your Hand if You Love the Earth.” Hoping encouraging consumers of all ages to support eco-friendly actions through various channels such as stores, online and offline, making sustainability a 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 PCSC use tap water. Besides for the fresh-brewed beverages, the overall water consumption is the most for store cleaning. In the future, we plan to reuse RO (reverse osmosis) residual water in the stores. The residual water wasted in the RO filtration process will be taken out from the drainage pipeline and connected to the water tower, which can be used for the faucet, building cleaning and bathroom flushing.

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. PCSC 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 2022, the total water withdraw of PCSC was 3,020,304.2 cubic meters, and the total water consumption was 105,461.0 cubic meters. The scope covers stores, headquarters, shopping centers and regional offices. Moreover, the average water consumption per store in 2022 was 397 cubic meters, a decrease of 14.9% 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.

4.2 Packaging Material Management

Policies and Commitments

Plastic reduction is a hot topic in recent years. Although the global plastic reduction progress has been delayed due to the global pandemic, the stakeholders remain concerned with the plastic pollution. Since 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 inspected the use of plastics packaging at supermarkets, convenience stores and hypermarkets that are closely related to daily life. To consolidate sustainable operations,

we hope to achieve a balance between convenience and environmental impacts by committing to reducing plastic pollution in our own operations. In 2020, PCSC officially set up the Plastic Reduction Task Force, while formulating a series of management policies for the packaging materials of private-label products. This sets up a top-down plastic-reduction and environmental-friendly business model, starting from our private-label and combining various operational strategies for products, services, logistics and e-commerce, in order to achieve the vision of phasing out single-use plastic in operations by 2050. For detailed plastic reduction schedule and the progress in 2022, please refer to [1.4 Process Management of Sustainable Targets](#).

- The procurement of eco-friendly, certified packaging materials and lightweight packaging 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.
- To reduce the amount of single-use plastic, as well as encouraging the consumers to use reusable packaging materials (or containers), the stores do not take the initiative to provide customers with straws. A reward is also given for consumers who use their own reusable cups for fresh-brewed beverages. PCSC responded to the regulation in advance, bringing own reusable cup according to the regulations of the Environmental Protection Administration will entitle the customers to save 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.
- Introduced the “OPEN iECO Recycled Cups Renting Service” as part of the recycling mechanism.
- FSC-certified packaging materials were adopted by 100% of refrigerated beverages in 2022.
- FSC-certified paper sleeve packaging materials were tested in 2022. PCSC expects to introduce certified packages(paper cups and cup sleeves, etc.) to fresh-brewed beverages series in 2023.
- Packaging materials for cup sleeves and cup holders are made of recycled materials (65% for cup sleeves and 100% for cup holders).
- Ice makers were introduced to reduce the amount of plastic packaging used for ice cubes.
- PCSC 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, 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.
- PCSC worked with President Packaging Ind. Corp., an affiliated company, to establish and develop circular cup renting services to transit from manufacturing single-use containers to developing reusable containers. 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	Packaging reduction for fresh-brewed beverages, and introducing reward model for reusable cups
Fresh Food Division	Packaging weight reduction and increasing paper container usage proportion for fresh food.
Product Division	Introducing products with lightweight plastic containers.
Supply Chain Management 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.

Plastic Reduction Task Force	Missions
Procurement Division	Procurement of store supplies, weight reduction for cutlery, development and introduction of alternative materials
Public Affairs Division	Internal and external communications, Consumer awareness campaign
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 Materials

To enhance the efficiency of packaging material management, PCSC 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 target achievement are reviewed every quarter with corresponding plastic reduction actions formulated.

Use	Description
Usage	Reusable plastic Packaging that can be refilled or reused for the same purpose without ancillary products, and. They can circulate onin the market to make the packaging refillable.
	Single-use plastic Plastic packaging that is single-use or for short-term use, it cannot be reused.
Material	Recyclable plastic Recyclable plastics as defined by the EPA ^(Note 1) .
	Compostable/ decomposable plastic Compostable and technically recyclable plastic packaging has been developed.
	Plastic with recycled materials Plastic products containing recycled plastic.
	Other plastic Plastics that cannot be recycled, composted/decomposed or contained recycled material ^(Note 2) .

(Note 1) The EPA 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 EPA, or if it cannot be properly recycled in the current waste disposal system, it is not considered as recyclable.

(Note 2) Even if the garbage bags in the stores are made of recycled materials, they are still considered as single-use.

As the new version of plastic packaging classification was adopted, the statistics of plastic packaging materials were adjusted (please refer to the appendix for historical data). The previous “single-use plastic” is now redefined as “other plastic” that is for single-use according to the new classification, and to reduce the proportion to less than 20% in 2023, less than 10% by 2028, and phase out by 2050. In 2022, the total weight of plastic packaging materials consumed by PCSC was 10,168.40 tonnes, an increase of 0.7% compared to 2021. The weight of “recycled plastic” increased by 6.1% compared to 2021, mainly due to the increase in sales of coffee and fresh food. The use of “plastics with recycled materials” increased by 33.2% compared to 2021, mainly due to the increase in the plastic garbage bag used in the stores. For “compostable/decomposable plastic”, the weight decreased by 73.8% due to the complete elimination of PLA cup for cold drinks.

Changes in Packaging Material Consumption for PCSC’s private-label products from 2021 to 2022

Plastic Classification	Weight (Metric tonnes)		Differences between the Two Years	
	2021	2022		
Usage	Reusable plastic	481.30	420.03	-12.7%
	Single-use plastic	9,611.82	9,748.37	1.4%
Material	Recyclable plastic	6,633.98	7,040.76	6.1%
	Compostable/ decomposable plastic	737.27	193.53	-73.8%
	Plastic with recycled materials	294.47	392.33	33.2%
	Other plastic	2,427.39	2,541.77	4.7%

Non-plastic Packaging Materials

PCSC strives to reduce the consumption of packaging materials for private-label products and services. Not only do we reduce the consumption of plastic packaging materials, but we also work hard to reduce the consumption of non-plastic packaging materials and promote FSC certification packaging material. In line with PCSC’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. In 2022, the consumption of non-plastic packaging materials (including paper/wood, metal) increased by approximately 11.1% compared with 2021.

Statistics of Packaging Material Consumption in Each Life Cycle Stage for private-label products in 2022						
The Life Cycle Stage of private-label Products		Manufacturing and Production	Supplier/ Manufacturer	Logistics Delivery to Stores	Store Sales and Services	Total Weight (Tonnes)
Packaging item		Fresh food packaging, fresh-brewed beverages supplies, cutlery	Fresh food sealing film	Delivery cartons	Store supplies, such as shopping bags, cutlery, delivery packaging, store garbage bags, etc.	
		Outer packaging for coffee beans/tea	Outer packaging box, paper container for fresh food	Shipping film	Online shopping delivery boxes, fresh food cartons, paper bowls and store supplies	
Unit		Tonnes				
Use (Plastic)	Reusable plastic	-	-	-	420.03	10,168.40
	Single-use plastic	6,143.73	-	20.08	3,584.55	
Material (Plastic)	Recyclable plastic	5,361.25	-	-	1,679.52	10,168.40
	Compostable/ decomposable plastic	131.32	-	-	62.21	
	Plastic with recycled materials	-	-	-	392.33	
	Other plastic	651.16	-	20.08	1,870.52	
Material (Others)	Paper/wood	839.95	733.66	451.10	9,540.06	11,564.78
	Metal	235.42	-	-	-	235.42

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

(Note 1) The scope of statistics includes the packaging of private-label products of PCSC 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

PCSC engages in three aspects to reduce plastic, including “reduction at the source,” “innovative packaging” and “encouraging customers to bring their own containers.” We actively partner with suppliers to develop innovative packaging materials to reduce the consumption of single-use plastic from private-label products and services, as well as encouraging the reduction of disposable containers by providing with discounts. Moreover, companies in the Group worked together in 2022 to establish the “OPEN iECO Recycled Cups Renting Service” that has been introduced to 500 stores by 2022, hoping to create a win-win situation with providing convenient services and working towards environmental protection.

Single-use Plastic Reduction

Plastic Reduction for Product Packaging

We are committed to reducing the burden on the earth from product packaging. Since 2019, PCSC has been working on reducing the environmental impact by expanding the use of recycled plastics and continuous promotion of the “packaging weight reduction program.” In 2022, the plastic packaging material for our sandwiches was redesigned with a weight reduction of 12.5%, the bags used for the agricultural products were changed from PE to kraft paper, reducing approximately 0.96 tonnes of plastic consumption, and 55.3% less of plastic was consumed after paper packaging was adopted for light meals. Moreover, PCSC and Uni-President Enterprises Corporation worked together to launch the label-free bottled water, reducing plastic consumption by 0.38 tonnes each year. In 2022, roughly 502,000 reusable shopping bags were sold, estimated to reduce plastic shopping bag consumption by 46.5 tonnes. In the future, we will continue to promote reuse in the future to reduce the consumption of single-use plastic.



Plastic Reduction for Store Services



To reduce plastic consumption, the amount of plastic used in various packaging materials has been adjusted since 2019, for example, paper cups for fresh-brewed beverages sold in stores; from 2020, plastic straws are offered only upon request. In 2021, lightweight shopping bags and eco-friendly reusable shopping bags were launched. From May 2021, all garbage bags in the stores have been replaced with 100% recycled materials.

Packaging Recycling and Reduction for E-commerce Orders

In 2022, PCSC 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, which can reduce about 18.43 tonnes of single-use plastic consumption. In addition to reducing the weight of the delivery bags, PCSC also optimized the service process by incorporating the OPEN POINT 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 2022, the aforementioned innovations reduced the consumption of paper by 685,000 tonnes and single-use plastic by 18.06 tonnes in 2022.



PCSC continues to work with social enterprise PackAge+ to launch recyclable packaging for e-commerce orders, encouraging consumers to return recyclable packaging bags to 29 PCSC stores, reducing resource consumption through recycling.

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 started. Member states of the European Union have been obliged to pay a levy on plastics since 2022. Disposable plastic will eventually become 100% 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 all stores, as well as motivating people for recycling PET bottles by providing OPEN POINT points. As the pilot program had great results in 2020, the machines have been installed in more stores afterwards.

In 2022, PCSC further introduced the “Efficient Smart Recycling Machine” that can recycle PET bottles and batteries. For details, please refer to “Efficient Smart 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. PCSC 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. In 2020, PCSC started working with social enterprise “Good to Go” on the rental cup program. The program was first introduced to 9 stores in Taipei, Taoyuan and Tainan. Seeing that the awareness for plastic reduction and regulations both experienced great progress in 2022, PCSC integrated the resources of the Group to build the “OPEN iECO Circular Cup Rental System.” For details, please refer to “Circular Cup Life Circle Service” in the sustainability column.

Public Welfare Combined with Circular Economy for a Win-Win Situation

PCSC not only strives to reduce plastic on its own, but also aims for combining public welfare to expand its influence and drive circular economy. PCSC collaborated with non-profit organizations and social enterprises to launch the 100% recyclable denim beverage holder and messenger bag. In 2022, PCSC launched two sustainable products, namely "Hugging Hedgehog Bag" and "Small Star and Moon Bag on Strap." Over the past couple of years, this initiative has recycled 3,527 kilograms of PET bottles and 3,064 kilograms of fresh milk PE bottles, while providing employment opportunities for nearly a hundred families belonging to non-profit organizations, creating a win-win situation for public welfare groups, social enterprises and PCSC.



4.3 Climate Change Mitigation and Adaptation

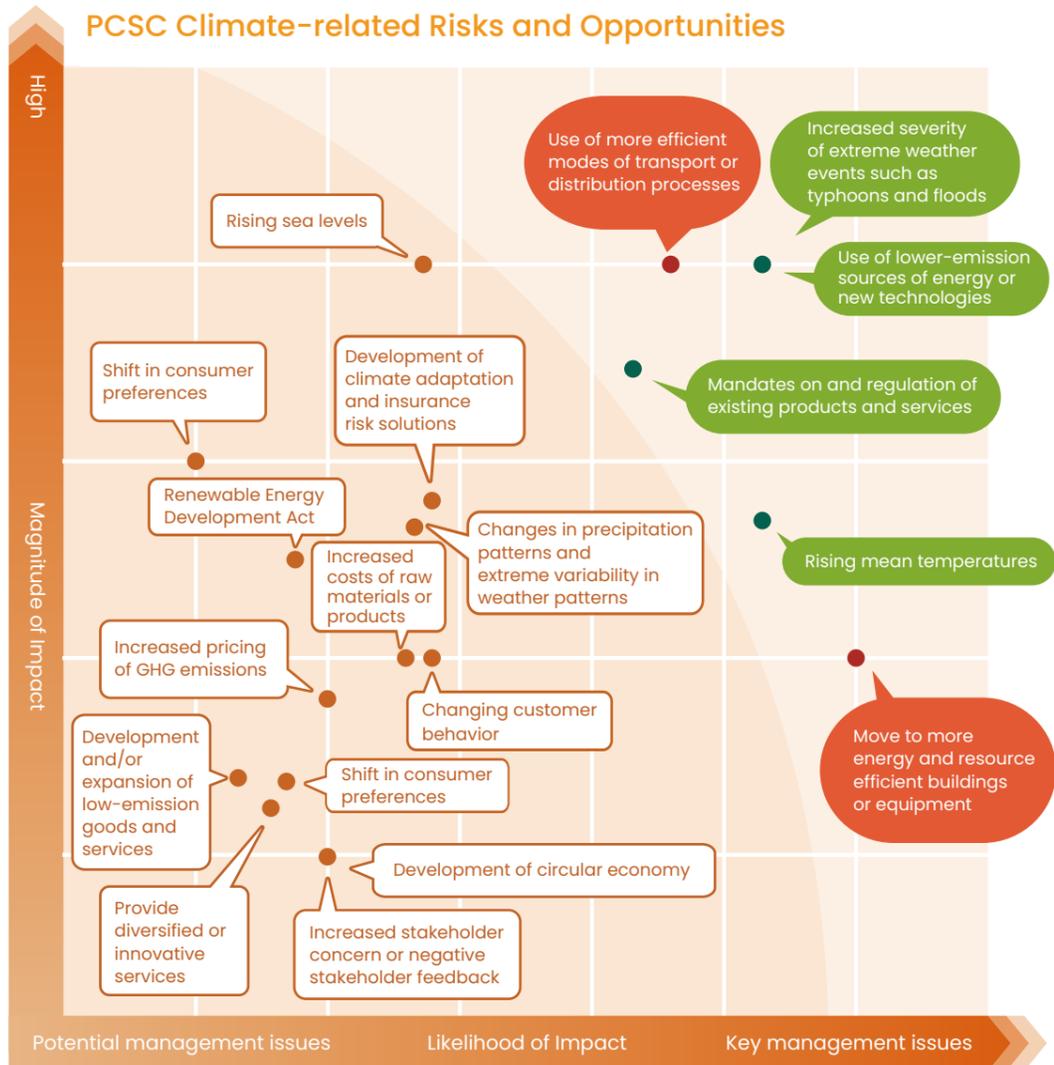
Climate Governance

PCSC's governance structure of climate change issues has the Board of Directors as the highest governing body. The management and control mechanism of relevant issues is built under the Sustainable Development Committee, with the working group in charge of issue management and risk assessment, and the Committee reporting the management and implementation of the issues to the Board of Directors on a regular basis. PCSC set up the Carbon Reduction Task Force in 2021 as the executive committee dedicated to assessing and managing climate change risks and issues. Climate issues are then reported to the Board of Directors by the Sustainable Development Committee. This group is convened by the Deputy Chairman of the Sustainable Development Committee, and function-specific tasks are assigned to each department's functions. Please refer to the "1.2 Sustainable Development Committee" for more details.

Assessment for Climate Risks and Opportunities

To understand the impact of climate change on the operations of PCSC, we have sorted out and assessed 6 major climate risks and opportunities topics according to the following procedures in 2020. In 2021, we further conducted scenario analysis and the financial impact quantification on three key climate risk and opportunity topics. Since there has been no major change in the industry structure and operational strategy for PCSC in recent years, the assessment of key climate risks and opportunities in 2022 expanded the scope for all operating locations with a main focus on the latest climate scenario information updates to stay tuned with the impact of physical and transitional risks on PCSC's finances.





(For a detailed description of the assessment of the 6 key climate-related risks and opportunities, please refer to PCSC's 2020 CSR Report – Response and Management of Key Climate-related Risks and Opportunities)

Key Topic I: Physical Risks

In view of the physical risks of “increased severity of extreme weather events such as typhoons, floods and snowfall,” the probability of flooding, equipment damage, power and water outages may increase with an impact on store operations. Besides store operations, these events might also cause physical risks to upstream logistics and downstream customers, like delivery, customer inconvenience and product unavailability. We evaluate the risk of flooding in the middle of this century (2050) for all stores in Taiwan under different climate scenarios.

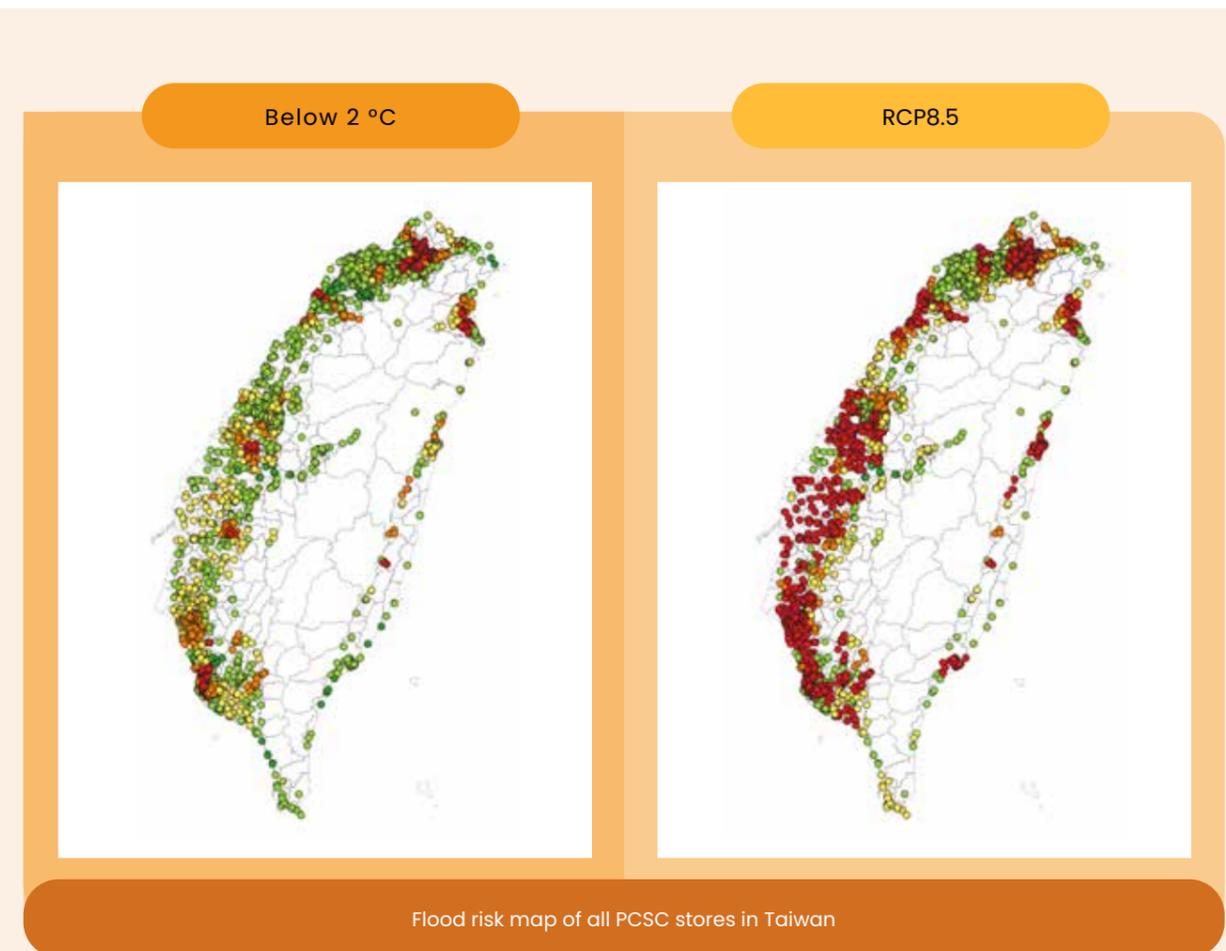
Selected Scenarios, Parameters and Assumptions

- 1 Below 2°C scenario: According to the level of flood risks of the National Science and Technology Center for Disaster Reduction (NCDR) during the base period (1976–2005), we assume that the temperature increase does not exceed 2°C by the end of this century, and the climate and environment will remain the same as the current situation to assess the risk level of flooding in stores in the middle of the century, and evaluate the financial impact of flooding of impacted stores.

- 2 RCP 8.5 Scenario: According to NCDR's future projection of the level of flood risks (2036–2065) in the RCP 8.5 scenario, the level of flood risks and the financial impact of flooding in impacted stores are evaluated in the middle of the century (2050) under the high warming trend.

Methods and Results

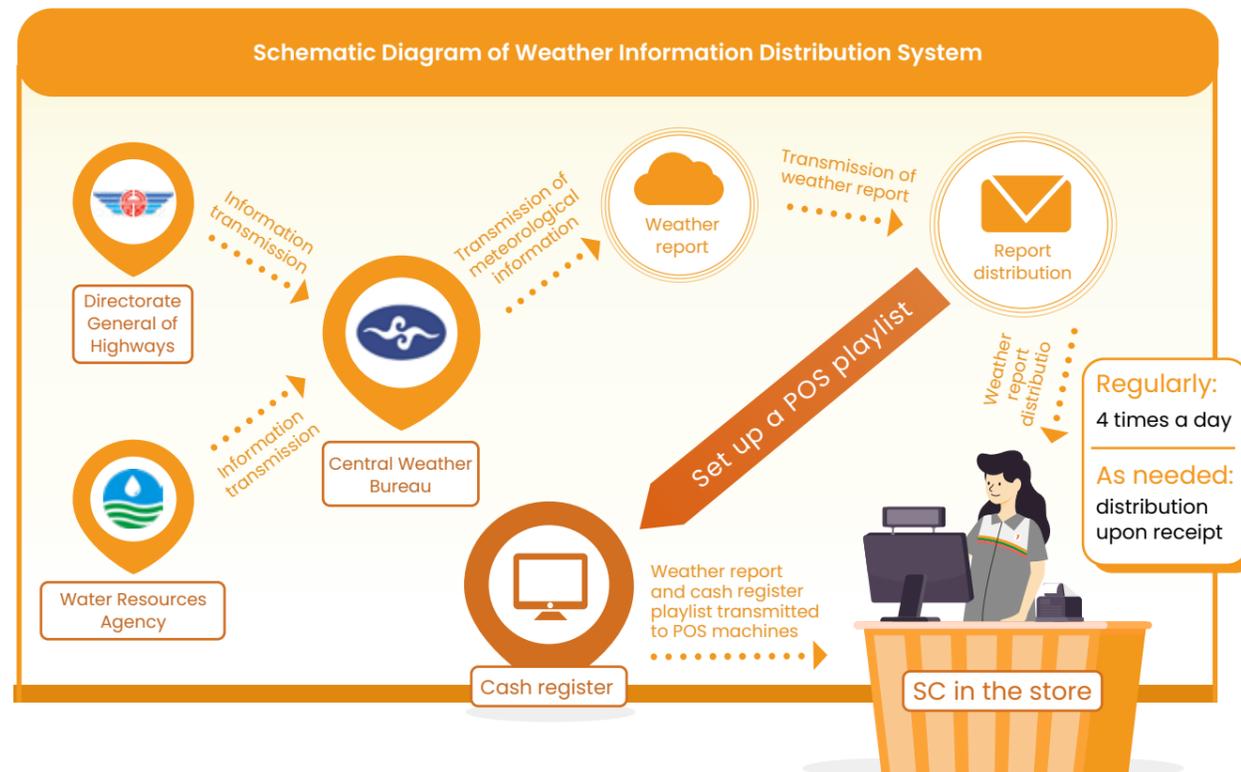
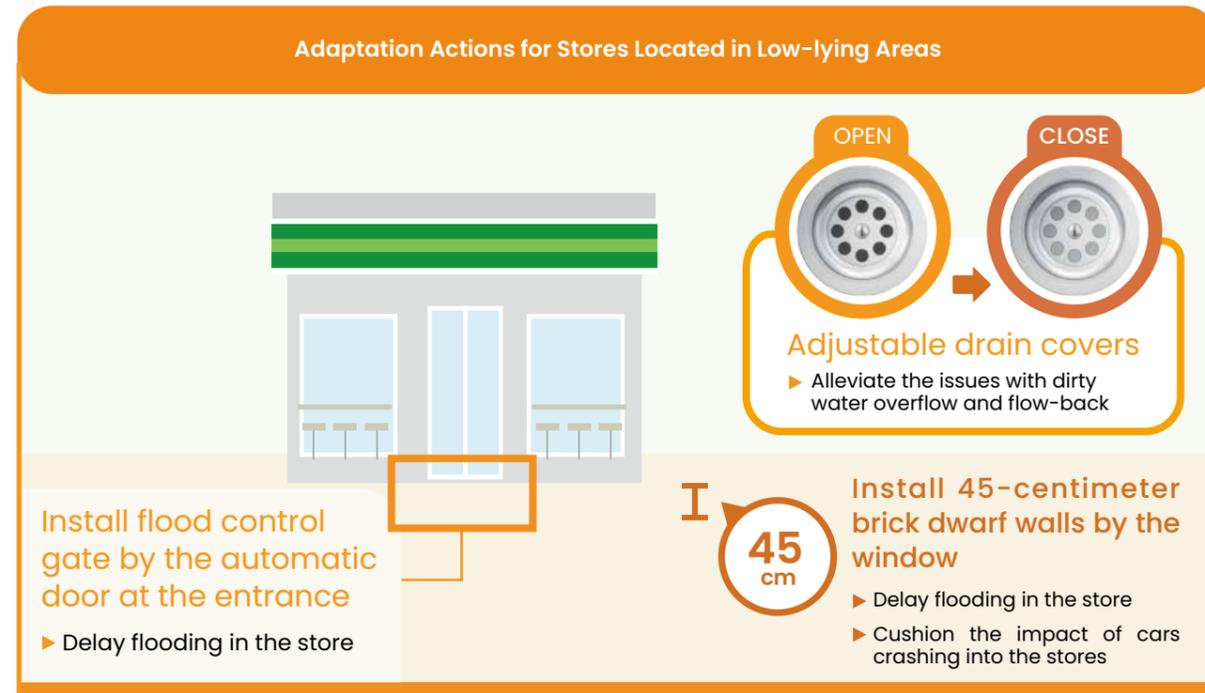
- 1 Comparing the locations of all stores in Taiwan in 2022 with the NCDR risk classification, the number of stores with high flood risks (level 5):
 - Below 2° C: 26.77% of total stores in 2022
 - RCP 8.5: 64.36% of total stores in 2022
- 2 Based on historical experiences and assuming that when a store in a high-risk area encounters flooding, the store will not be able to operate and with damage to store equipment, the estimated cost from a drop in revenue and increase in equipment repair costs in the middle of the century is approximately:
 - Below 2°C: The financial impact of potential flooding in the middle of the century will affect the revenue by about 0.05%
 - RCP 8.5: The financial impact of potential flooding in the middle of the century will affect the revenue by about 0.11%



Legend: Levels of Risk ● Level 1 ● Level 2 ● Level 3 ● Level 4 ● Level 5

Adaptation/Management Strategies:

To reduce the impact of flood risks on stores, PCSC has formulated the “Construction Specifications for Flood Control Gates and Dwarf Walls in the Stores Located in Low-lying Areas” and 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. In addition, to reduce the losses caused by flooding in the stores, PCSC has formulated emergency response procedures for risks, standardized the logistics and distribution contingency mechanism, and purchased property insurance against natural disasters for the stores to reduce the financial impact of losses.



Key Topic II: Transitional Risk

Considering that the Environmental Protection Administration amended the Climate Change Response Act, it is expected that carbon fees will be charged for large carbon emitters in 2024. Although the act has not been extended to the residential and commercial sectors at this stage, with the government’s net zero emission policy, PCSC has a high probability of being included in the carbon fee regulations in the future. To understand the potential impact in advance, PCSC assesses the potential financial impact under different scenarios in 2025 if PCSC is charged the carbon fee in the future.

Selected Scenarios, Parameters and Assumptions

- 1** Net-Zero scenario: According to Carbon Pricing Options for Taiwan (2020), an outsourced research report by Taiwan’s Environmental Protection Administration, it is recommended that the carbon fee of US\$52 is charged per tonne of CO₂e in 2025 to achieve net zero emissions in 2050.
- 2** Stated Policies Scenario (STEP): According to Carbon Pricing Options for Taiwan (2020), it is recommended that the carbon fee of US\$10 is charged per tonne of CO₂e starting in 2024 with a 10% increase each year. By 2025, the carbon fee will reach US\$11 per tonne of CO₂e in 2025.

Methods and Results

- 1** Based on the greenhouse gas emissions of PCSC in 2022 and potential future growth, the emissions in 2025 is estimated without imposing control measures in the business as usual(BAU) scenario.
- 2** The greenhouse gas emissions in 2025 is estimated in the BAU scenario with the carbon fees under different climate scenarios applied. The additional costs that may be charged are approximately as follows:
 - Net-Zero scenario: the increased costs in 2025 will account for about 0.43% of the annual revenue
 - STEP scenario: the increased costs in 2025 will account for about 0.09% of the annual revenue

Adaptation/Management Strategies:

Although the carbon fee has not been applied to PCSC, PCSC will continue to adopt a variety of energy-saving and carbon-reduction measures by gradually improving energy efficiency and reducing greenhouse gas emissions in the stores all over Taiwan to reduce the potential financial impact in the future.

- 1** **Introduction of renewable energy:**
In response to international carbon reduction requirements and to reduce the dependence on traditional electricity, PCSC introduced a photovoltaic system in Yawan store in 2022. As renewable energy certificate applications are still in process, the actual generation capacity cannot be presented.
- 2** **Introduction of energy management system:**
To promote energy conservation and energy efficiency improvement in the headquarters and stores, the headquarters building, and two stores maintained the ISO 50001 energy management system certification in 2022. Other bases also engage in energy management in the spirit and structure of the energy management system to continuously improve energy use.

3

Store energy conservation measures and achievements:

In order to effectively improve the energy efficiency of stores, PCSC has formulated basic requirements for equipment and store environment management for new stores, including heat insulation, energy-saving signboards, lamp reduction, reduction of window area, frequency conversion system and LED lamps, and indoor lighting management, 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 2022, PCSC stores successfully saved 116,943,313 kWh of electricity and NT\$273,647,353 in electricity bills through five projects (as below), as well as reducing indirect emissions of 59,524 tonnes of CO₂e compared to 2021. 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 the efficiency. We also cooperate with the government and relevant academic institutions to improve the energy efficiency of our stores.

Store Energy-saving Actions		Quantity in 2022	Energy Saved		Greenhouse gas Emission Reduction (Metric tonnes of CO ₂ e)	Contribution to Energy-Saving Project Results
			kWh	GJ		
Inverter system	Inverter air-conditioning	3,270	53,284,171	191,823	27,122	46%
	Third-generation combination refrigerator	414	10,168,626	36,607	5,176	9%
	New energy-saving freezer	724	2,922,684	10,522	1,488	2%
Lamp number reduction, LED lamps and indoor lighting management	Arcade lighting energy-saving upgrade	9,195	2,779,092	10,005	1,415	2%
	Lighting upgrade in store	78,128	41,108,007	147,989	20,924	35%
Energy saving for signboards	Energy-saving improvement of horizontal signboard	20,138	5,791,873	20,851	2,948	5%
Improve heat exchange environment	Energy-saving windbreak room	134	888,862	3,200	452	1%
Total		112,003	116,943,313	420,996	59,524	100%

(Note 1) As the grid emission coefficient for 2022 has not yet been announced, a coefficient of 0.509 kg CO₂e/kWh in 2021 was adopted as the greenhouse gas emission parameter to calculate the greenhouse gas emission reduction.

(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.

PCSC Store Energy-Saving Design

Capacitive auto controller

Concrete Measures

Automatically control the input and cut-out of capacitors according to the actual needs of various equipment in the store to reduce the abnormal failure of system power supply and store equipment, as well as reducing the failure rate of capacitors

Arcade Lighting energy-saving upgrade

Concrete Measures

Lamps are changed from the original adjacent layout to a spaced one to reduce the total number of lamps, as well as choosing LED lamps that saves 1/3 of the energy compared to T5 ones



Store lamp configuration

Concrete Measures

- Change the lamp configuration to reduce the total number of lamps needed
- Introduce LED lamps which save 43% of energy compared to T5 ones

Third-generation combination refrigerator

Concrete Measures

- DC exhaust fans, LED lighting and smart refrigerators are used for defrosting to improve the refrigerator's 24-hour energy consumption performance
- Install sensor glass doors to reduce air-conditioning leakage. In 2021, electric heater saver and non-electric freezer glass were added, as well as optimizing the combination of refrigerator door frames to achieve further energy-saving benefits



Energy-saving windbreak room

Concrete Measures

Considering space and legal feasibility, a buffer space is installed outside the automatic door to prevent the indoor air-conditioning from leaking and the mosquitoes and flies getting in

Optimizing the store's architectural design and reducing the window opening area

Concrete Measures

- Reduce sun exposure and open window area based on the store's geographical environment and architectural design to maintain the efficiency of the store's cold storage
- Taking the Hsinchu Tang store for example, the electricity bill before and after the energy-saving renovation saved NT\$6,209 on average compared with the same period of the previous year, with the daily consumption reduced by 125 kWh



4 Counselling for stores with high electricity bills

We continue to provide energy-saving counselling to stores with high electricity costs (Note 1). This year, we have sent staff from the headquarters to visit 492 stores with high electricity bills to discuss energy-saving measures. Compared to 2021, we saved a total of 1,380,188 kWh of electricity in 2022. Among the stores with high electricity bills, 60 are older ones. Comprehensive energy-saving renovations have been carried out in order to improve the energy efficiency of store operations. The overall electricity consumption has decreased by 929,521 kWh compared with 2021. Chuan Hsing store, located in Xindian, came out with the best result with a total electricity saving of 54,720 kWh, namely 28.1% compared to that of 2021, by replacing acrylic signboards, changing indoor lighting to LED lamps, and updating the store's machines outdoor to increase efficiency.

Energy-saving measure	Before the Energy-saving Renovation	After the Energy-saving Renovation
Replacing acrylic signboards		
Changing the island refrigerator to an open display cabinet		

(Note 1) Stores with high electricity bills are selected for those ones whose kWh of electricity consumption in the same period in 2022 exceeded the average of stores with the same floor area, and the kWh of electricity consumption increased compared with the same period in 2021 with a decline in operational performance.

5 Office Energy-saving Measures and Results:

The office energy consumption pattern of the headquarters building is different from retail stores. In addition to continuously updating energy-saving targets and metrics of the headquarters building, we continued to adopt the ESCO (Energy Service Company) energy-saving service system as a concrete measure to track electricity consumption and identify and reduce abnormal electricity consumption. By adopting strategies such as system efficiency improvement, equipment use timing improvement, employee energy conservation awareness and energy use monitoring, we aim to improve the energy efficiency of the headquarters building. In 2022, the electricity consumption of the headquarters building dropped by 110,645 kWh compared with 2021, showing a significant decrease. The reasons mainly include the adjustment of the temperature of the water chiller, air-conditioning indoor air blower timer setting, replacement of office lighting with LED lamps and turning off lights during lunch breaks and so on.

Improvement Measure	Air-conditioning System	Lighting System	Use of Electronic Appliances
System power improvement	<ul style="list-style-type: none"> • Adjust air-conditioning system parameters • Update energy-saving inverter independent air conditioners 	<ul style="list-style-type: none"> • Gradual replacement with LED lamps 	—
Timing improvement	<ul style="list-style-type: none"> • Use full heat exchanger to bring in fresh cool air in winter • The indoor air conditioner is equipped with timer settings. 	<ul style="list-style-type: none"> • Automatic lighting switch sensor • Reduce indirect lighting in the hallway • Reduce lighting during lunch breaks 	<ul style="list-style-type: none"> • Elevators, photocopiers, food heaters, water dispensers, refrigerators, etc. are turned off outside of office hours
Employee awareness raising	<ul style="list-style-type: none"> • Awareness-raising for energy-saving 		
Energy use monitoring	<ul style="list-style-type: none"> • Security inspection 		

Key Issue III: Opportunities

In response to the increasing severity of climate change, the world is turning its attention to carbon reduction and low-carbon transition. Taiwan's relevant regulations and policies are also developing net-zero emission pathways. With PCSC having many stores all over Taiwan, logistics is an important element in PCSC's operations. If we can transition towards low-carbon transportation in advance, it will contribute to the development of the national net-zero policy.

Scenario for Analysis

Under the development of national net-zero policies such as the first phase of the Greenhouse Gas Reduction and Management Act and the Climate Change Adaptation Act, PCSC assessed the strategic impact in 2026 based on the low-carbon transportation transition plan and the PCSC energy efficiency in the transportation system and transportation vehicles under relevant planning.

Transition Plan and Potential Opportunities and Benefits

PCSC's commitment to energy conservation and carbon reduction not only focuses on the stores and office areas. In order to take advantage of opportunities brought by the climate and low carbon, we also actively influence long-term logistics partners to gradually invest in corresponding management plans or actions. Various energy-saving and carbon-reduction methods can improve energy efficiency and reduce environmental impact, so as to increase the positive benefits brought about by addressing climate change issues through continuously adapting our operational strategies and responding to low-carbon operational needs in a timely manner.

Introduction of logistics vehicles with the latest environmentally-friendly standards

1

We are currently working on two aspects of our low-carbon transition plan:

To reduce the carbon emissions caused by logistics, PCSC replaced 62 older vehicles in 2022, purchased 4 phase V vehicles and 98 phase VI vehicles. PCSC expects to replace 267 phase III and phase IV environmentally-friendly vehicles by 2026, as well as purchasing a total of 267 phase V ones. Please refer to the sustainability column for further details.

Distribution automation, energy saving and carbon reduction measures

Average annual savings:

NT\$ **83.19** million in labor costs

102,441 kWh of electricity

82,773 liters of diesel

267.1 Metric tonnes of CO₂e reduction

664.7 Metric tonnes of carbon emissions

Optimizing the internal operation procedure and equipment

We plan to introduce distribution automation to the internal operational environment and equipment in the logistics centers to reduce the picking load of personnel, walking distance, etc., saving the operating time of human distribution. In the meantime, lighting and air-conditioning in the logistics centers have been upgraded with traditional industrial fans replaced by large MagLev ones to improve the energy-saving benefits of the overall internal operations.

2

Logistics Company	Energy-saving Action	Amount of Energy/ Resource Saved	Amount of Energy Saved (GJ)	Greenhouse gas Emission Reduction (Metric tonnes of CO ₂ e) ^(note2)
Uni-President Cold-Chain Corp(UPCC)	<ul style="list-style-type: none"> Replacement of 318 LED lamps Replacement of 26 Inverter air conditioners 	199,237 kWh of electricity saved each year ^(note1)	717.3	104.41
Wisdom Distribution Service Corp.	Installed 52 large MagLev fans to replace traditional industrial ones.	1,480,535 kWh of electricity saved each year ^(note2)	5,329.9	754.59

(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) Wisdom Distribution Service Corp. replaced 52 traditional industrial fans with large MagLev fans in distribution centers located in Shulin, Sanxia, Luzhu, Daxi, Xioushui, Yongkang and Benjhou. The statistics is calculated based on the daily time of use at the locations 365 days a year.

(Note 3) As the grid emission coefficient for 2022 has not yet been announced, a coefficient of 0.509 kg CO₂e/kWh in 2021 was adopted as the greenhouse gas emission parameter to calculate the greenhouse gas emission reduction.

(Note 4) Aforementioned resource and savings as well as reduction in greenhouse gas emissions are all calculated with 2021 as the base year.

Key Performance Metrics and Targets

Greenhouse gas Emissions

PCSC'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 2022 covered 6,791 bases, with the coverage rate of 99.55% for the greenhouse gas inspection boundary.

Operating Locations with ISO 14064-1:2018 Certification in 2022

Stores (Retail stores and shopping centers)	Offices and training center
6,782	9
A total of 6,791 locations	

(Note) The 6,754 stores inventoried in 2022 include the 122 stores that have moved or closed in 2022

Type of Emissions	Description	Volume(Metric tonnes of CO ₂ e)
Direct Emissions (Scope 1)	Refrigerant, marsh gas, company vehicles, CO ₂ for beer on tap	29,940.01
Indirect Emissions (Scope 2)	Electricity consumed from stores, headquarters, shopping centers, regional offices and training center	504,544.40
Indirect Emissions (Scope 3)	Procurement of upstream products, gas used for deliveries by the logistics center, waste disposal in stores and headquarters, power loss during power distribution and disposal of product packaging materials	2,393,290.28
Total greenhouse gas emissions		2,927,774.68

(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 the Electricity Emission Coefficient set by the Bureau of Energy, Ministry of Economic Affairs, the Environmental Protection Administration's Emission Coefficient Management Table 6.0.4 and the Environmental Protection Administration's Product Carbon Footprint Information Network. GWP adopted the values of the fourth assessment report of the IPCC in 2007. If there is no reference value in the IPCC 2007 Fourth Assessment Report, the IPCC 2013 warming potential value is quoted.

(Note 2) The calculation for indirect emissions from purchased electricity is based on location. Since the grid emission coefficient for 2022 has not been announced, the coefficient of 0.509 kg CO₂e/kWh in 2021 is adopted as the calculation parameter.

(Note 3) The types of greenhouse gas covered by the inventory include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

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

Direct Emissions

The main source of direct emissions from PCSC is the refrigerant leaked from store freezing, refrigeration and air-conditioning equipment. The emissions in 2021 are calculated based on the refrigerant refill of the equipment warranty system for the refrigerant equipment failure maintenance. The result accounted for 92.62% of the direct emissions, with the proportion of refrigerant not containing ozone-depleting refrigerant as 100%.

Emission Equipment	Emission Source	Direct Emissions (Metric tonnes of CO ₂ e)	Percentage of Direct Emissions (%)
Refrigerators and air conditioners	R404, 410, 134	27,729.46	92.62%
Gas for company cars	Gas	193.61	0.65%
Marsh gas from septic tank	Night soil (ammonia)	2,013.38	6.72%
Beer machine	CO ₂	3.55	0.01%

Indirect Emissions

The 2022 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 2022 was 99,125 kWh, resulting in indirect greenhouse gas emissions of 504,544.40 tonnes of CO₂e, an increase of 8.5% compared to 2021 emissions. The amount of purchased electricity increased by 65.08 million kWh in 2021, mainly due to 412 new stores and additional freezers, electronic displays, and ice makers in response to changes in the customers' shopping habits during COVID-19 pandemic. PCSC 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 tonnes of CO ₂ e)	Percentage of Indirect Emissions (%)
Electricity	Emissions from purchased electricity ^(Note)	504,544.40	17.41%
	Upstream emissions from purchased electricity	87,427.93	3.02%
Purchased products	Emissions from purchased products	2,228,830.56	76.76%
Emissions from upstream transportation and cargo distribution	Diesel fuel from distribution and transportation from logistics centers to stores	60,514.67	2.09%
Discharges from solid and liquid waste treatment	Store waste disposal	15,505.16	0.54%
Emissions from end-of-life stage of products	Packaging materials Disposal	1,011.96	0.03%

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

Energy Use

The PCSC Yawan store opened in 2022, with renewable energy integrated into the store design. The photovoltaic system was incorporated to increase the use of renewable energy in the future. Please refer to the Sustainability Column – "Energy Transition" for details. As renewable energy certificate applications are still in process, the actual generation capacity cannot be presented.

In 2022, the total electricity consumption of all the inspected locations reached 991,246,355.69 kWh, with the 3,571,172.07 GJ energy consumption. The utilization rate of renewable energy was 0%, and the percentage of purchased electricity was 99.92%, respectively. As for the upstream transportation, energy consumed for diesel used for distribution and transportation from logistics center to the stores was 629,689.17 GJ.

Energy-consuming Equipment	Source of Energy	Consumption	Energy Consumption (GJ)	Percentage of Energy Use
Gas used for company cars	Gas	82,136.35 Liters	2,682.46	0.08%
Electricity use from store operations	Purchased electricity	991,246,355.69 kWh	3,568,486.88	99.92%
Total Energy Consumption			3,571,169.34	100.00%

Energy Efficiency Metrics 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 2022 was 886.5 kWh/m², a decrease of 0.5% compared to 2021. The actual energy intensity of our stores was 833.2 kWh/m² in 2022, showing a 3% decrease from 2020. We have reached our energy intensity reduction target this year.

EUI ^(Note)								
Year	2015	2016	2017	2018	2019	2020	2021	2022
EUI	1,046	1,011	1,008	962	947	919	891	833
Percentage of Decrease	-4.39%	-3.35%	-0.30%	-4.56%	-1.56%	-2.96%	-3.05%	-6.46%

(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.

Greenhouse Gas Emission Intensity Metrics and Targets

Considering that the largest greenhouse gas emission source of PCSC 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 PCSC's own operations and its value chain, we re-examined the goal setting method in 2021 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, 2.99 tonnes CO₂e/NT\$ million turnovers, as the benchmark to set the greenhouse gas emission intensity target. In 2022, the COVID-19 pandemic indirectly affected the electricity consumption in the stores. The greenhouse gas emission intensity was 2.92 tonnes CO₂e/NT\$ million turnovers, a decrease of 2.35% 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 PCSC 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

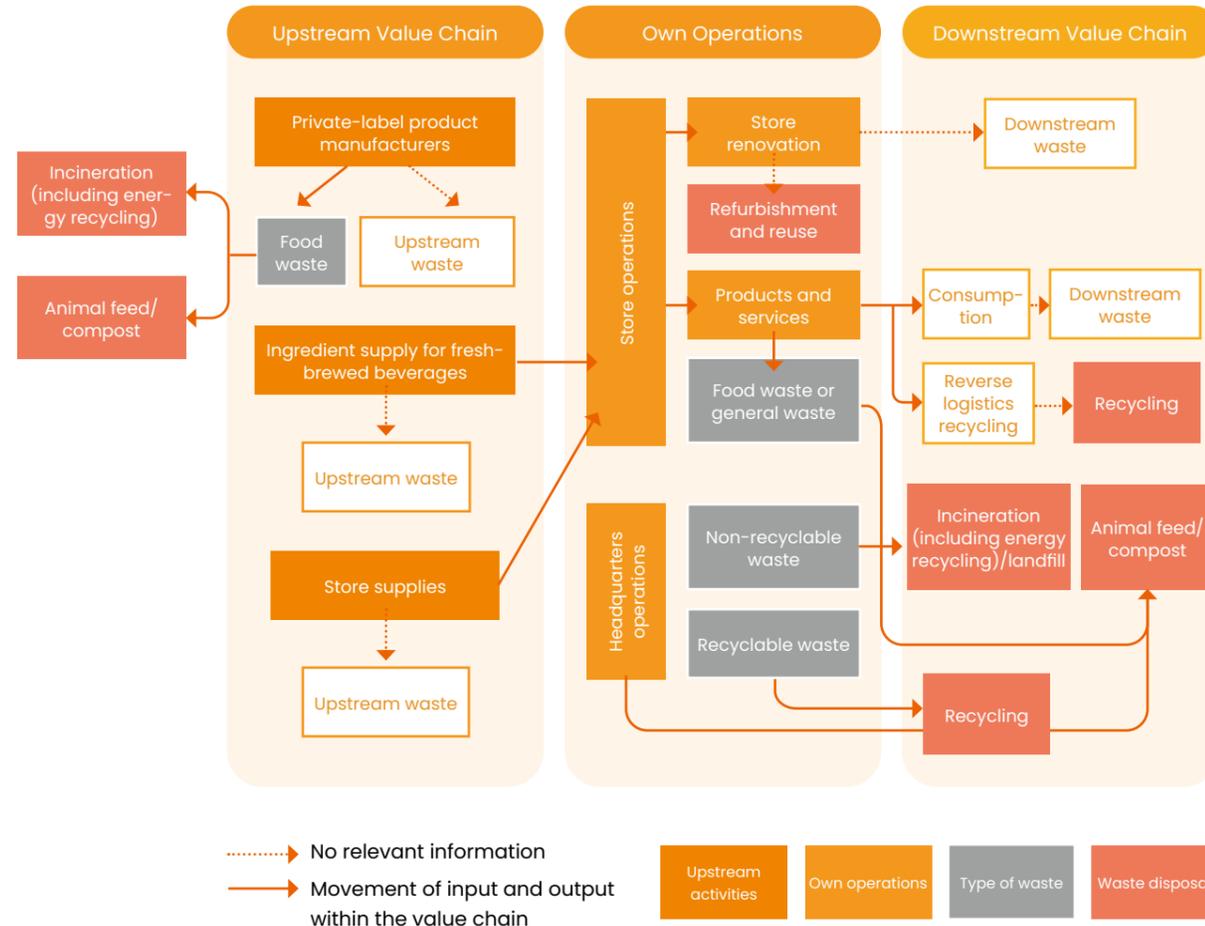
The busy pace of modern life gave rise to the services of compound retail stores such as convenience stores. The introduction of new products and services has made convenience stores an indispensable part of a convenient modern life. However, convenience also gives rise to the use of more disposable commodities and packaging consumables. As the leader with the largest number of stores and the most widely distributed stores, PCSC cannot shy away from the responsibilities regarding food waste and waste.

The waste produced by PCSC is mainly domestic waste, which belongs to the general waste and general industrial waste as categorized by the Environmental Protection Administration 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. In 2022, the non-recyclable waste generated by the stores and headquarters activities reached 42,992.12 tonnes, accounting for 1.0% of the national waste for incineration. If PCSC 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. PCSC follows the 3R principles in the overall waste management strategy to reduce, recycle, reuse, as well as minimizing non-recyclable waste. In addition to controlling the amount of waste generated and ensuring proper disposal, PCSC effectively combines "convenience" and "recycling" through its many bases to help people recycle electronic waste. Although the packaging waste generated by products and services is not included in the scope of our own operations and belongs to the downstream waste of the value chain, we are still concerned with the environmental impact of plastics. To this end, we work on the three aspects of "reduction at the source," "innovative packaging" and "encouraging people to bring their own containers" to fulfill our social responsibility, as well as further promoting the recycling mechanism in stores to gradually reduce the society's dependence on single-use plastics (for detailed packaging material management measures, please refer to [4.2 Packaging Material Management](#)).

The food waste generated by convenience stores is another important issue that PCSC cannot shy away from. The lifecycle of food waste generated by PCSC operations can be divided into four phases according to the supply chain process, including food waste produced by upstream manufacturers, losses in logistics and transportation operations, scrapped fresh food, and food waste from store operations. Food waste that cannot be properly disposed of is not only a waste in food ingredients but will also a food security problem. 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 (with 2019 as the base year), PCSC took a detailed inventory to find out where food waste went and started implementing four policies 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. PCSC regularly tracks performance through these four metrics and continues to reduce food waste and loss to ultimately reduce food waste at the source (please refer to the [Sustainability Column – Food Waste Management](#) for further details).

Waste Generation and Process Flow Management

PCSC's Waste Generation Process



To understand the amount and process flow of waste, PCSC 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, New Taipei City and Taoyuan 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, PCSC 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, PCSC also attaches great importance to the waste management of fresh food manufacturers in the upstream value chain. We regularly calculate the amount of food waste generated by the manufacturers and track the food waste disposal methods 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 2022, a total of 1,110 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 Environmental Protection Administration for the current year.

In 2022, the total amount of non-recyclable waste from store operations and headquarters activities was 43,922.12 tonnes. To effectively manage non-recyclable waste (excluding food waste) in stores, PCSC takes 2019 as the base year and sets the average waste generated by a single store as the target to reduce 13% in 2022 compared with the base year. A 40% reduction from the base year is targeted for 2025. In 2022, the amount of waste generated by a single store is 5.80 tonnes, a decrease of 31.24% compared with the base year. The result is closely linked to multiple waste reduction measures actively introduced by PCSC, causing the 21.72% decrease of average disposal weight from a single store compared to the previous year. 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.

PCSC Waste Generation and Disposal in 2022

Waste Disposal ^(Note 1)	Waste Composition	Location of Waste Generation ^(Note 2)		
		Upstream (Metric tonnes)	Own Operations (Metric tonnes)	
Off-site	Animal feed/compost	Food waste	2,515.14	3,294.16 ^(Note 3)
Off-site	Incineration (including energy recovery)	Food waste	380.14	5,449.14
Off-site	Landfill	Food waste	-	376.79
Off-site	Recycling	Recycled plastics	-	681.99
Off-site	Recycling	Paper	-	8,954.29
Off-site	Recycling	Metal	-	24.68
Off-site	Recycling	Batteries	-	365.68
Off-site	Recycling	Optical discs	-	76.72
Off-site	Recycling	Electronic appliances	-	78.31
Off-site	Landfill	General household waste	-	2,451.89
Off-site	Incineration (including energy recovery)	General household waste	-	36,091.08

(Note 1) Waste disposal data at the headquarters building and the stores that outsource waste management was collected from the outsourced cleaning companies. The proportion of waste incineration and landfill at other stores and operating bases was considered as 93.53% based on 2022's national general waste disposal published by the Environmental Protection Administration.

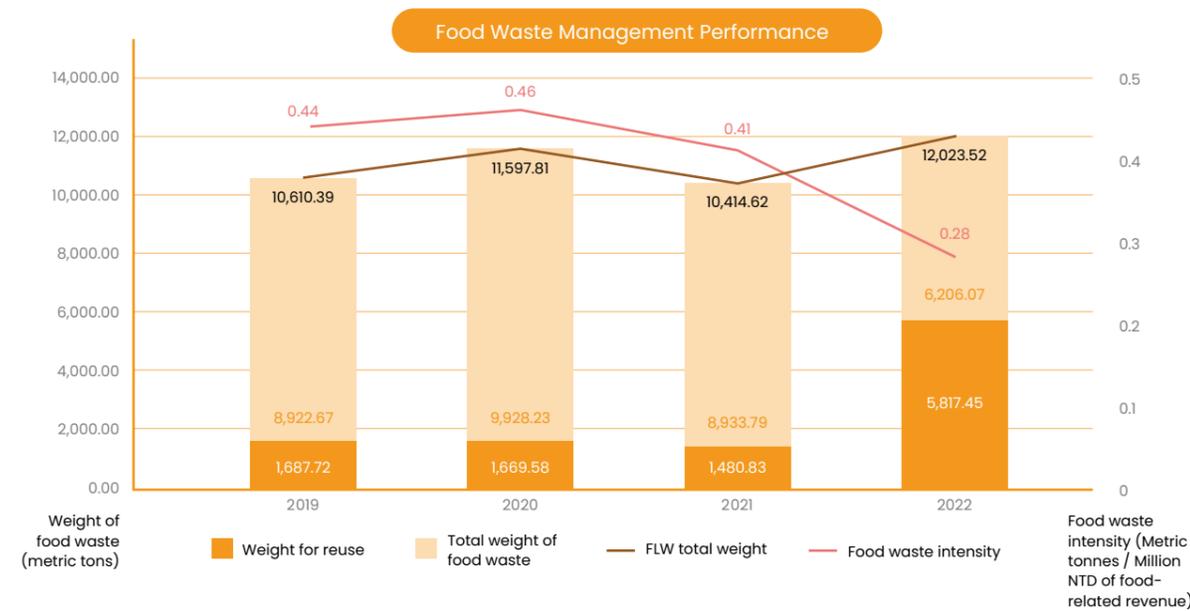
(Note 2) The scope of data for our own operations includes the headquarters, regional offices and stores. The scope of data from the upstream covers 12 manufacturers.

(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.

Food Waste Management Performance

In addition, PCSC 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 2022 was 12,023.52 tonnes, increasing 15.45% from 2021. 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 reuse ratio was 48.38% (mainly for animal feed/compost) in 2022, with a significant growth compared to 14.22% in 2021. The actual weight of food waste was 6,206.07 tonnes with a decrease of 30.5% from 2021.

PCSC will continue to strive to lower food loss and waste, and increase the kitchen 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 waste management.



Food Waste and Waste Reduction Actions

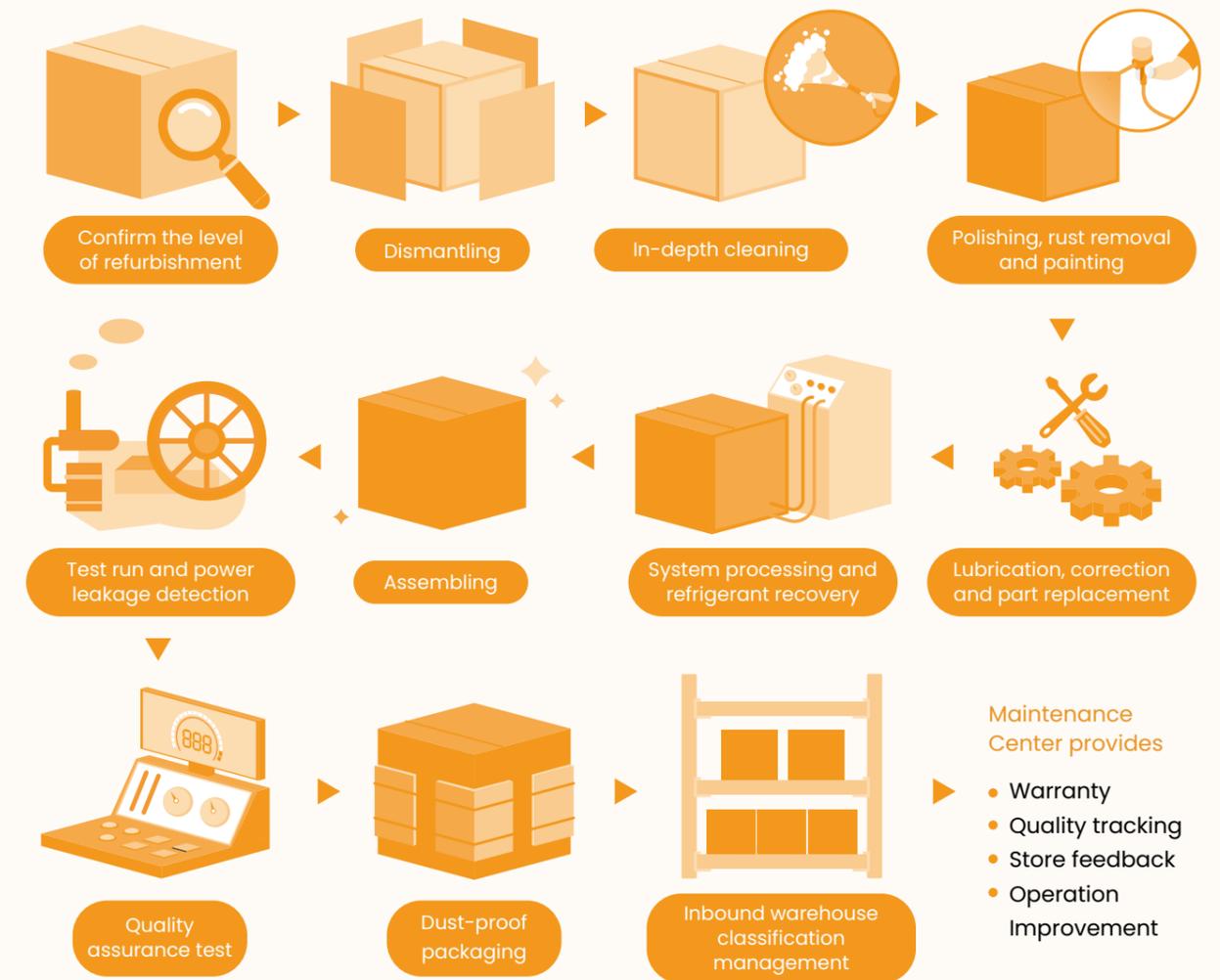
Convenient Recycling Platform

By taking advantage of the multiple bases, PCSC 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, PCSC provides NT\$3 to NT\$120 of store credit. 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.

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, oden 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 2022, 25 types of equipment were refurbished and put to use, with the total number of 2,493 machines and saving a total amount of equipment procurement costs of NT\$83,599,740.

Equipment Refurbishment Process



Upgraded iLove Food Program and Reducing Food Waste with Technology

As the leader in the retail industry, PCSC is committed to reducing food waste. PCSC launched the iLove Food Map in the app in 2021 for consumers’ easy access to the iLove Food availability in each store, allowing them to take advantage of the convenient program. In 2022, iLove Food prevented the generation of 9,780.15 tonnes food waste with an increase of 3,312.75 tonnes from 2021. In addition to working together with consumers to reduce food waste, we extended the shelf life of food in 2022 by taking advantage of new technologies, such as the high-temperature sterilization equipment and special sealing film to reduce food waste from overstock. Please refer to the Sustainability Column–Food Waste Management for more details.

Waste Reduction in Headquarters

To encourage employees to save resources, the PCSC headquarters set “paper-saving” as an internal management metric. Employees are encouraged to 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. The paper consumption per capita in 2022 decreased by approximately 2.5% compared with the previous year. In addition, the headquarters building has also continued the recycling program. In 2022, the weight of recycling reached a total 17,825.9 kilograms, a decrease of about 14% over 2021 due to the fact that most employees were working from home during the COVID-19 pandemic, reducing recycling amount from the headquarters building.

05

Employee Welfare

PCSC 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.

- Excellence Award for Promoting the Employment of Middle-aged and Elderly Job Seeker**
Won the "Excellence Award for Promoting the Employment of Middle-aged and Elderly Job Seeker" from the Ministry of Labor
- 3 GOOD HEALTH AND WELL-BEING**
Passed with "zero defect" **ISO 45001**
Passed the annual follow-up of ISO 45001 Occupational Safety and Health Management System with "zero defect"
- FSI 0.21**
The frequency-severity indicator was 0.21, lower than the retail industry's average rate of 0.42 in the past three years (2019-2021) according to the Occupational Safety and Health Administration, Ministry of Labor
- 8 DECENT WORK AND ECONOMIC GROWTH**
52.79% Female managers
Female managers in revenue-generating functions account for 52.79%

Corresponding Material Topics

- Talent Attraction and Retention**
- Occupational Health and Safety**

Management Policies

Policies and Commitment

Management Actions

- PCSC [salary policy](#) is based on the principle of equal pay for equal work
- [Occupational Safety and Health Policy](#)
- Four Major Occupational Safety Plans
- PCSC Actively sources talents from middle-aged and elderly individuals in response to the trend of declining birth rate and aging population. The salary policy has been reviewed to provide a competitive salary and benefits on the market. The Company's stable profit status and various employee assistance measures help retain talents. In the meantime, we have formulated the "123 policy" (1: growth, 2: rotation in more than 2 units, and 3: becoming a free agent after 3 years), encouraging employees to rotate and obtain different experience and knowledge in different fields.
- Top management and labor representatives of each unit are invited by the Company's Occupational Safety and Health Department to set performance goals for occupational safety. Management review meetings are held each year to review, coordinate and recommend safety and health matters to ensure the suitability and effectiveness of occupational safety and health operations. To ensure that the frequency severity indicator is lower than the average value of the retail industry and reduce the occurrence of major occupational safety incidents every year, PCSC passes the ISO45001 system verification every year and implements actions in safety and health education and training, safety risk assessment and safety audit, air, illumination and drinking water quality monitoring to protect the health and safety of employees through prevention and risk identification.

5.1 Talent Attraction and Retention

Employment

Overview of Human Resources

Besides our head office in Taipei, PCSC has eight business operation departments to meet the needs of stores and consumers in each region. As of December 31, 2022, PCSC has a total of 8,617 employees^(Note1). The types of workers who are not employees include 9 cleaners and 6 security guards in the head office building for a total of 15 people. The total number of franchise store staff was 42,101 as of the end of December 2022^(Note2). Female employees account for 55.53%^(Note3) of all PCSC employees, while 52.79% of sales supervisors are female. The female ratio for department managers in 2022 was 14.58%, with combined 50.16% 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^(Note4), showing that PCSC values gender equality in the work environment and talent recruitment^(Note5).



(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 2022. 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. In 2022, the PCSC head office and directly operated stores hired a total of 253 employees with disabilities, accounting for 2.94% of our total workforce and being 2.94 times higher than the statutory quota. PCSC also hired 147 indigenous employees, accounting for 1.71% of all employees.

Labor-management Communication

PCSC 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, dedicated email, 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 217 reports related to employee rights and interests were submitted in 2022, and most of them were related to overdue overtime bonus and salary, shift reduction and so on. Aforementioned cases were investigated by the regional managers, with all overdue overtime bonus or salary compensated by franchise stores. Relevant deficiencies were addressed in accordance with the franchise agreements. In addition, we assisted in clarifying any misunderstanding the employees had about the system. All cases reported in 2022 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 2022, with topics covering additional information on tour health checkups, epidemic prevention, sexual harassment prevention and adjustment to welfare matters. Moreover, the PCSC 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 a collective bargaining agreement has not been signed yet, 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.

PCSC continues to communicate with its employees with no strike or suspension in 2022. Furthermore, in the event of a situation specified in Article 11 of the Labor Standards Act, PCSC communicates with employees in advance, and gives notice 10 days in advance for employees who have worked at PCSC for three months or more but less than one year. A notice is required 20 days in advance for employees who have worked at PCSC for one year or more but less than three years. A notice is required 30 days in advance for employees who have worked at PCSC for over three years.

Employee Satisfaction Survey

To better understand employees' job involvement and workplace adaptation, PCSC plans to conduct an employee Satisfaction survey every two years, prioritizing 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 Satisfaction 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 2022, the scope of the survey expanded to cover "district consultants and managers" in the Operating Group. 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 includes job characteristics, system identification, job satisfaction, supervisor leadership, physical and mental well-being, organizational commitment and other aspects. We adopted the Likert Five-Point Scale with questions and scores, as well as open-ended questions to collect employees' thoughts and feelings.

In 2022, a total of 687 people ^{Note 1} filled in the questionnaire, accounting for 7.97% ^{Note 2} of the total employees and 77.8% of the number of test subjects. Among them, the percentage of employees gave an "active" response ^{Note 3} accounted for 40.07% of all respondents (38.37% for district consultants and 57.18% for district managers).

(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 9.78% of all FTEs.

(Note 3) This questionnaire adopts a 5-point scale, with 4-5 points meaning "active."

Age-friendly Employment

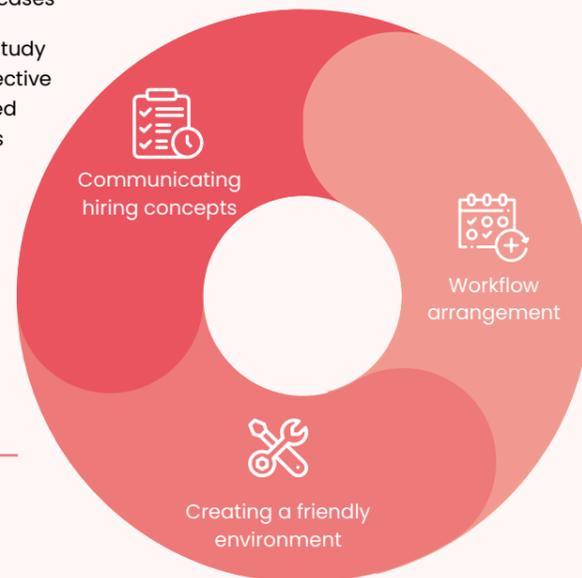
PCSC launched the Age-friendly Store Project in response to the impact on the aging population and low birth rates on the labor population in 2018, encouraging stores to hire middle-aged and elderly workers as well as encouraging middle-aged and elderly workers to find employment by creating a friendly workplace through redesigning work responsibilities for them. In 2022, PCSC won the "Excellence Award for Promoting the Employment of Middle-aged and Elderly Job Seeker" from the Ministry of Labor. As of the end of December 2022, the Company hired 1,729 employees aged 45-54, 416 employees aged 55 and above. In total, we hired

2,145 employees aged 45 and above, accounting for 24.89% of all employees. In the future, we will expand our recruitment of middle-aged and elderly employees, optimize training mechanisms and provide a friendlier work environment to boost the willingness of middle-aged and elderly employees working in our stores.

Recruitment and training are carried out in coordination with the Senior Store Managers event or channels for recruiting middle-aged and elderly workers, and training programs are specially designed for middle-aged and elderly workers. To provide the elderly with a friendly and safe work environment, besides organizing training meetings for new employees, we also established an age-friendly benchmark store with three major aspects, including communicating hiring concepts, workflow arrangement and creating a friendly environment.

Encouraging stores to recruit middle-aged and elderly workers

- Communicating with eligible stores based on benchmark cases
- Providing the "Elderly Study Plan" to assist with effective training of middle-aged and elderly employees



Evaluate the physical condition of middle-aged or elderly employees to arrange for work assignments and time slots that work for them

- These employees are given shorter shifts to begin with before adjusting according to their physical condition
- They are not required to climb up or bear a heavy load
- Each task is learnt at stages

- Set up senior-friendly facilities, such as labor-saving tools and accessibility facilities

At the end of 2020, we worked with the Bjørgaas Foundation to create a store at the Pingtung Christian Hospital that is entirely run by senior employees. The store employs senior partners, optimizes the education, training and workflow of the seniors, designs exclusive learning schedules, etc. The store currently employs 9 people including the store manager, all of whom aged between 46-65 years old as the best model for showing the benefits of age-friendly stores. In 2021, PCSC further worked with the Seniors Talent Resource Center to organize the "Experience Camp for Senior Store Managers." The activity helped the elderly better understand store operations, as well as enhancing the willingness of middle-aged and elderly people to find employment. In 2022, for the first time, PCSC cooperated with the Yunlin-Chiayi-Tainan Regional Branch and the Taichung-Changhua-Nantou Regional Branch of the Workforce Development Agency, Ministry of Labor, on hosting "Senior Store Manager Experience and Recruitment Event" in Yunlin-Chiayi-Tainan and Taichung-Changhua-Nantou. A total of 44 sessions were organized for 323 people to experience the workplace, and 104 people were hired with the rate of 32%.



Welfare, Remuneration and Care

Remuneration

The PCSC 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. PCSC 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 2022, 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, PCSC 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 PCSC Integrated Services Center and the Audit Office. From 2021 on, in addition to the statutory minimum wages and peer salary standards, PCSC included living wage^(Note1) 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) PCSC refers to the living wage research report of the Chung-Hua Institution 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 annual food, clothing, housing, medical, transportation, communication and education-related consumption expenditure of each 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 2022. The relevant calculation quoted the results of the 2021 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 2021 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\$25,937^{Note 2}.

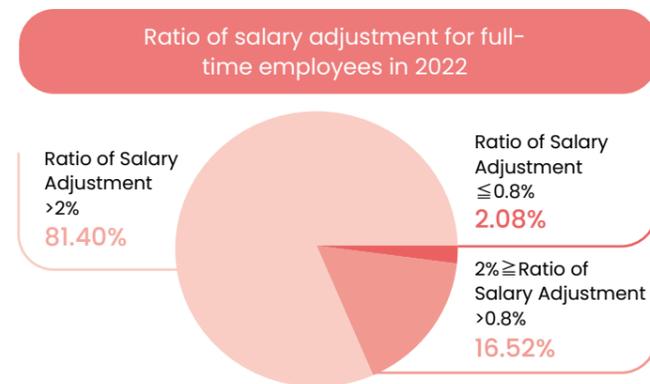
(Note 2) In 2021, the average annual expenditure on food, clothing, housing, medical care, transportation, communication and education per household in Taiwan was NT\$569,305, including food and non-alcoholic beverages, clothing and footwear, housing, water, electricity, gas and other fuels, furnishings, household equipment and routine household maintenance, health, transport, communication and education. In 2021, the average number of people per household was 2.89, 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 0.58.

The starting salary for the new recruits at PCSC is equal for men and women for equal work, and the salary and benefits do not differ based on gender or age. In 2022, the ratio of starting salary to basic salary (NT\$25,250) for new back-office staff who are college graduates is 1.39 times, and 1.63 times for those with a master's degree. There is no significant difference in the remuneration ratio between men and women in 2022, and the basic salary plus year-end bonus ratios of all types of employees are within 1.1 times. In terms of salary adjustment, most of the adjustment was greater than 2% in 2022.

Ratio of Salaries for Male and Female Employees in 2022

	Store employees	Management	Non-management
Male 	0.95	1.07	1.04
Female 	1	1	1

(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 2022 (but excluding interns and those who were newly recruited or transferred for less than half a year as of March 15, 2022), based on their principal salary as of March 15, 2022 x 13 months of salary estimate.



(Note 1) For those with a salary adjustment of >2%, ratio = (No. of employees with a salary adjustment of >2%) / Total number of full-time employees.
 (Note 2) The scope covers full-time employees who are still working at the end of 2022 (but excluding interns and those who were newly recruited or transferred for less than half a year as of March 15, 2022), based on their principal salary as of March 15, 2022 x 13 months of salary estimate.

We disclosed the number of full-time non-management personnel ^(Note) as 5,224 in 2022 in line with Article 4 of the Corporate Social Responsibility Report Authoring and Reporting Guidelines for TWSE/TPEX-listed Companies, with the average salary of NT\$1,009 thousand and median salary as NT\$851 thousand. The number of full-time employees in 2022 decreased by 107 people compared to 2021. The average salary in 2022 increased by NT\$76 thousand compared with 2021, and the median salary increased by NT\$44 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.

Assistance for Work-life Balance

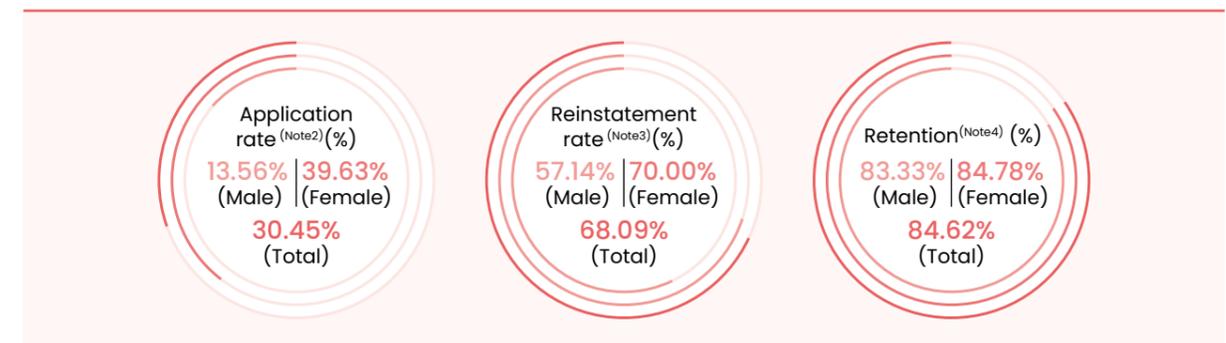
PCSC offers a variety of **employee benefits** to look after its employees as well as their families. To this end, it has set up breastfeeding rooms in the offices, as well as signing contracts with childcare institutions to provide preferential prices to reduce the burden of childcare. PCSC provides maternity leave and miscarriage leave that are superior to that of the legal requirement. With no condition on seniority, all employees are paid their full salary to give better care to female employees. Employees who are primary caregiver are offered 9 paid weeks for prenatal checkups and maternity leave. Employees who are non-primary caregiver are also

given 7 days of paid parental leave before and after their spouses give birth. In addition, office staff can also choose the time to go to and from work, which makes it easy for them to allocate their time and achieve work-life balance. In addition, due to the impact of the COVID-19 pandemic in 2020, PCSC formulated the "Work from Home Measures" and supporting measures for attendance, allowing back-office staff to work from home. Epidemic prevention insurance is provided at no cost for each employee. Anyone who is infected with COVID-19 or has contact with someone who has COVID-19 and needs to be quarantined can make a claim^(Note). If new recruits catch COVID-19 before the insurance policy is taken out and develop moderate or severe illness, a one-time payment of NT\$32,000 will be issued. Another NT\$1,000 will be given for each day they are hospitalized. PCSC also has a complete appointment system that allows the employees to be employed full-time or part-time, giving them the flexibility in terms of work.

(Note) The number of applicants is withheld due to privacy concerns

Employee reinstatement and retention rate after taking parental leave in 2022

Projects	Male 	Female 	Total 
Employees eligible ^(Note1) for taking parental leave in 2022	118	217	335
Employees who applied for parental leave in 2022	16	86	102
Expected reinstatement after parental leave in 2022	7	40	47
Actual reinstatement after parental leave in 2022	4	28	32
Actual reinstatement after parental leave in 2021	6	46	52
Employees still on the job 12 months after returning from taking an parental leave in 2021	5	39	44



(Note 1) Eligible applicants refer to employees who applied for childbirth subsidies in 2020-2022.
 (Note 2) Application rate: employees eligible for applying for parental leave/actual number of employees 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 PCSC stores exceeded 6,600 in 2022, with a total of 3,685 ^(Note) franchisees. PCSC 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.

PCSC also has the physical care and leisure activities of the franchisees in mind. In 2022, PCSC spent NT\$22.63 million in budget for vacation subsidies and other subsidies for franchisees. In 2021, the COVID-19 mutual support association was established to assist franchise owners and employees of franchise stores (with labor insurance from the contracted firm) in applying for consolation money. In 2022, a total of 3,997 people submitted applications, with the amount reaching NT\$11.97 million.

(Note) PCSC 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	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

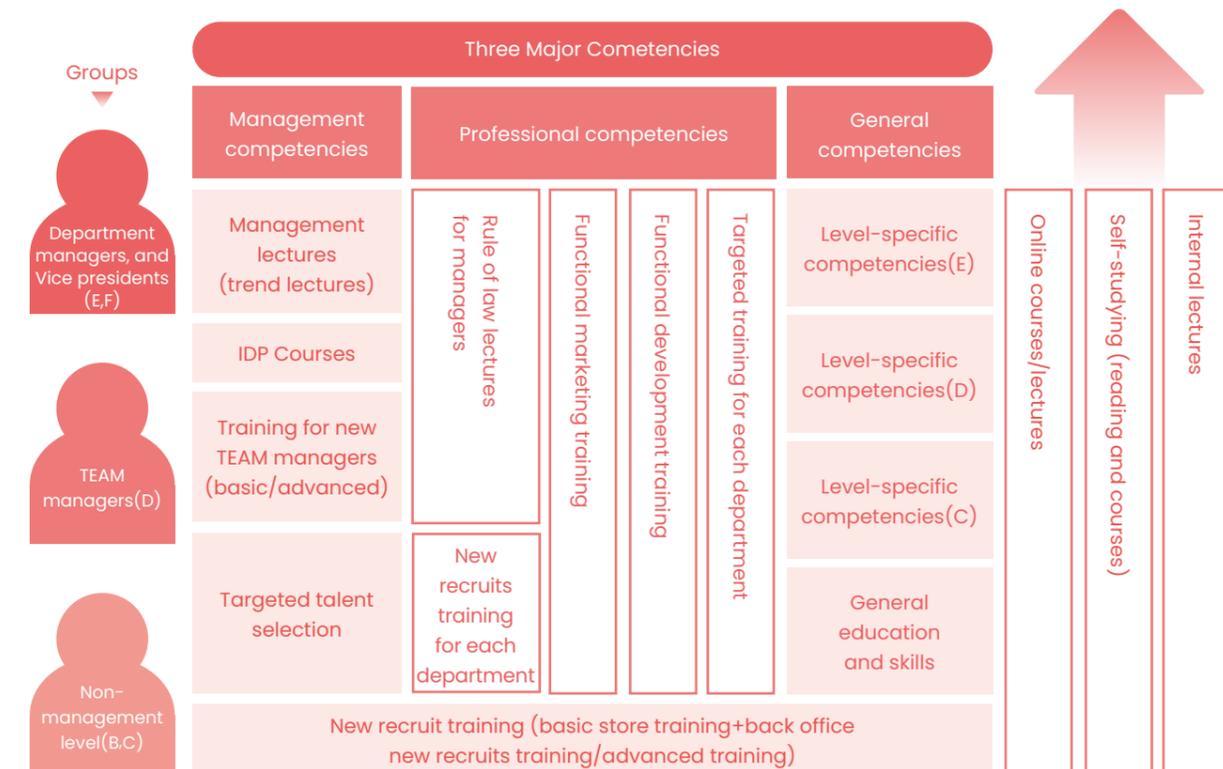
Franchisee benefits trust	Subsidy for investment is given to encourage investment
Health checkup subsidy	Senior franchisees over the age of 40 with more than 10 years of experience are eligible to receive health checkup valued at NT\$16,000 once every two years along with their spouses who work in the same store
Discounts	Group movie tickets, offers from affiliated enterprises, promotions for leisure activities

Talent Development and Cultivation

Employee Education and Training

Education and training are the main drivers of organizational growth. To this end, PCSC 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 PCSC 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.

PCSC 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:

- 01** Setting up the Talent Development Committee based on grades

Inventorizing the positions of TEAM supervisors for PCSC and reinvestment businesses, integrating and establishing 9 major grades and setting up the Talent Development Committee to help promote the cultivation and development of talents according to plans.
- 02** Building a reserve talent pool for supervisors

Observing the management capabilities and personal characteristics of potential talents to assist with their development when promoted through regular talent inspections, building a talent pool with the Talent Development Committee and talent assessment tools (HOGAN, MR assessment, 360 degree evaluation, etc.).
- 03** Learning on the job

Allowing potential talents to take on higher-level positions through the agency mechanism to help them cultivate higher visions and decision-making power.
- 04** Job rotation program

Observing cross-functional adaptability, effectiveness and leadership potential through cross-functional key position experience.
- 05** Cultivation Plan for important management level

Designing common training courses and functional training for each management level to connect with external new knowledge and keep pace with the times.

PCSC 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 2022, 35 talent review meetings have been held, and a total of 321 people have been included in the reserve talent pool.

PCSC 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 ^(Note) in 2022 was 57.87%.

(Note) The number of transferred employees at PCSC/ the total number of vacancies for the year at PCSC.

Statistics on Education and Training

PCSC 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\$17,188 thousand in education and training in 2022, with the average training expense of NT\$1,995 per person. The total education and training hours were 111,791 hours with an average of 12.97 hours per person ^(Note). Due to the pandemic and the epidemic prevention policy in 2022, many site visits and in-store training sessions were suspended or canceled to cut down on real-life classroom training. To encourage learning and foster an organizational culture that favors learning, PCSC continued to implement the talent development plan by actively creating a digital learning environment, focusing on online digital learning in a variety of formats while optimizing digital teaching materials 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 and online certification. In 2022, the number of online courses accounted for 46% of all employees' learning hours.

(Note) The denominator is calculated based on the average number of employee education and training hours for 8,617 employees on December 31, 2022 (including classroom training, online courses, online testing and external training).

Type of employees	Store employees		Management employees		Non-management employees		Total	
Number of total training hours	13,094	27,540	7,408	1,872	31,141	30,737	51,643	60,148
Total number of employees	2,644	3,574	207	56	981	1,155	3,832	4,785
Average hours of training per employee	4.95	7.71	35.79	33.42	31.74	26.61	13.48	12.57

Education and Training Courses

Online Learning Curation

Most physical courses were put on hold in 2022 due to the impact of the pandemic. To avoid interruption in learning and increase the employees' motivation of online learning, we launched an annual online learning curation program with customized dedicated training courses. The results are as follows:

Two batches of themed online courses were launched for all staff members, including the 45 sessions of "Learning from the Books," "Exploring the Planet of Knowledge" with a total of 11,542 people passing. The Marketing Recharge Learning Program was created for those in marketing, with courses in marketing strategies and business communication consistent with current trends and pain points. There were 6 courses and 1,818 people passing. The group governance and finance courses were created for management to master leadership skills and a keen sense of business. There were 7 courses with 1,462 people passing.



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 2022, a total of 4 digital and 3 real-life lectures were organized with 741 participants passing.

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, PCSC 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 59 batches were organized in 2022 and for 299 supervisors and 841 employees. A total of 194 batches have been organized so far with 2,540 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 2022

Legal Education	Target Audience	Supervisors above team level at PCSC must receive 3 hours of legal education a year. The course is elective for managers of other levels.
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Legal Education



Course

Basic legal course features common legal knowledge (Fair Trade Act, Act Governing Food Safety and Sanitation, Labor Standards Act, sexual harassment and workplace violence), information session on advanced ethical corporate management, Laws and Regulations from Competent Authority: Fair Trade Act, Laws and Regulations Regulations from Competent Authority: Regulations Managers Must Learn: Competition Law in the Digital Economy, ethical corporate manager and personal information management for new recruits, use of the 7-ELEVEN brand, prevention of workplace violence and sexual harassment, zero violence in the workplace, safety in everyday circumstances, earthquake hazard prevention, office human factor hazard prevention, traffic safety (defensive driving), how to prevent overwork, workplace hazard prevention, preventing information leakage, 2022 social engineering, advanced personal information session, personal information session for new recruits, personal information manager (retraining).



2022 Results

- Online courses/lectures: 22 courses
- Legal course: 84,046 people completed 44,003 hours of learning

Cultivation and Promotion of ESG Talents

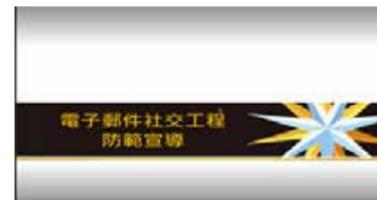
PCSC launched the Sustainable Management - Environmental Protection, Plastic Reduction and Eco-friendliness in 2022 to look back on plastic reduction actions, as well as communicating their implementation strategies and results in 2021, including sustainable management organizational reform, PCSC taking actions towards plastic reduction actions in advance, and the highlights of plastic reduction during Year One of Sustainability. We aim at enhancing awareness of sustainability based on "Planet Sustainability In Our Everyday Life" A total of 5,422 people passed the course.



In addition, PCSC 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 2022, 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 5 employees were sent to participate in training courses organized by external professional institutions.

Enhanced Information Security Education

PCSC 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, a total of 1,718 people passed the course in 2022.



Big Data Talent Cultivation Program

A big data seed class was set up with the hopes of assisting different departments to analyze information with data through data seed learning and diffusion, so as to save manpower, achieve dynamic monitoring of business data, and provide insights into business decisions for enhanced business performance and creating a benchmark learning model. It is hoped that the class can produce valuable analytical applications to the organization. A total of 58 people participated in the process composed of tools, concept building, department task selection and practical exercises to the final big data presentation, with a total of 39 people passing.

TOEIC Program

To keep up with the development strategy in the age of globalization, PCSC started working with a company authorized by TOEIC in the second half of 2022 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 PCSC were organized to address the needs of employees in different regions as well as complying with the epidemic prevention policy. Two online exams and one on-site exam were organized with a total of 155 participants. In the meantime, four themed courses including grammar, listening, reading and mock exams were introduced with a total of 617 participants.

Franchisee Education and Training

PCSC 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.

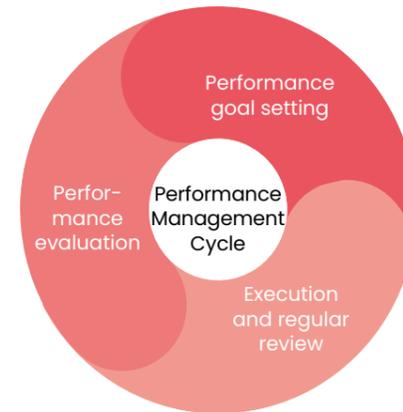
Franchisee training can be divided into two categories, namely basic training for franchisees and training for store managers. The basic training for franchisees refers to a total of 172 hours of intensive training lasting for 4 consecutive weeks, during which the knowledge and skills required to serve 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 2022, training was completed for a total of 225 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 2022, a total of 6,871 people completed the store manager training with the theme of "Community Building Ideas and Enhancing Regular Customer Loyalty."

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.

PCSC 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 converse, give back continuously and follow up on their performance, in order to assist them in boosting their performance and strengthening their weaknesses.



Full-time Employees

- Performance goals are set during the first half of the year, for which supervisors and employees discuss and set the annual goals. Supervisors may provide guidance based on the progress of tasks during the evaluation period.
- The final performance evaluation is carried out at the end of the year (only for those who have worked for over 273 days during the year). 100% of full-time employees completed performance evaluation



Part-time Employees

A bonus distribution evaluation is carried out each month to incentivize part-time employees to maintain the store image, service quality and quality assurance.

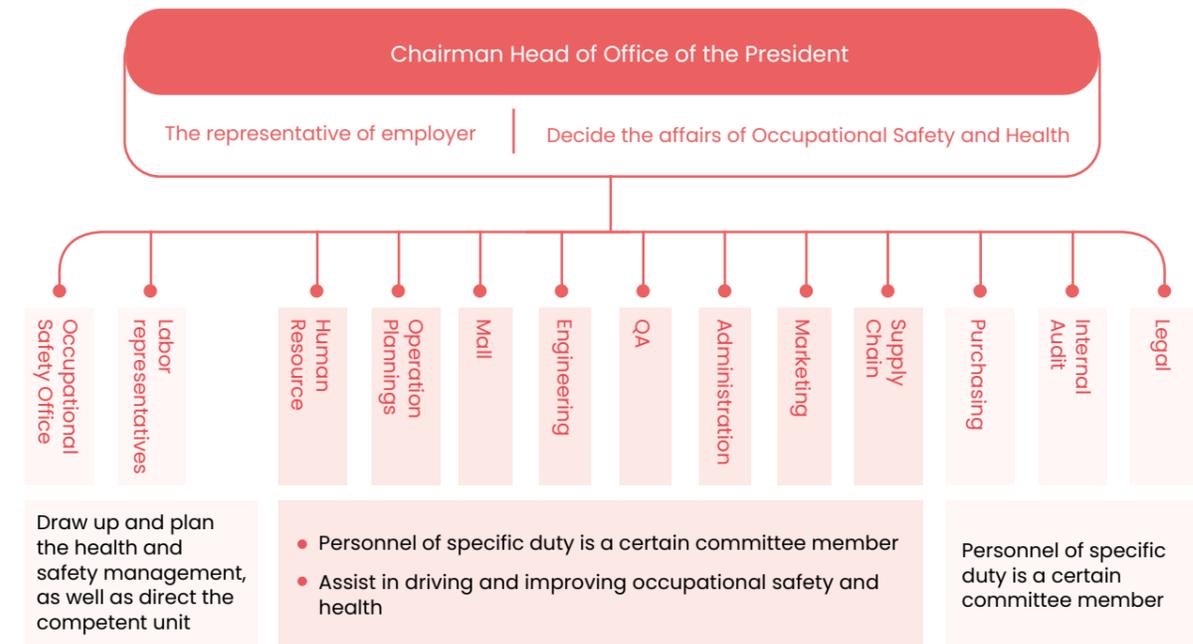
In addition, PCSC adopts a 360-degree evaluation method to evaluate employees at a specific salary level. The results will be used as a reference for future promotion decisions. Although not all employees have yet been included, we will continue to make the mechanism more objective with the method, which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

5.2 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 a 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, dedicated email, 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.

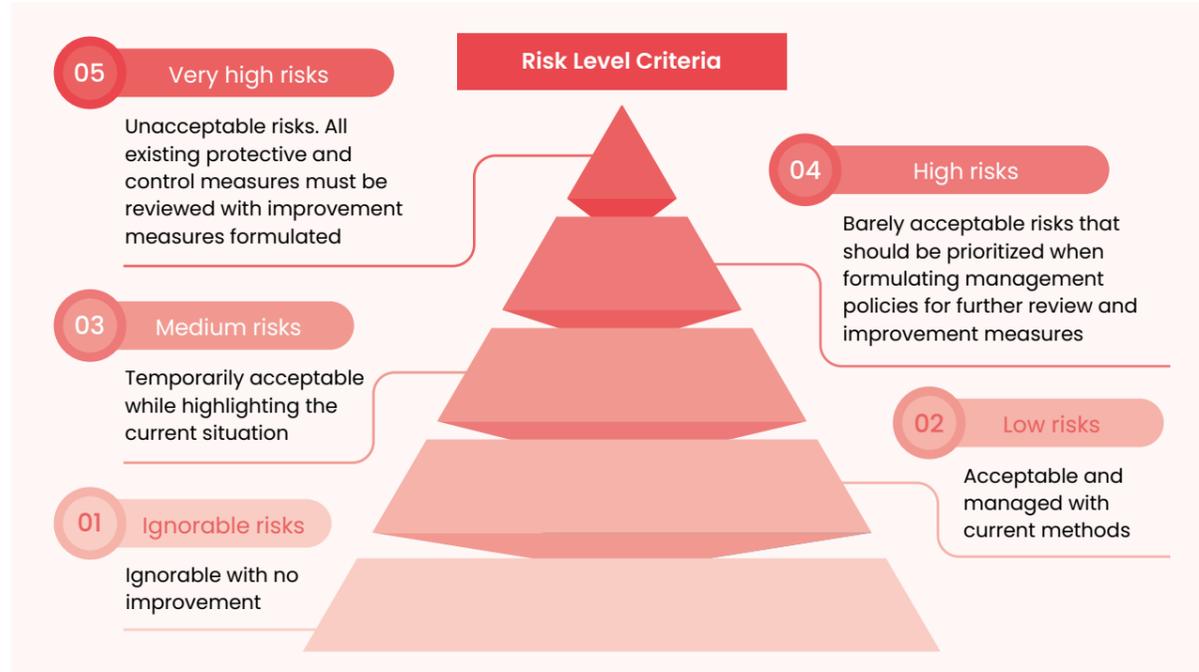
Occupational Safety and Health Committee



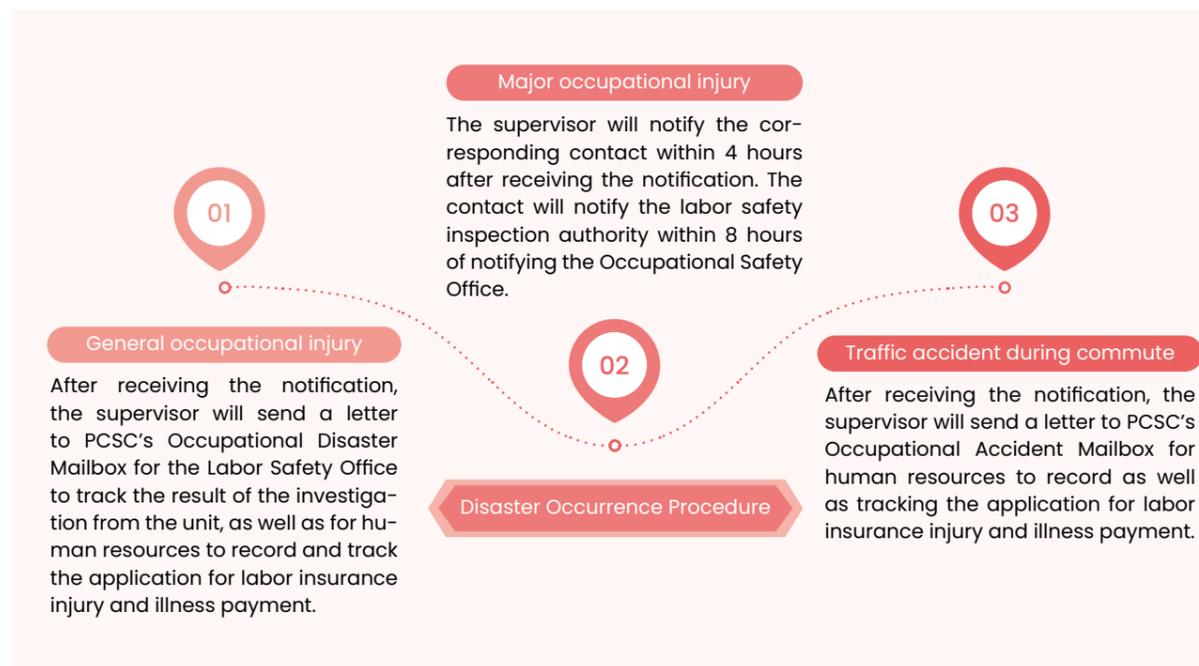
Occupational Safety and Health Policy

The President approved the [Occupational Safety and Health Policy](#) in 2022 with five guidelines for implementing risk prevention and management. Our goals in 2022 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, safety risk assessments and 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.

PCSC conducts a risk assessment every year, and all risk assessment personnel and internal auditors receive 2 hours of education and training each year 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 2022, a total of 71 operations were evaluated in 6 different venues, including the stores, shopping centers, construction sites, laboratories, fresh food manufacturing factories and offices. The risk assessment determined that both software and facility control measures existed. The result of identification shows 28 risks in the first level, 33 risks in the second level, and 10 in the third level. Overall, there was no high risks of the fourth and fifth levels.



In order to reduce the probability of occupational disasters for employees, Occupational accidents being monitored through the occupational safety reporting mechanism, initiate incident investigation and tracking, confirm the details. such as being violated in the workplace, immediately activate the mechanism of employee care, relevant protection and assistance for special circumstances. 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 to eliminate and lower the risks to prevent similar incidents, safeguard work safety and create a friendly workplace.



Four Major Occupational Safety Plans

PCSC 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. PCSC 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 2022. 19 have completed assessment interviews with a doctor, and the others are still ongoing.
- Human factor hazard prevention plan**: A total of 191 people assigned the value of 3 to pain (severe pain) on the questionnaire in 2022, out of which one case was suspected to be work-related. The assessment interview has been completed for a doctor to offer medical advice.
- Illegal violence prevention plan**: There were 9 cases of workplace violence in 2022, all of which were registered with assistance offered. Three were 8 cases of internal workplace violence, and one of external workplace violence (Note). PCSC provided medical assistance, job adjustment and counseling based on the individual condition of the employee who filed the complaint. Violators were punished according to the circumstances with their roles adjusted or sent to the police for judicial proceedings.
- Maternity health protection plan**: There was a total of 57 maternity health protection cases in 2022, all of whom completed interviews with doctors. 5 people were placed at risk level 2, but the risk was lowered after adjustment to their work assignments.

(Note) External meaning the source of violence was not from an internal employee.

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 (2020-2022) with a total of 113 suppliers participating.

	Description	2022 Performance
Safety and Health Training	Certification training (Class C occupational safety and health/first aid): Target audience: store employees Outsourced for a training unit and formulate Class C in-job training material exclusive to the stores in line with the stores' occupational environment and employee assignments.	2,792 people certified in total

	Description	2022 Performance
Safety and Health Training	Course in "Safety in Everyday Circumstances:" Target audience: store and back office employees Remind employees to pay attention to the safety in everyday circumstances and enhance the awareness of home safety with courses such as fire prevention and typhoon preparedness.	6,664 people completed training
	"Earthquake Disaster Preparedness" course: Target audience: store and back office employees Taiwan is located in an earthquake zone. The course strengthens the ability of employees to respond to earthquakes.	8,005 people completed training
	"Building Escape Drill" course: Target: back office colleagues Impromptu escape drills were organized to improve the vigilance and speed of escape of the employees for enhanced safety.	596 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 2022.	
Contractor Management	Supplier security agreement organization meeting: The meeting was hosted in August 2022 for contractors from all over The local area (for decoration, utility, signboard, general repair).	87 suppliers attended the meeting.
	In 2022, the risk assessment of the construction site ^(Note) exposed unsafe behavior and environment.	The order of the top five risk factors included failure to wear a safety helmet, falling, incomplete pre-work education, electric shock and cutting.
	Agreement organization meeting for new contractors: In 2022, an agreement organization meeting was held for new contractors to obtain information on safety and health operation regulations.	22 meetings

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

PCSC standardizes contractors' compliance with occupational safety and health-related laws and codes of conduct for third-party suppliers in procurement contracts, so as to ensure contractors' safety and health concepts and protect their labor rights. PCSC 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, labor inspectors from the Taipei City Labor 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

PCSC continued to pass regular inspections for ISO 45001 Occupational Safety and Health Management System with zero deficiencies in 2022, with the internal audits and external certifications covering the scope of the 719 employees working in the head office in line with the management system, accounting for 8.34% of all employees. For the moment, directly-operated and franchise stores are not covered. 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 workers (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. Key tier-1 foundries of its own brand have been fully introduced, and the follow-up will continue to promote and establish a report on the introduction of specifications. The end goal is having all suppliers for own brand products receive ISO45001 third-party certification by 2023 as condition for sourcing suppliers in the future.



▶ 2022 ○ ○ ○ ○ ○ 2025

ISO Certification
ISO 45001 Occupational Safety and Health Management System (Head Office)



▶ 2022 ○ ○ ○ ○ ○ 2025

Health Promotion Administration
Health Promotion Certification



▶ 2022 ○ ○ ○ ○ ○ 2023

Department of Health, Taipei City Government
Excellent Breastfeeding Room Certification (Head Office)

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, PCSC provided training regarding the Labor Standards Act to 168 people in 2022. After assessing the location of the operating base within the scope of the individual operations and the nature of work, it is considered that the store employees may be exposed to high/low temperature, heavy objects and other working conditions with occupational safety concerns. Their labor rights could also be damaged due incomplete record-keeping in the shift system, salary or vacation days not given in accordance with the law, insufficient time between shifts and other issues that violate labor rights, or logistics

employees working overtime. In addition, the Occupational Safety Office conducted occupational safety and health risk assessment and unannounced audits for different working environments, targeting back office, stores and shopping malls. In 2022, a total of 195 inspections were conducted, of which 27 had zero defects, with 315 defects improved at an improvement rate of 100%. The number of inspections decreased by 8.2% compared to the year before, as we focused on construction site safety for Q1 of 2021 with increased construction site inspections. Please refer to [“PCSC Human Rights Due Diligence Procedure”](#) for other human rights risk assessments and mitigation measures.

Back Office

Audit Action	Audit Frequency	2022 Results
Attendance record	Each month	No abnormality
Labor audit from competent agency	As needed	No legal violation

(Note) No penalty was received for violating occupational safety and health regulations in 2022.

Directly-operated Stores

Audit Action	Frequency	2022 Results	Mitigation Measures
Attendance record	Each month	No abnormality	-
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
Labor audit from competent agency	As needed	No illegal event	-

(Note) No penalty was received for violating occupational safety and health regulations in 2022.

Franchises

Audit Action	Frequency	2022 Results	Mitigation Measures
Store self-inspection and district advisor reviews for occupational safety and health	One self-inspection a year (prior to the universal inspection)	The store performed self-inspections and reviews	
Third party ^(Note1) labor conditions inspection	Once every year, conducted between April and August in 2022	5,833 franchises were inspected, and abnormalities were detected in 157 stores. The top three deficiencies included the time of arrival was not recorded to the minute in the attendance record, the interval between shifts was less than 11 hours, the leave record was not shown, or the salary record did not show the remaining hours of paid leave or the salary for untaken leave. The deficiencies were addressed during visits from the district consultant. The stores were also included in the list for review to ensure improvement.	Follow-up guidance and tracking was arranged by store supervisors for stores with abnormalities ^(Note 2)

Third party ^(Note 1) occupation and health inspection	Once every year, conducted between August and October in 2022	A total of 5,856 franchise stores were included in the 2022 annual occupational safety inspection with the deficiency rate of 1.08%, showing a decrease of 1.31% compared with 2021 (2.39%). The main deficiencies included store employees not having completed the online legal course and kept the records, store managers not having obtained the Class C Labor Certificate or it has expired, employed workers not having a general physical checkup, etc.
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(Note 1) A third-party consulting company was entrusted to oversee the implementation.

(Note 2) In 2022, all franchise stores with abnormalities during the third-party labor condition inspections have taken mitigation plans and confirmed that they have improved.

Contractors

Audit Action	Frequency	2022 Results	Mitigation Measures
Unannounced occupational safety and health inspection at construction sites	Each month	A total of 106 inspections were conducted, of which 8 had zero defects, with 172 defects improved at an improvement rate of 100%. The number of inspections decreased by 16% compared to the year before, as we focused on construction site safety for Q1 of 2021 with increased construction site inspections.	Deficiency review and key point sharing: In order to prevent the contractor from repeating the same mistakes, we analyzed the audit results with labor inspectors from the Taipei City Labor Inspection Office invited to serve as lecturers during the agreement organization meeting organized for suppliers from all over The local area (for decoration, utility, signboard, general repair) in August 2022 to explain relevant safety and health regulations in order to strengthen the safety concept of contractors and reduce the probability of disasters.

Statistics on Occupational Injuries

PCSC strives to reduce occupational injuries. We have the achievement of zero cases of work-related fatalities or critical injuries for 6 consecutive years through various safety and health management plans, and the frequency severity indicator was 0.21 in 2022, lower than the retail industry's average of 0.42 in the past three years (2019-2021) according to the Occupational Safety and Health Administration, Ministry of Labor. The recordable occupational injury rate of female 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. PCSC initiated cross-department coordination in the second half of 2022 with departments such as operational planning, franchising and legal affairs and promises to include occupational injury data from franchise stores in the scope in 2023. Statistics is being included in the calculation for the moment. In addition, please refer to the appendix for the statistics of disabling injuries of employees and contractors in 2022.

Number and type of injuries by employee gender in 2022 (excluding traffic incidents)

Type of Injury	Falling, tumbling	Tripping	Object falling	Object collapsing	Cuts, lacerations, scrapes	Caught by large equipment	Exposure to high/low temperatures	Others	Total
Male 	1	2	1	0	2	0	1	2	9
Female 	1	3	0	1	1	1	4	0	11
Total 	2	5	1	1	3	1	5	2	20

Number and type of injuries by supplier employee gender in 2022

Type of Injury	Falling, tumbling	Total
Male 	1	1
Female 	0	0
Total 	1	1

Health Promotion Activities

Employees are a vital asset of the Company, and keeping employees healthy is one of PCSC’s goals for creating a happy enterprise. “Happy Cooperative Society” was established in 2010 to help employees cope with stress from life and work, as well as building a healthy body, mind and interpersonal relationships. Professionals trainers were introduced 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 2022, volunteers spent 2,910 hours caring for 3,775 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. Under the “Health Management Program” introduced in 2013, registered nurses were employed by the Company to provide health consultations on demand. A clinic was also set up at the head office to measure the employees’ blood pressure and treat simple wounds. In the meantime, employees are provided with exclusive “Health Passports” as well as a fitness circle exclusive for employees through an app in 2019. Gatherings were to be avoided in 2022 due to the pandemic. However, all employees were still encouraged to maintain the habit of exercise through “PCSC Fitness Circle” that prevent the pandemic while taking care of their health. We also provided health education through regular e-newsletters and seminars to encourage employees to manage their own health.

Resources and Services

	Description	2022 Performance
Health Check and Follow-up	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.	Receive NT\$16,000 for health check subsidy is offered every other year. A total of 2,356 people were eligible for the subsidy in 2022.
	Annual health check for employees and food workers	PCSC offered health checks to store employees who handle food in 2022, as well as general labor health checks superior to the statutory requirement to 5,536 people with a participation rate of 81%.
Individual Healthcare Services	Healthcare services provided by doctors were made available every other month	Doctors provided 414 hours of one-to-one healthcare services for a total of 417 employees, with the satisfaction rate reaching 4.92 points.
	4 registered nurses	<ul style="list-style-type: none"> Treatment was provided for 180 people A comprehensive health management mechanism has been established to manage employees with abnormal health check results. They were categorized into different levels for management. 100% of employees with extremely high risks received intervention, correction tracking and case tracking.
Health Promotion App	“Fitness Life Circle” was set up for the employees through the app. Four events were organized in 2022 (each lasting a month) to encourage employees to work out regularly, including Walking for Carbon Reduction, Healthy and Wealthy, Mooncake for Mid-autumn Festival and Desert Oasis. Activity record was made available as a new feature.	A total 5,933 people participated in the events, burning 19.79 million calories with the equivalent of 2,571 kilograms.
Vaccination	Encouraged employees to get COVID-19 vaccination, as well as making flu and pneumococcal vaccines available on site.	<ul style="list-style-type: none"> COVID vaccination: The coverage rate of the first dose of back office staff was 97.9%, the second dose was 97.7%, the third dose was 94.5%, and the fourth dose was 17.2%. The program was still ongoing. Flu vaccine in the workplace program assisted 100 people Pneumococcal vaccination program assisted 45 people

Response to COVID-19

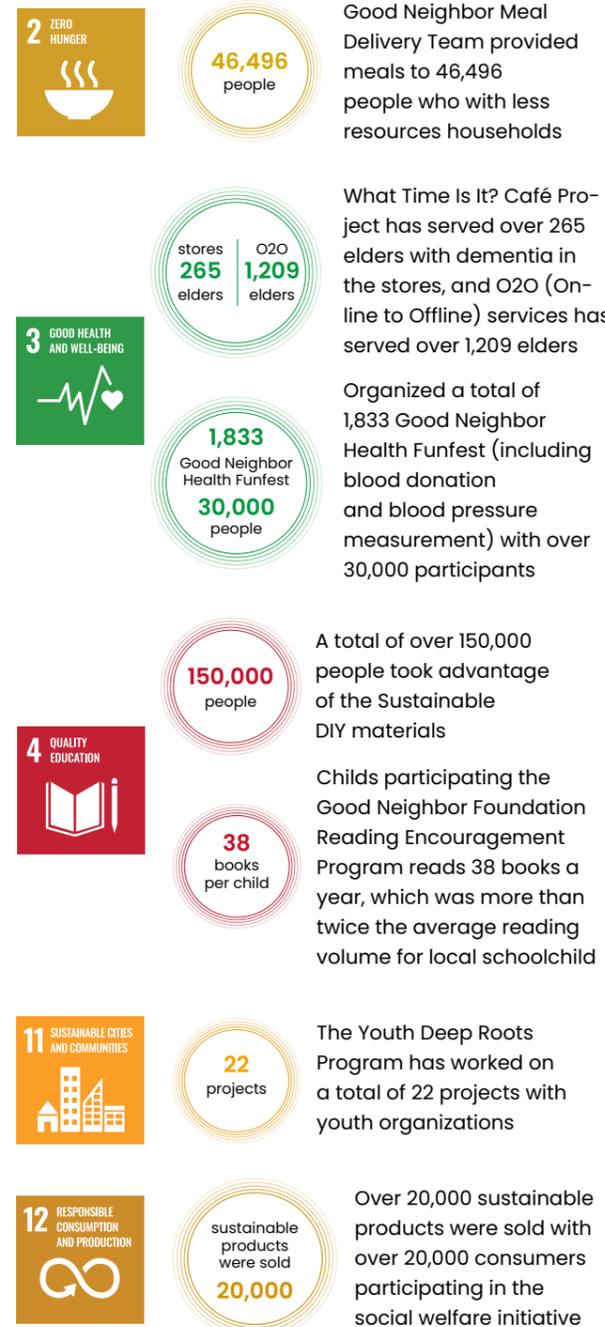
2022 was a tough year for fighting COVID-19. The pandemic broke out in April, and the Central Epidemic Command Center (CECC) raised the alert level as well as tightening control measures. PCSC continued to care for the health and life of our employees during the pandemic through prevention, reporting and care. We also promptly adjusted the measures in line with the development.

To protect our employees, we encouraged back office employees to work from home or work during different hours based on the Work from Home Measures. Protective equipment were offered to store employees with epidemic prevention care packages delivered to their home, as well as taking out insurance for all employees and giving out at home rapid test kits. All employees, franchise owners and employees were given consolation money if they were infected. Applications for the emergency relief fund of the Uni-president Foundation were made to help everybody get through the pandemic.

06

Promotion of Social Welfare & Charity

Building upon our core operations, PCSC fosters connections within the community to better understand our consumers' needs, build trust and confidence. We use our resources to implement goals like promoting health & well-being, eliminating hunger, developing sustainable communities, fostering education, protecting the environment, etc. - building a better, more sustainable future with our consumers and the 6,600+ stores across the local area. Our mission is to become the indispensable neighbor that spreads love and ensures safety in the community.



Corresponding Material Topics



Social Welfare



6.1 Philanthropic Strategies

PCSC 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, and 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 PCSC'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	With the younger, working population leaving remote areas, elders are left behind. We discovered that these elders were skipping meals and suffering from malnutrition. Therefore, PCSC had our stores organize Good Neighbor Meal Delivery Teams to bring meals to elders living in remote areas. PCSC also raises donations for social welfare organizations that provide meals to elders and provides a platform where the public can donate money or food to these organizations, allowing us to help more elderly groups.	Care for Elders	Good Neighbor Meal Delivery Team	2 ZERO HUNGER
Good Health & Well-being	PCSC 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 care about the health of the elderly and establishes an environment that is friendly to the elderly. PCSC 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.	Health and Employment	Realizing the dream of employment for families with cerebral palsy patients	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		Age0 friendly	What Time Is It? Café Dog Therapy for the Elderly	3 GOOD HEALTH AND WELL-BEING
		Community care	Health activities in Good Neighbor Funfests	
Sustainable Cities & Communities	PCSC noticed uneven development and resource distribution between urban and remote areas in recent years, in addition to an aging population, falling birth rates, decline in local tourism and industries. To this end, the PCSC Good Neighbor Foundation supports youths in returning to their hometowns to develop local industries and works with them to promote local marketing and procurement.	Development of local industries	Youth Deep Roots Program	11 SUSTAINABLE CITIES AND COMMUNITIES
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 PCSC'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 Funfests Youth Deep Roots in Sustainability Project Reading Encouragement Program	4 QUALITY EDUCATION

5 Major Aspects	Strategies	Topics	Actions	SDGs
Environmental Protection	Environmental issues have been at the forefront in recent years, and PCSC has been dedicated to taking action and promoting awareness. PCSC partners with public welfare organizations and social enterprises to create sustainable products made with recycled waste to make circular economy a reality. We hope to raise environmental awareness among the public and influence more people to pay attention to environmental issues.	Habitat restoration Circular Economy	Environmental Education Support Habitat Protection Program CHIC Corporate Charity Program	15 LIFE ON LAND 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

By engaging in community services, donations (money & goods), points donations, and other charitable fundraising, we not only fulfill our goals for promoting public health & education, eliminating hunger, developing communities, and 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 opportunities to promote sales of healthy, ready-to-eat food products, achieving sustainable development for both charity and economy.

Annual Philanthropic Participation & Contribution

PCSC 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 PCSC invested in social welfare and charity in 2021 are shown below.

Item	Amount
Cash contribution(excluding advertisement fee)	34,540,550
Time cost (employee volunteering during paid working hours)	12,540,864
In-kind giving (products or services donations, projects, partnerships or similar)	113,455,000
Management overhead	4,768,624
Total	165,305,038

(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\$33,425,550, including donations to the Millennium Health Foundation, Taiwan Delica Foods Development Association, academic organizations and grants and scholarships, as well as NT\$1,115,000 in costs for the Health Station program

6.2 Charity Fundraising

Charitable Donations

PCSC has long considered how to utilize our vast, convenient network and influence to promote social awareness and enthusiasm for philanthropy. As thus, we have created several different platforms for charitable donations, including OPEN POINT app online donations, in-store cash donation, ibon machine

donation, membership point donation and pledge donation of goods. In 2022, a total of NT\$463 million was raised for charitable donations, 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 6,600 stores.

App Online Donation

“Bring Back the Love” charity fundraising platform is the biggest all-round local channel for donation. In May 2021, PCSC launched a public welfare innovation called “OPEN POINT APP Charitable Donation” in response to the pandemic, allowing its vast network of members to do good at any time in line with the trend of mobile payment in the era of the pandemic. PCSC also became the pioneer in the retail industry to launch an option for “subscription donation.” Consumers only have to complete the setting once to regularly donate a fixed amount of money. In addition, online donations are linked to the accounts of public welfare organizations so that they can directly and quickly benefit from the cash flow to solve urgent needs and use the funds more flexibly. The online app donation feature worked with 40 public welfare organizations in 2022, raising a total of nearly NT\$17.44 million.

In-store Cash Donation

We launched the “Bring Back the Love” charity campaign in 1988, setting up over 6,600 in-store donation boxes. 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 2022, the program had been running for 8 years. To observe current needs and address social issues, environmental issues were included in 2021 to focus on “Green Lifestyle” and “Age-friendliness.” In addition to working with elder care charities on the issue of elder care in 2022 to maintain basic living needs and delay physical and mental aging in 2022, we worked with environmental protection charities and charities concentrating on people with disabilities. Change donation might seem insignificant, but pooled together it can create much bigger value for life and environmental sustainability. In 2022, a total of NT\$196 million was raised through in-store cash donation.

Partner Organizations and Services		Amount Raised from In-store Cash Donation
First Quarter	 <p>The Society of Wilderness engaged in ecological surveys, habitat protection, monitoring and restoration to maintain the ecological environment, held multiple environmental education activities, environmental lectures and trains volunteers to promote environmental protection. 7-ELEVEN also joined hands with its partner, the Society of Wilderness, to respond to “Earth Hour” as part of the effort to reduce carbon emissions. More than 6,300 stores turned off their signboard lights for one hour in the evening on Saturday, March 26, reducing approximately 4.89 metric tonnes of GHG (CO₂e), allowing the earth to breathe.</p>	NT\$48.63 million
Second and Third Quarter	 <p>The Cerebral Palsy Association of R.O.C. created an experimental, innovative and atypical employment model to develop sustainable products together with PCSC, helping families with cerebral palsy patients realize the dream of employment, life value, as well as initiating a comprehensive care program.</p>	NT\$98.35 million

Fourth Quarter



Pingtung Christian Hospital is dedicated to providing a variety of health-promoting services, as well as advocating for an environment that is friendly to the elderly and those with dementia through social design program to realize the dream of taking care of local elders.

NT\$48.96 million

ibon Donations

In order to assist more charities with social welfare and more groups in need, PCSC started accepting donations at ibon machines in 2008, allowing convenient and around-the-clock donations from the public. In 2022, 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 people in hardship and reading education, supporting 83 charities with nearly NT\$180 million.



Among them, in response to the decline in charity fundraising brought about by the pandemic, families in need faced financial difficulties due to quarantine measures, PCSC initiated a fundraising project called “Send Warmth and Love during the Pandemic” from May to August, 2022, raising a total amount of NT\$2,036,262. The money was used to support families in need suffering from the impact of the pandemic by making up for the gaps in resources, giving fundraising a huge boost during a difficult year. PCSC launched a special fundraising project dedicated to Indonesia for facing multiple strong earthquakes in December that year, not wanting to miss out on emergency relief abroad.

OPEN POINTs Donation

OPEN POINTs Digital Donation

Raised a total of 21 million points in 2022

Low-touch economy is the way in digital age. 7-ELEVEN 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 combining digital tools. We provide two platforms for people to donate points – OPEN POINTs within the OPEN POINT APP, and points from 7-ELEVEN charity events – allowing more options for people to do good.

7-ELEVEN assisted public welfare organizations in exchanging for everyday supplies through point donations, helping individuals and families in need. A total of 21 million points were collected in 2022, of which 3.3 million were OPEN POINTs, and over 18 million points were from various promotional events, equivalent to NT\$17 million. Most of the points donated went to providing meals and daily necessities for elders, families, and children in need. A total of 53 organizations received our donation.



Goods Donations

PCSC wants to encourage the public to help families in need with daily necessities together. Since 2018, we have cooperated with public welfare organizations to encourage the public to pledge to goods donations. Donations include basic supplies and festival gift boxes through 7-ELEVEN, such as 1919 meals, stationary, milk, Mother's Day, Mid-Autumn Festival, Christmas gift boxes and New Year's dish. Items such as dog food and cat food were added to the list to care for feral animals and advocate for animal protection. The channels include the traditional 7-ELEVEN paper preorder catalogues and ibon machines and the digital iPre-order platform, allowing the pledge of items to break through the constraints of time and space, making it much more convenient for customers. In 2022, the value of the items pledged reached NT\$53 million, with a total of more than 150,000 sets of items donated to cases taken care of by the organizations.



6.3 Environmental Protection

Circular Economy

CHIC Corporate Charity Program

Over 20,000 sustainable products sold with over 20,000 participants

PCSC worked with social enterprises and social welfare organizations to combine the concepts of the "circular economy of waste" and "employment assistance for families with cerebral palsy patients" to take advantage of the PET bottles and empty milk bottles in 7-ELEVEN stores for the zero-waste design by Story Wear. They are then handed to families with cerebral palsy patients and mothers working for non-profit organizations to sew into "sustainable products." We launched a brand new fundraising project called CHIC Corporate Charity Program with two sustainable products in 2022, namely "Hugging Hedgehog Bag" and "Small Star and Moon Bag on Strap." PCSC invited its supplier Swire Coca-Cola to join the initiative by donating recycled PET bottles. The bottles are then made into recycled fabrics. The popular online character Happy Cat was invited to work on illustrations with children with cerebral palsy, conveying warmth to consumers who identify with the concept and demonstrate their feelings and dreams.

A total of more than 20,000 consumers have participated in the public welfare initiative, selling over 20,000 sustainable products with a total of NT\$6 million, creating extra income for public welfare organizations, as well as providing employment opportunities for nearly 100 mothers of non-profit organizations, helping nearly 100 families in need. 3,527 kilograms of PET bottles and 3,064 kilograms of PE bottles were recycled and reused, creating a win-win situation for PCSC, public welfare organizations and social enterprises by realizing circular economy, environmental protection, plastic reduction and assistance for the groups in need.

Products designed by social enterprise, 7-ELEVEN reverse logistics recycling

7-ELEVEN recycles PET, empty coffee and milk bottles with reverse logistics before entrusting the waste raw materials to Story Wear, a zero-waste fashion social enterprise, for recycling, design and regeneration.

Mothers of families with cerebral palsy patients and other non-profit organizations create handmade sustainable products including "Hugging Hedgehog Bag" and "Small Star and Moon Bag on Strap." They can care for their children with cerebral palsy while making the products, allowing them to take care of their family and generate an income.

Both products are made of 100% recycled "zero waste" yarn made with PET bottles. The "Hugging Hedgehog Bag" is sewn with a product ID inside, showing its sustainable production process. The main motif is created by cerebral palsy patient Hai-Rong Yu, showing that he would like to make friends but is often disliked as he is not very good at communicating people. In time, he felt like a hedgehog that hurts people with quills without meaning to. The product tells people that "children with cerebral palsy want to be close to people and make friends." The "Small Star and Moon Bag on Strap" is created by cerebral palsy patient Ying-Shiu Lin. She goes to a boarding school and misses her family a lot. That's why she looks up in the sky and imagines she is a rabbit living on the moon, missing her hometown while gazing at the stars.

Mothers working in non-profit organizations handcraft zero-waste sustainable products

Public participation in public welfare activities

Consumers can purchase products in 7-ELEVEN stores or on the iPre-order website to help with environmental protection and support the employment of families with cerebral palsy patients



Creators Ying-Shiu Lin and Hai-Rong Yu demonstrating their sustainable products

Environmental Protection Promotion

Shuishhe Shopping Center Dedicates itself to Local Sustainability Issues

In order to support actions towards local sustainable issues, we provide the venue for the shopping center to contribute to the sustainable development in Nantou. In 2022, the Sun Moon Lake Shuishhe Shopping Center worked with Nan Kai University of Technology, Nantou Passion Fruit Sustainable and Nantou Good Products Alliance to host the "Qingqing Farmers' Market." A total of 19 booths comply with the standards of SDGs participation, providing food



and products for tourist in the shopping center. We also support Good to Go Container Rental Services by setting up a return station and rental point, encouraging tourists to consume fewer disposable containers and plastic, contributing to SDGs and incorporating the spirit of sustainability into everyday life.

In addition, under the guidance of Sun Moon Lake National Scenic Area, PCSC and local businesses organized a day trip with local SUP instructors leading the participants to clean up the lake, before giving them a tour on the electric boat and experience the Thao culture. Finally, the participants ate out of a sustainable meal container created by traditional Thao crafts, incorporating fun puzzle-solving methods giving them the opportunity to taste local delicacies in Ita Thao before concluding the day trip with the cultural sustainability theme. Two trips with 120 participants were organized.



Public Welfare Citizen Power Plant

The Society of Wilderness worked with PCSC to launch the “Environmental Education Support Habitat Protection Program” in 2021 by organizing over 26 “Good Neighbor O2O Environmental Education Funfest” sessions. In 2022, PCSC took advantage of the monetary donation from the 7-ELEVEN Bring Back the Love program to promote the pilot project for citizen power plants by supporting the Society of Wilderness in setting up two citizen power plants in Kouhu Village, Yulin County and Majia Township, Pingtung County. We hope to help people learn more about citizen power plants and self-generation through this program, as well as setting up photovoltaic systems in remote areas with the funds raised to promote green energy, self-generation of green power for self-consumption, and take actions towards public welfare in these areas.



(Note) Click [here](#) to watch the videos

6.4 Good Health & Well-being

Care for Elders

What Time Is It? Café

Served over 4,636 elders with dementia as of 2022

The prevalence rate of dementia among the local elderly over 65 is about 3.4%, meaning 1 person out of 12 has dementia. However, studies have found that the general public does not have a correct understanding and awareness of the disease. Coupled with the lack of services for dementia patients and their caregivers, it means that the prevention and care of dementia is an urgent issue. PCSC has recognized that the aging society is an irreversible trend. Since 2014, it has been paying attention to the aging issues of ethnic groups with few resources for a long time, focusing on the high prevalence of dementia in an aging society. To this end, it works with the community charity through its wide bases, product ranges and



services. Learning from the experience of Europe and Japan, PCSC began to collaborate with social welfare groups such as the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation. The “What Time Is It?” Café initiative was launched in 2017 for elders with dementia to work as elder interns for CITY CAFÉ an hour every week accompanied by 7-ELEVEN employees. The initiative delays deterioration through occupational therapy, maintains social participation, and turns convenience stores into safe venues for elders with dementia to rehabilitate through daily activities, as well as the best way to highlight the disease for the public. In 2020, the “What Time Is It?” Café initiative obtained SROI international certification. It is estimated that every NT\$1 invested can create 4.61 times the social influence, with the value reaching roughly NT\$9 million. PCSC expects to not only delay the deterioration of symptoms for elders with dementia, but also improves the public’s awareness of dementia and the awareness for maintaining personal health. To address the gap in dementia care and daily rehabilitation under the impact of the pandemic in 2022, PCSC started from the concept of dementia-friendliness in everyday life with the target audience of store employees, elders with dementia and school children. Real-life and online resources were integrated to launch the “What Time Is It? Café O2O Experience,” “Oops! I Forgot” palm-sized picture book as the first of its kind in the retail industry, and “dementia-friendly in-store course” to continue to build the most dementia-friendly service local platform.

What Time Is It? Café O2O Experience

In response to the World Alzheimer’s Day, PCSC joined hands with 17 major public welfare organizations and over 30 stores to hold more than 80 “What Time Is It? Café” scavenger hunts, allowing the elders in care institutions and home to experience activities remotely, helping them brainstorm and improve hand-eye coordination.

“Oops! I Forgot” palm-sized picture book

PCSC and PCSC Good Neighbor Foundation joined hands with Sisters of Our Lady of China Catholic Charity Social Welfare Foundation to launch the “Oops! I Forgot” palm-sized picture book as the first of its kind in the retail industry specifically created for school children, inviting parents and children to learn the importance of being dementia-friendly while having fun with the picture book.

Dementia-friendly in-store course

PCSC integrated internal resources to film the “Dementia-friendly In-store Course” video to strengthen the understanding and care of dementia patients for employees in the head office and stores, actively turning dementia-friendliness into a part of everyday life.

In 2022, a total of 19 stores ran the “What Time Is It?” Café project and serving an accumulated 4,636 elders with dementia as of 2022. The target is reaching 22 stores and serve 1,320 elders in 2023, as well as 32 stores and 1,600 elders in 2025.



Stakeholder Feedback



Ying-Fang (store employee)

“I am happy that everybody is working together on something meaningful. Store manager Ying-Fang shared her experience in the “What Time Is It? Café” cross-region guidance session at the end of 2022. She said it is a service worth promoting and expanding, and she is happy that she can provide the venue and assistance for the elders for an hour every week. Seeing their smiles and progress is heart-warming for her and all store employees.

📍 Dog Therapy for the Elderly



PCSC worked with long-term partner in public welfare, Pingtung Christian Hospital, to launch a new public welfare fundraising program called “Dog Therapy for the Elderly.” The program collaborates with the Professional Animal-Assisted Therapy Association of Taiwan for the first time to provide professional animal-assisted therapy for elders with dementia in 7-ELEVEN stores. The program started in Pingtung to create stores that allow professional assistance and therapy dogs.

According to statistics from the Ministry of the Interior, the aging index of Pingtung County in 2021 ranks among the top five in local area, showing that the planning of long-term care services is urgent. 7-ELEVEN and Pingtung Christian Hospital have observed that animals are involved in helping the elders in institutions for animal-assisted therapy in various countries around the world. Therefore, we took the initiative to contact the Professional Animal-Assisted Therapy Association of Taiwan in 2022 to launch a 6-month health-promoting event by combining resources from all three organizations. Specialists and handlers of animal-assisted therapy and therapy dogs form a solid team to provide professional animal-assisted therapy. The elders got to practice taking the dogs into 7-ELEVEN stores to purchase the right products for their therapy needs while maintaining a firm hold of the dog at the same time. This might seem easy for many, but it is a challenge for those with dementia.

PCSC has put a lot of effort into creating a friendly environment for the elderly and dementia patients. In addition to being the first convenience store to allow assistance dogs, it has launched assistance dog-friendly courses in nearly 200 7-ELEVEN stores in Pingtung area, placed stickers to welcome assistance and therapy dogs in the stores and help professional assistance dogs enter the stores with the elderly. Yan Ru, a case manager at Pingtung Christian Hospital, said that dementia patients will gradually reduce the frequency of participation in community activities due to degeneration of cognitive function, limited language ability and physical activities. Making purchases with the help of assistance and therapy dogs will uplift their moods and encourage them to be part of the community again.

Community Outreach

📍 Good Neighbor Health Funfest & Good Neighbor Health Classroom

Organized a total of 1,833 “health events” in 2022 (including blood donation and blood pressure measurement) with over 30,000 participants

PCSC 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, PCSC organizes health events such as the



Good Neighbor Health Funfest and Good Neighbor Health Classroom 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 2022, a total of 1,833 “Good Neighbor Health Funfests” were organized with blood donation and blood pressure measurement for over 30,000 participants. The goal is hosting 2,000 sessions in 2023 and maintaining the number at 2,000 in 2025.

Among them, in 2022, the Good Neighbor Foundation and Millennium Health Foundation organized the event for measuring the waist circumference, blood pressure and calf circumference on the National Health Day with 1,092 stores and over 16,000 people participating. The Good Neighbor Health Classroom continues to organize health education

and health-promoting activities in the stores with Pingtung Christian Hospital, providing the elders and their families with correct health education information.

6.5 Zero Hunger

Caring for the Neighborhood

📍 Good Neighbor Meal Delivery Team

As of 2022, meals have been delivered to a total of 190,000+ people

PCSC stores are located within every county and city, and through our meal delivery service we are able to provide meals to financially disadvantaged households or elders. The program also made up for the gap in shortage of food delivery manpower for public welfare organizations during weekend. Starting from Hualien and Taitung in 2014, PCSC called on store employees to deliver meals to elders living alone or having limited mobility. They also monitor these elders and can report back to non-profit organizations if assistance is needed. Alternatively, financially disadvantaged elders or households can pick up meals in-store, eliminating hunger and encouraging elders to walk out of their homes to interact with others.

In 2022, the Good Neighbor Meal Delivery Team continued to partner with 4 foundations, including the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation, Mennonite Social Welfare Foundation, Hondao Senior Citizens Welfare Foundation and A Kernel of Wheat Foundation. A total of 46,496 people received the service. As of the end of 2022, a total of 198,600 people received the services in 8 cities provided by 26 stores.

In 2023, the initiative will be combined with OPEN! Mobile Shopping Van, turning meal delivery services in fixed locations into mobile supply delivery, providing better services in larger areas to maximize the benefits.



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 22 projects with youth organizations as of 2022



With 7-ELEVEN stores across local area, we have witnessed the impact of aging populations, low birth rates, and declining local tourism and other industries. Yet some youths are moving to remote areas and starting their own businesses, gathering resources to revitalize local industries and rural communities. Therefore, the PCSC Good Neighbor Foundation started the Youth Deep Roots Project in 2017. In addition to providing funds and resource matchmaking, we invite relevant experts to mentor and assist these young entrepreneurs.

PCSC Good Neighbor Foundation discovered that these young entrepreneurs did

not lack the innovation or ability to grow their business, but rather a space for them to stay rooted, showcase their achievements and integrate them into the local market. Therefore, PCSC is collaborating with these young entrepreneurs to provide a platform for performances, exhibitions, and exchange of ideas. Our OPEN! Youth Funfest program brings together resources from the local community, turning local stores into the best partners in local placemaking. The Youth Deep Roots Project has two models, with the first giving youth groups the opportunity to combine existing store experience sessions (Mini Store Manager) and the second being sharing store resources (space and customers) with youth groups. In 2022, PCSC worked with youth groups on 9 projects, which was higher than the year before. More returning youths have given local towns a boost, and in the long run this will help PCSC procure local products, creating a win-win-win situation with local procurement, local marketing for the enterprise and environment, as well as the society. In 2023, the goal is collaborating 10 projects together with youth groups, with a total of 34 by 2025 (counting from 2018).

In addition, PCSC has discovered that young people returning home to start businesses that develop into social enterprises by combining social and environmental issues, which have become a new force in the revitalization of local communities. To this end, PCSC combines its stores as platforms and funding investment, as well as providing the MyShip online platform and setting up a "Youth Deep Root Project" section to waive the slotting fee and reduce the pressure of starting a business. We aim at creating sustainable partnerships by connecting online and offline channels. So far we have supported 13 local social enterprises in launch over 100 products. We have also worked with local stores to host over 1,200 Good Neighbor Funfests to be present for the young people starting social enterprises. The Youth Deep Roots Partner Program has reached over 230,000 people.

In 2022, "Fish Bar" in Hualien successfully promoted set-net fishery that is friendly to the marine environment and put the Mahi Mahi fillet in the selected fresh ingredient section in 320 stores. It also worked with Good Neighbor Funfest in promoting food, agricultural and fish education as well as the local culture with over 40,000 parents and children participating so far, allowing sustainable education to take roots. In the meantime, PCSC has exclusively introduced the products of the Taiwan Dou, a social enterprise based in Sanxia. It works with local bean farmers on contract farming, choosing beans that are grown by small farmers as well as working with local suppliers in terms of products, raw materials and services to reduce carbon emissions produced during transportation. The products have been placed on the shelf in 20 stores, giving local social enterprise entrepreneurs the chance to realize their dreams and set a new milestone.



Local Procurement for Shopping Centers

PCSC helps local small farmers and groups with fewer resources increase their income by purchasing local rice and providing free sale venues in Taichung Houli and Hsinchu Youda Shopping Centers. Since 2017, all the rice used in the Houli Youda Shopping Center has been purchased from the Houli Farmers' Association to support local agricultural products with practical actions. The purchase amount in 2022 was NT\$324,800. Hsinchu Youda Shopping Center holds charity bazaars with local small farmers and public welfare organizations from time to time to help groups with fewer resources gain some exposure and income, effectively increasing the income of stakeholders. A total of 6 sessions were held throughout the year.



6.7 Quality Education

Foundation in Sustainability

Good Neighbor Sustainability Funfest

Over 150,000 people have taken advantage of the Sustainable DIY materials as of 2021

PCSC launched the "Good Neighbor Funfest" in 2009, focusing on four themes of "parent-child interactions, care for the charity, education and culture, environmental protection and LOHAS" to care for the communities. So far, the Good Neighbor Foundation has established a community public welfare service platform with more than 6,600 7-ELEVEN stores. With the concept co-prosperity with the society, PCSC exerts its influence to contribute to the society and aims at becoming a "community service center."

PCSC has also observed the importance of sustainability education and the need to take root without sufficient teaching materials. Therefore, it launched a variety of sustainability teaching materials for preschool children, turning topics such as environmental protection, food safety, health, public welfare, etc. into content that is easily understandable for parents and children. The palm-sized picture book titled "Smart Plastic Reduction" was published this year, supporting plastic reduction actions by bringing containers and helping children to stay updated with international trends and enhancing sustainability literacy. Sustainability teaching materials can be downloaded from the official website of the Good Neighbor Foundation, as well as printed directly from ibon. As of 2022, a total of 29 parent-child DIY picture books have been developed and provided to more than 6,000 students in more than 100 primary schools and accompanying classes in townships. As the reading materials are easily accessible, various DIY materials have been downloaded more than 150,000 times to expand their influence on more than 360,000 people. This allows parents and children to implement sustainability actions through 7-ELEVEN's daily behaviors, create a "parent-child reading life circle," and simultaneously improve the understanding of sustainability of store employees, turning the Good Neighbor Funfest into a platform for passing on knowledge of sustainability.

In addition, cross-departmental communication and systematization were adopted to create the exclusive "O2O (Online To Offline) Funfest" for customers who wanted to participate during the pandemic, integrating real-life and offline resources from 7-ELEVEN stores all over the place. In 2022, a total of 9,331 Good Neighbor Funfest (including real-life and O2O sessions) have been held, for nearly 80,000 participants and nearly 19,000 store employees participating.



Stakeholder Feedback



Children and parents: A satisfaction survey was conducted on the participants. Most parents gave positive feedback with a score of 88 points.

"Such a good event should be held more frequently in the future. It is very practical and rewarding!"

"Environmental protection is everyone's responsibility, and it makes sense to start from childhood."

"This teaches us that recycling helps the planet live forever."

"It's great to let children naturally accept the concept of loving the planet through small activities."

"It's not just teaching children, the adults are learning together. It's a great game for parents and children."

"Environmental protection and loving Mother Earth are not just slogans. We should take actions instead. Thank you for your hard work!"



7-ELEVEN store employees: We like that the materials are provided by the head office so there is no extra work regarding the preparation.

"Hosting the Sustainability Funfest allows the store to shorten the distance with customers and maintain the relationship. Palm-sized picture books and DIY teaching materials are very popular because it promotes parent-child interactions. It is easy to work with for the stores as well."

..... Xingbao Store



Partner organizations: We can share the organization's concept with more children through collaboration, allowing more people to know the partner organizations.



Rural primary schools: Providing sustainability DIY materials and teaching plans to rural primary schools we work with. Teachers can promote sustainability education through the teaching plans, and students can learn about sustainability through palm-sized picture books and DIY activities.

"The children love it very much. They can learn about protecting the earth and ecology through games and picture books."— Wan'an Elementary School

"The subject matter is great, and it can be used in conjunction with Nature lessons. The students enjoy the games very much."— Tongxing Elementary School



Community feedback: The annual online public opinion review was conducted by a third-party external community for database analysis. Among the parent-child cultural and educational brands, the Good Neighbor Funfest is number one of all corporate brands, and sustainability teaching plans are also recognized by the target audience to enhance parent-child interaction and children's creativity.

Youth Deep Roots in Sustainability Project



PCSC actively responds to the goal of SDG 4, Quality Education, by focusing on the sustainable empowerment of new generation talents and consumers. PCSC launched the "Youth Deep Roots in Sustainability Project" in 2020 by promoting SDG topics at colleges/universities to equip more young people with sustainability literacy. We took the program further by launching the "Sustainability Campus Ambassador" recruitment program in 2022 to encourage young people to design action plans that are creative, comprehensive and actionable, transforming the concept of sustainable earth into practical actions, instilling concept of sustainable development in more young people

who would like to participate in green actions. In 2022, we worked with nearly 25 colleges and universities and cultivated nearly a thousand young talents.

The 2022 Youth Deep Roots in Sustainability Project gave young people the chance to get to know sustainability issues, think and take actions through the four stages of "Sustainability Empowerment," "Sustainability Activist Online Mission," "Sustainability Campus Ambassador" and "Sustainability Youth Survey." This shows the voice of the youth, cultivate talents in sustainability and expand our influence in sustainability.

Stage 1: Sustainability Empowerment

1 From April to the end of October, 8 workshops were held in 8 universities with USR rankings (National United University, National Cheng Kung University, National Yang Ming Chiao Tung University, Ming Chuan University, Shih Hsin University, National Pingtung University, National Pingtung University of Science and Technology, Feng Chia University), as well as 2 Sustainable Campus Ambassador sharing sessions. In August, a total of 2 real-life and online sharing sessions were held to invite the Human Resources Department to participate in the event to promote sustainability and employer brands.

Stage 2: Sustainability Activist Online Mission

2 From April to August, a fun community activity called "Sustainability Activists - Three-by-three grid Challenge" to encourage young people to understand PCSC's sustainability measures and develop sustainable consumption behaviors. The activity produced a total of 6,138 sustainability actions.

Stage 3: Sustainability Campus Ambassador

3 Sustainability Campus Ambassadors were recruited from October to November to grow campus seeds that act as a bridge between PCSC and young people at different colleges on sustainability issues. Young people were invited to start from the two themes of "sustainable lifestyle proposal" and "sustainability activist" to think about how to transform sustainability on earth into practical actions in everyday life.

A total of 30 Sustainability Campus Ambassadors were recruited to participate in the meet and greet and proposal workshop with result presentations. After the preliminary review and hearing the ambassadors' creative and wonderful proposals, three teams of "PCSC Sustainability Campus Ambassadors" were selected. In addition to certificates, they were given prize money to reward them for their proposals that are creative, feasible and complete. Four proposals and five outstanding Sustainability Campus Ambassadors were selected at the end with a total of 10 sustainability proposals produced during the process.

Stage 4: Sustainability Youth Survey

4 The survey have been carried out from November to December, with the first local "Youth Sustainability Career" survey report launched together with the the CSOne platform. A total of 3 news reports and 5 community posts were produced to advocate the importance of sustainability careers and sustainability talent cultivation. The publications reached over 106,000 people.

In addition, the "Youth Deep Roots in Sustainability Project" actively collaborates with external organizations and participates in sustainability activities, including the "STW High School Students Thinking Challenge" held by Twin Oaks, the "Sustainability Forest" held by Dentsu Taiwan by invitation, face-to-face interactions with young people through workshops, as well as participating in the AIESEC Green Leaders Global Project to share corporate sustainability actions with young people, etc., to bridge distance between the Company and the young generation, as well as expanding its influence in the outside world. It reached a total of about 2,550 young people.

SDGs Creative Challenge

SDGs Creative Challenge guides the public to pay attention to the creative thinking and practice of ESG issues through entertainment, furthering people's ESG education and culture empowerment, allowing young students to apply what they learned in real life scenarios to enhance their learning motivation. Following the success in the Tai'an shopping center in 2021, it was held in the Rende shopping center in 2022. The PCSC Shopping Center Division, Freeway Bureau, National Expressway Engineering Bureau of the Southern District Office and Gangshan Public Work Section exhibited the works of the Global SDGs Creative Challenge in the Rende Service Area to respond to the sustainable development issues raised by the United



Nations. In addition to exhibiting award-winning works, the event also includes interactive courses and experiential teaching, inviting passers-by in the service area to participate. 18 entry introductions and 4 physical displays were exhibited during the event with a 2-week online course for a total of 34 students participating.

Airport English Experience Camp for Children

Taipei Songshan Airport celebrated its 72nd anniversary in 2022. To further children's English skills related to being in the airport and integrate language with real-life scenarios, The Songshan Airport shopping center and the airport organized the Airport English Experience Camp for Children. Children learned how to complete boarding in English and Mandarin, as well as creating a wooden aircraft music box commemorating the airport's 72nd anniversary. They went home with their creations after a fruitful day. A total of 49 children participated in the event.



Reading Promotion

Reading Encouragement Program

Reading is one of the issues the PCSC Good Neighbor Foundation holds dear, and it aims at motivating children in remote areas to read based on the two themes of reading encouragement and sustainability education. We work with our sustainability partners to invest resources, including Cheng Loong Corp., the Society of Wilderness, Paper Carton Alliance, Tetra Pak, Future Parenting and so on. Good Neighbor Foundation continues to support partner schools through various programs, which also saved Hudong Branch of Liujia Elementary School from closing down.

In alignment with SDG 4 "Quality Education", the Good Neighbor Foundation instituted a reading encouragement program that encourages children in remote elementary schools to read in 2014. The read-for-points system motivates children to read. In 2022, we worked with total of more than 100 schools/accompanying classes, issuing 164,000 points during the year. This is equivalent to every child reading 38 books a year as part of the Good Neighbor Foundation Reading Encouragement Program, which was more than twice the average reading volume for local schoolchild.

(Note) According to the 2022 Global Views Monthly Survey Center, the "average annual reading volume of school children" is 17 books. [Click here](#) to read the story.

In addition, the Good Neighbor Foundation lunched the "One School, One Project" initiative in 2020 to help children realize their dreams, including assisting children in the Olive Garden accompanying class in serving as pitchers for one day, and the students of Hudong Branch, Liujia Elementary School, in holding art exhibitions in 7-ELEVEN stores, as well as Chiayi Heshun Elementary School's bicycle twin tower day study plan. We show increasing support for our partner schools on the reading encouragement program with a variety of projects.

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

Stakeholder Feedback

Teacher
(Yude Elementary School, Changhua)

"After the reward program was put in place, the students' reading habits improved significantly. Data from the library management system shows us that apart of the months during which classes were suspended due to the pandemic, the students borrowed 3.5 times more books compared to the period before the school joined the program, and the number of borrowers tripled compared to the previous period."

Teacher
(Qiangyuan Elementary School, Pingtung)

"I am grateful to the PCSC Good Neighbor Foundation to providing such rich and practical rewards, allowing children in remote areas to enjoy going shopping in the convenience store. It is a sense of accomplishment and an important motivation for them to continue reading."

Teacher
(I DO accompanying class)

"Jay is learning the phonetic system through the encouragement program. He would read a picture book in class, which is of great help to his reading and learning in both tangible and intangible ways."

Student
(Xiancao Elementary School, Tainan)

"Taking storybooks home every day has become something I look forward to. I even asked the teacher if I can take one more home."

Parents
(Chinese Christian Relief Association 1919)

"The program allows children to find a way to help reduce the burden on the family during this special period. The students realize that reading is of substantial value, they can see their own progress."

Teacher
(Hudong Branch of Liujia Elementary School, Tainan)

"Thank you, the Good Neighbor Foundation, for running the read-for-points activity that makes children more willing to read. The DIY materials allow them to learn how to protect the environment and love the earth. Thanks to the foundation for their hard work."

Student
(Checheng Elementary School, Pingtung County)

"When I look at the card in my reading passport, I can recall which books I read. I feel a great sense of accomplishment when I fill the card."



6.8 ESG Advocacy Platform

2022 was PCSC's "Yeah of Sustainability Action." With our success in plastic reduction, focus on inviting consumers to take plastic reduction actions in everyday life. From Earth Day videos, social media, to the Good Neighbor Foundation's summer funfest "Smart Plastic Reduction" and real-life sustainability pop-up stores throughout the year, PCSC advocates plastic reduction actions such as bringing your own cup and the OPEN iECO recycled cups renting service through external connections.

Sustainability Initiatives

PCSC responds to sustainability actions together with its consumers, public welfare organizations, media, suppliers, employees and other stakeholders. An "Innovative Plastic Reduction and Love the Earth Video" was created for Earth Day. The video starts from encouraging consumers to bring their own containers to combine daily consumption and PCSC's plastic reduction actions, making sustainability actions an accessible part of everyday life. The video reached 4.58 million viewers. In addition, by participating in the SDGs Forum of Commonwealth Magazine and GVM's Sustainability Festival, we communicate PCSC's sustainability actions including plastic reduction and assistance based on the theme of "Planet Sustainability In Our Everyday Life." At the end of the year, we appealed to all employees as well as inviting consumers to participate in the "United Daily News 500 Times Party" to set up a "PCSC Sustainability Pop-up Store." Any customer who brings a cup of make a donation of any amount could get CITY PRIMA Americano for free. The parts of setup on site was made of environmentally friendly fabrics made from recycled PET bottles in stores.

In 2022, more than 150,000 people participated in the real-life sustainability initiative activities. PCSC integrated virtual and real-life elements to connect people online and offline, attracting consumer attention and encouraging them to participate.



Commonwealth Magazine SDGs International Forum



United Daily News 500 Times Party: PCSC Sustainability Pop-up Store

Sustainability Promotion



In 2022, PCSC invited more than 4,000 consumers to respond to take sustainability actions in everyday life through the "Sustainability Petition." In addition, two sustainability knowledge challenges for interacting with stakeholders were also launched on the official sustainability website. One of them communicated overall sustainability actions, inviting everyone to challenge how much they know about sustainability actions taken by PCSC. The other invited everyone to answer questions about PCSC's plastic reduction actions as part of the "My Sustainability, Your Daily Life" initiative. Almost a thousand people were encouraged to take action through soft topic marketing and sharing. The results of the sustainability knowledge survey shows that over 95% of stakeholders built a better image of the brand after witnessing the effort and results of PCSC's effort in plastic reduction.

The strategic promotion of "bring your cup" meme spread well on social media in the UGC community, inviting consumers to reduce plastic in everyday life by uploading pictures such as bringing your own cups, bags and cutlery. The campaign reached over 2.4 million people with more than 10,000 interactions.



Sustainable Communities

The PCSC Public Welfare Community (7-ELEVEN Bring Back the Love Facebook fan page, Instagram account and the LINE account of the PCSC Good Neighbor Foundation) transformed from charity communities to ESG communities. In addition to disclosing sustainable information, it is also expected to enhance the public's awareness and actions on sustainability education.

Appendix

Historical Data

Corporate Governance

External Participation

Item for Disclosure	Item for Disclosure		Unit	2019	2020	2021	2022
Name of Association	Mem- bership	Issue in Focus					
Taiwan Delica Foods Development Association	Chairman	Food safety					5,000,000
Taiwan Quality Food Association	Director						10,000
Business Council for Sustainable Development of Taiwan	VIP member	Corporate sustainability					120,000
Taipei Department Store Association	Member						10,000
Chinese National Association of Industry and Commerce, Taiwan	Member						20,000
Taiwan Coalition of Service Industries	Director		NT\$	5,209,000	5,209,000	5,209,000	5,000
Taiwan Chain Store and Franchise Association	Director						30,000
Chinese Non-store Retailer Association	Director					20,000	
Zero Energy Building Technology Alliance	Member	Sustainable environment					0
Donation or membership fee for associations	-						5,215,000
Coverage rate of donation or membership fee for associations	-		%	100	100	100	100

Financial Performance

	Unit	2019	2020	2021	2022
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	15,803,567	168,147,856	168,010,130	182,872,403
Operating profit	NT\$1,000	54,177,435	56,557,043	56,287,789	61,238,432
Income tax expenses	NT\$1,000	1,677,606	1,476,353	959,740	1,440,614
Profit after tax	NT\$1,000	10,542,860	10,238,162	8,861,619	9,281,650
EPS	NT\$	10.00	9.85	8.52	8.93
Dividend per share	NT\$	9	9	9	9
Return on Shareholders' Equity	Percentage	29.50%	28.34%	25.25%	26.29%

Total assets	NT\$1,000	132,464,048	141,503,950	146,442,976	159,087,017
Total liabilities	NT\$1,000	96,241,167	105,483,759	112,279,968	122,627,937
Total equity	NT\$1,000	36,222,881	36,020,191	34,163,008	36,459,080

Financial Performance

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022
Total percentage of stores graded A and B in the Service Excellence Rating		%		98.80	98.85	96.06	95.19
Total number of Tier-1 suppliers		unit					1161
Total number of significant suppliers in Tier-1		unit					7
Proportion of total spend on significant suppliers in Tier-1		%					33.57
Total number of significant suppliers in non Tier-1		unit					10
Total number of significant suppliers		unit					17
Target percentage of significant suppliers assessed via desk assessments/on-site assessments		%					100
Total number of suppliers assessed via desk assessments/on-site assessments		unit					17
Proportion of significant suppliers assessed		%					100
Number of suppliers assessed with substantial actual/potential negative impacts		unit					0
Proportion of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan		%					N/A (Note)
Number of suppliers with substantial actual/potential negative impacts that were terminated		unit					0
Target proportion of suppliers supported in corrective action plan implementation		%					100
Total number of suppliers supported in corrective action plan implementation		unit					0
Proportion of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation		%					N/A (Note)
Target number of suppliers with development plans implemented		unit					3
Total number of suppliers in capacity building programs		unit					3
Proportion of significant suppliers in capacity building programs		%					17.65

(Note) No suppliers assessed with substantial actual/potential negative impacts in 2022. As a result, the ratio is not applicable.

Employee

Item for Disclosure	Sub-item for Disclosure		Unit	Description	2019	2020	2021	2022
Employees divided by gender and employment contract	Male	Indefinite contract	Person		3,814	3,796	3,657	3,821
		Term contract	Person		0	0	5	11
	Female	Indefinite contract	Person		4,616	4,704	4,683	4,776
		Term contract	Person		0	0	3	9
Employees divided by gender and type of employment	Male	Full-time	Person	(Note 1) Full-time employees receive a monthly salary. Part-time employees are paid by hour.	1,885	1,864	1,850	1,819
		Part-time	Person		1,929	1,932	1,812	2,013
	Female	Full-time	Person	(Note 2) Non-guaranteed hours employees follow the work in shift, equivalent to the category of part-time employees	2,229	2,175	2,156	2,205
		Part-time	Person		2,387	2,529	2,530	2,580
Employees divided by area and employment contract	Northern Taiwan	Indefinite contract	Person		5,439	5,423	5,372	5,504
		Term contract	Person		0	0	8	17
	Central Taiwan	Indefinite contract	Person		1,154	1,106	1,147	1,122
		Term contract	Person		0	0	0	0
	Southern Taiwan	Indefinite contract	Person		1,837	1,971	1,821	1,971
		Term contract	Person		0	0	0	3
Employees divided by area and type of employment	Northern Taiwan	Full-time	Person	(Note) The distribution of employment types by area is a new classification this year, so there is only data for 2022	-	-	-	2,520
		Part-time	Person		-	-	-	3,001
	Central Taiwan	Full-time	Person		-	-	-	591
		Part-time	Person		-	-	-	531
	Southern Taiwan	Full-time	Person		-	-	-	913
		Part-time	Person		-	-	-	1,061

Item for Disclosure	Sub-item for Disclosure			Unit	Description	2019	2020	2021	2022
Employees divided by age	Store employees	Male	≤30 years old	Person	(Note) Management includes team managers, department heads and management above deputy managers. Non-management personnel refer to other employees in the back office.	1,607	1,528	1,370	1,500
			31-50 years old	Person		907	927	929	967
			>50 years old	Person		122	131	153	177
		Female	≤30 years old	Person		1,659	1,671	1,604	1,575
			31-50 years old	Person		1,650	1,676	1,667	1,683
			>50 years old	Person		198	221	247	316
	Management	Male	≤30 years old	Person		0	0	0	0
			31-50 years old	Person		115	115	122	119
			>50 years old	Person		88	88	95	88
		Female	≤30 years old	Person		0	0	0	0
			31-50 years old	Person		42	41	44	44
			>50 years old	Person		11	7	8	12
	Non-management	Male	≤30 years old	Person		164	186	185	174
			31-50 years old	Person		683	679	659	645
			>50 years old	Person		128	142	149	162
		Female	≤30 years old	Person		206	218	233	230
			31-50 years old	Person		754	744	730	756
			>50 years old	Person		96	126	153	169

Item for Disclosure	Sub-item for Disclosure			Unit	Description	2019	2020	2021	2022
Total number and proportion of new employees by age group and gender	Northern Taiwan	Male	≤30 years old	Person	(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 45.78%. (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, 2022). (Note 4) If FTEs are used to calculate the number of new recruits, the number of new recruits in 2022 is 1,160 (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 (8,617) who are still with the company at the end of the year, tracing back to the total number of working hours in 2022).	1,040	898	920	980
				%		88.06	80.83	89.41	90.49
			31-50 years old	Person		121	137	142	188
				%		10.93	12.33	12.80	16.77
			>50 years old	Person		15	25	21	28
				%		7.32	11.01	8.30	10.29
		Female	≤30 years old	Person		771	833	787	893
				%		66.41	72.69	68.73	80.60
			31-50 years old	Person		196	260	245	324
				%		12.27	16.1	15.29	19.83
			>50 years old	Person		41	44	52	85
				%		21.93	20.66	21.49	28.05
	Central Taiwan	Male	≤30 years old	Person	307	163	144	221	
				%	125.82	76.17	69.23	101.84	
			31-50 years old	Person	36	32	31	37	
				%	17.48	15.02	13.96	16.82	
			>50 years old	Person	9	0	2	0	
				%	15.52	0	3.85	0	
		Female	≤30 years old	Person	289	175	141	217	
				%	95.07	57.57	47	77.78	
			31-50 years old	Person	98	36	40	55	
				%	32.13	12.95	12.99	18.97	
			>50 years old	Person	8	2	7	6	
				%	21.62	4.55	12.28	9.68	
Southern Taiwan	Male	≤30 years old	Person	312	322	273	328		
			%	90.17	82.78	85.85	87.70		
		31-50 years old	Person	46	57	54	65		
	%		11.73	14.36	14.25	16.67			
	>50 years old	Person	3	5	4	9			
		%	4	6.17	4.35	8.91			

Item for Disclosure	Sub-item for Disclosure			Unit	Description	2019	2020	2021	2022
Total number and proportion of new employees by age group and gender	Southern Taiwan	Female	≤30 years old	Person		281	329	277	351
				%		70.25	74.94	70.66	83.97
			31-50 years old	Person		107	97	92	138
				%		19.71	17.08	17.33	24.69
			>50 years old	Person		12	11	13	20
				%		14.81	11.34	11.93	15.15
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 42.72%. (Note 3) The annual voluntary turnover (excluding lay-off) is 42.68%.	1,012	914	930	884
				%		85.69	82.27	90.38	81.63
			31-50 years old	Person		161	176	160	180
				%		14.54	15.84	14.43	16.06
			>50 years old	Person		37	36	41	53
				%		18.05	15.86	16.21	19.49
		Female	≤30 years old	Person		873	816	716	876
				%		75.19	71.20	62.53	79.06
			31-50 years old	Person		236	287	248	296
				%		14.77	17.77	15.48	18.12
			>50 years old	Person		43	61	65	73
				%		22.99	28.64	26.86	24.09
	Central Taiwan	Male	≤30 years old	Person		250	164	157	176
				%		102.46	76.64	75.48	81.11
			31-50 years old	Person		45	23	31	31
				%		21.84	10.80	13.96	14.09
			>50 years old	Person		2	8	9	9
				%		3.45	15.09	17.31	16.67
		Female	≤30 years old	Person		252	163	138	195
				%		82.89	53.62	46.00	69.89
			31-50 years old	Person		68	52	40	48
				%		22.3	18.71	12.99	16.55
			>50 years old	Person		4	4	8	8
				%		10.81	9.09	14.04	12.90

Item for Disclosure	Sub-item for Disclosure			Unit	Description	2019	2020	2021	2022
Total number and proportion of employees turnover by age group and gender	Southern Taiwan	Male	≤30 years old	Person		249	294	257	278
				%		71.97	75.58	80.82	74.33
			31-50 years old	Person		44	61	62	68
			%	11.22		15.37	16.36	17.44	
		>50 years old	Person	11		14	11	22	
			%	14.67		17.28	11.96	21.78	
	Female	≤30 years old	Person	283		295	242	322	
			%	70.75		67.20	61.73	77.03	
		31-50 years old	Person	100		93	93	136	
			%	18.42		16.37	17.51	24.33	
		>50 years old	Person	12		22	25	26	
			%	14.81		22.68	22.94	19.70	
Full-time employee turnover				%	(Note) Excluding the number of part-time employee turnover.	4.72	5.67	6.44	5.57
Members from minority groups	Store employees	Person			(Note) Minority groups include 147 aborigines, 33 foreign employees and 253 persons with disabilities. People with disabilities account for 2.54% in terms of FTEs. 100% of the members are local with no foreign employees.	370	383	369	372
		%				6.02	6.22	6.18	6.19
	Management	Person				3	3	3	3
		%				1.17	1.20	1.12	1.12
	Non-management	Person				24	28	31	31
		%				1.18	1.34	1.47	1.47
Ratio of female managers at all levels	TEAM managers, store managers, district consultants			%	0	50.31	50.84	51.31	
	Department heads			%	0	6.67	10.20	14.58	
	TEAM managers, store managers, district consultants, department heads			%	0	48.99	49.54	50.16	
Ratio of female managers in revenue-generating functions				%	Including store managers, district consultants, district managers and managers of operation department.	0	52.02	52.74	52.79
Ratio of female employees in positions involving science, technology engineering and mathematics				%	Including AI Digital Group.	0	53.70	56.14	55.07
Distribution of employee nationalities	Local			%		-	99.59	99.58	99.62
	Chinese			%		-	0.25	0.24	0.30
	Malaysian			%	The third largest nationality in 2020 and 2021 is Vietnamese, and the third largest in 2022 is Malaysian instead	-	0.11 (Vietnamese)	0.10 (Vietnamese)	0.05
	Others			%		-	0.06	0.08	0.03

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022
Employee FTEs as distributed by age group	≤30 years old	%	1. FTEs (full-time equivalents) = the total annual working hours of this category of employees/the annual working hours of a full-time employee.	-	35.16	34.08	32.95
	31-50 years old	%	2. The total working hours here is the number of employees (8,617 people) who were employed at the end of the year traced back to the total working hours in 2022.	-	55.43	55.20	54.91
	>50 years old	%	3. The ratio is FTEs of this age group/FTEs of all employees.	-	9.41	10.72	12.14
Average salary ratio between male and female (female/male)	Basic salary of non-management employees	%	Including management and non-management in the stores.	-	0.96	0.96	0.94
	Basic salary of TEAM and department managers	%		-	0.94	0.93	0.94
	Salary and remuneration of TEAM and department managers	%	Salary and remuneration include basic salary and year-end bonus.	-	0.94	0.93	0.95
	Basic salary of executive managers (inclusive) and above	%		-	0.83	0.96	1.21
	Salary remuneration of executive managers (inclusive) and above	%	Salary and remuneration include basic salary and year-end bonus.	-	0.85	0.97	1.24
Average training hours of employees by gender (per FTE)	Male	Hour	1. FTEs (full-time equivalents) = the total annual working hours of this category of employees/the annual working hours of a full-time employee.	-	35.05	17.40	17.48
	Female	Hour		-	34.59	15.10	16.18
Average training hours of employees by level (per FTE)	Store employees	Hour	2. The total working hours here is the number of employees (8,617 people) who were employed at the end of the year traced back to the total working hours in 2022.	-	34.03	7.40	9.19
	Management	Hour		-	33.99	42.00	37.13
	Non-management	Hour	3. The calculation is the total number of employee training hours in this category/FTEs in this category.	-	36.64	32.20	30.95
Employee Satisfaction 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.	42.28	44.88	44.88	40.07
	Survey coverage	%	(Note 2) The percentage of employees who gave active replies was calculated by adjusting the aspect of questions to the average of the employees' answers. (Note 3) Survey coverage = FTEs of employees who replied to survey / FTEs of all employees in the survey year.	10.21	7.89	7.89	9.78
Average employee training expenses and hours (per FTE)		NT\$	1. FTEs (full-time equivalents) = the total annual working hours of this category of employees/the annual working hours of a full-time employee.	-	3,692	2,753	2,576
		Hour	2. The total working hours here is the number of employees (8,617 people) who were employed at the end of the year traced back to the total working hours in 2022. 3. Average training expenses per FTE= the total number of employee training costs/FTEs in this category. 4. Average training hours per FTE= the total number of employee training hours/FTEs in this category.	-	34.80	16.10	16.76

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022
Disabling injury for employees (excluding statistics on traffic incidents during commute)	Total working hours ^(Note 1)	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.	-	15,679,092	15,545,090	15,822,222
	Number of people with general occupational injuries ^(Note 2)	Person	(Note 2) Those who missed work for fewer than 180 days.	20	16	21	19
	Number of people with severe occupational injuries ^(Note 3)	Person	(Note 3) The number of lost work days exceeds 180 days, excluding the number of deaths.	0	0	0	1
	Number of deaths	Person	(Note 4) As it was impossible to obtain relevant data of franchise employees in 2022, and there isn't a great number of employees at the manufacturers, occupational safety performance data is not disclosed.	0	0	0	0
	Number of people with recordable occupational injuries	Person	(Note 5) On October 23, 2021, an employee of the directly-operated Shih Hsin store was violated by a customer who was unwilling to wear a mask. The employee had not returned to work as of December 31, 2021. Therefore, the number of lost days were counted and disclosed after his reinstatement in 2022.	20	16	21	20
Occupational injury rate, lost day rate, Frequency-Severity Indicator	Percentage of death caused by occupational injury ^(Note 1)	%	(Note 1) Death rate due to occupational injury = number of deaths * 10 ⁶ / total working hours.	0	0	0	0
	Percentage of severe occupational injury ^(Note 2)	%	(Note 2) Rate of severe occupational injury = number of severe occupational injuries * 10 ⁶ / total working hours.	0	0	0	0.06
	Percentage of recordable occupational injury (disabling frequency rate, ^{Note 3})	%	(Note 3) Rate of recordable occupational injury = total number of recordable occupational injuries * 10 ⁶ / total working hours.	1.29	1.02	1.35	1.26
	Lost day rate (disabling frequency rate, ^{Note 4})	%	(Note 4) Lost day rate = total lost days * 10 ⁶ / total working hours. (Note 5) $\sqrt{(\text{Disabling injury frequency FR} \times \text{Disabling injury severity rate SR}) \div 1000}$.	35.71	28.75	27.34	36.34
	Frequency-Severity Indicator ^(Note 5)	%	(Note 7) On October 23, 2021, an employee of the directly-operated Shih Hsin store was violated by a customer who was unwilling to wear a mask. The employee had not returned to work as of December 31, 2021. Therefore, the number of lost days were counted and disclosed after his reinstatement in 2022.	0.21	0.19	0.19	0.21
Disabling injury for contractors (excluding statistics on traffic incidents during commute)	Total number of working hours	Hour	(Note 1) The total working hours of the contractor's on-site staff are estimated based on the number of opened stores and contracts in the current year.	-	578,560	685,760	627,800
	Number of people with general occupational injuries	Person		-	4	1	1
	Number of people with severe occupational injuries	Person	(Note 2) Due to the inability to obtain relevant statistics on the employees of the franchise stores in 2022, and the number of employees in contract manufacturers has not reached the level of materiality, information related to the occupational safety performance of the two aforementioned sources has not been disclosed.	-	0	0	0
	Number of deaths	Person		-	0	0	0
	Number of people with recordable occupational injuries	Person		-	4	1	1

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022
Rate of contractor occupational injuries and lost days	Percentage of death caused by occupational injury	%	(Note 1) No information about the occupational safety performance of employees in contract manufacturers and franchise stores was disclosed in 2022, as the number of employees in contract manufacturers has not reached the level of materiality, and there was no statistics available for franchise employees. In 2023, occupational incidents of franchise stores will be managed as the statistics is being compiled. (Note 2)The reason for the higher number of days lost by manufacturers is that the total number of working hours in 2022 are fewer than that in 2021, but the number of days lost are higher than that in 2021.	-	0	0	0
	Percentage of severe occupational injury	%		-	0	0	0
	Percentage of recordable occupational injury (disabling frequency rate)	%		-	6.91	1.46	1.59
	Lost day rate (disabling frequency rate)	%		-	658.53	78.74	143.36
Employee occupational disease		Person		0	0	0	0
Number of employee complaints related to discrimination and sexual harassment		Number of cases		0	0	0	0
Standard human capital return on investment		%	Human capital return on investment (ROI) $(a-(b-c))/c$ a: Total revenue (source: annual report) b: Total operating expenses (source: annual report) c: Total employee-related expenses (salary + welfare expenses including bonuses) (source: annual report)	16.93	17.99	18.38	18.24

Environment

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022
Greenhouse Gas Emissions (Note 1)	Direct emissions	t CO ₂ e/year	(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, and set 2020 as base year. Indirect emissions are classified as purchased electricity and others.	30,702.89	30,910.58	31,252.97	29,940.01
	Indirect emissions (purchased electricity)	t CO ₂ e/year		446,064.80	472,365.15	464,932.82	504,544.40
	Indirect emissions (others) (Note 2)	t CO ₂ e/year		-	193,802.00	185,910.72	2,393,290.28
	Total amount	t CO ₂ e/year		476,767.69	697,077.73	682,096.51	2,927,774.68
	Inventory coverage	%	(Note 2)Indirect emissions (others) include: upstream emissions from purchased electricity, distribution and transportation of diesel from logistics centers to stores, waste disposal in stores, upstream product procurement (new in 2022) and product packaging treatment (new in 2022).	99.52%	99.06%	99.41%	99.55%

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022	
Energy consumption	Headquarters	10 MWh		111.30	109.39	102.69	101.74	
	Stores	10 MWh		83,063.90	92,573.12	92,373.59	98,875.55	
	Shopping centers	10 MWh		410.90	22.10	22.10	25.42	
	Regional offices and training centers	10 MWh		103.40	97.97	117.72	121.93	
	Total electricity consumption	10 MWh		83,689.50	92,802.58	92,616.10	99,124.64	
	Inventory coverage	%		99.51%	98.63%	98.98%	99.55%	
Water consumption	Actual statistics	Headquarters	m ³	-	5,318.00	5,429.00	4,012.00	4,766.00
		Stores	m ³	A total of 4,206 stores were covered in 2022, covering 33,741.9 metric tonnes of ice cube procurement.	1,758,809.00	1,845,456.00	1,577,006.00	1,705,347.90
		Shopping centers	m ³	A total of 24 shopping centers were covered in 2022.	-	-	-	336,388.41
	Estimated ^(Note)	Regional offices	m ³	(Note)The water consumption of regional offices is estimated by multiplying the average water consumption per capita at the headquarters and the number of employees in regional offices. The water consumption of stores is estimated by multiplying the average water consumption of inventoried stores and the total number of stores. Considering that the water use patterns of training centers and shopping centers are much different from that at the headquarters and stores, the training centers and shopping centers were excluded from the estimates.	11,221.00	11,876.00	8,794.00	10,025.25
		Stores	m ³		883,610.00	967,557.00	894,063.00	963,776.64
	Total water consumption		m ³	-	2,658,958.00	2,830,318.00	2,483,875.00	3,020,304.20
	Number of stores inventoried		Number of stores	-	3,764	3,952	4,071	4,206
	Scope of estimation		-	-	8 regional offices and 1,981 stores	8 regional offices and 2,072 stores	9 regional offices and 2,308 stores	2,425 stores and 9 regional offices
	Inventory coverage		%	-	99.11%	99.11%	99.12%	99.49%
	Packaging materials	Paper packaging	Total weight	Metric tonnes		11,470.82	11,620.77	10,977.68
Data coverage			%	(Note 1)Packaging materials for ice cube (including plastic and paper/wood packaging materials) was added for 2022, with statistics traced back to 2019.	100%	100%	100%	100%
Metal packaging		Total weight	Metric tonnes		173.66	182.80	204.96	235.42
		Data coverage	%	(Note 2)Metal packaging materials for freshly brewed tea were added in 2022, with statistics traced back to 2019.	100%	100%	100%	100%

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022
Packaging materials	Total weight of plastic packaging	Metric tonnes	(Note) Plastic packaging and packaging materials are classified according to purpose and material this year (see Section 4.2 of the report for details), so that stakeholders can understand how PCSC uses various types of packaging materials.	10,379.56	10,138.26	10,093.12	10,168.40
	Percentage of recyclable plastic packaging	%		66.93%	65.30%	65.73%	69.24%
	Percentage of compostable/decomposable plastic packaging	%		5.09%	6.87%	7.30%	1.90%
	Percentage of recycled content within plastic packaging	%		0.43%	0.78%	2.92%	3.86%
	Data coverage	%		66.00%	74.00%	96.80%	100.00%
Amount of waste - unrecyclable	Actual statistics	Headquarters	Metric tonnes	24.09	25.36	21.24	22.17
		Entrusted by the stores for removal ^(Note 2)	Metric tonnes	5,262.49	6,529.27	7,204.72	6,080.83
		Tackled by the stores ^(Note 3)	Metric tonnes	9,100.00	10,122.13	9,110.76	5,825.93
	Estimated ^(Note 1)	Regional offices	Metric tonnes	50.85	55.48	46.57	46.64
		Stores ^(Note 4)	Metric tonnes	42,253.45	37,061.08	39,772.71	32,016.55
	Total unrecyclable waste disposed	Metric tonnes	(Note 2) Since 2018, the amount of food waste has been included in the waste inventory from the entrusted waste removal and transportation companies by the stores. Therefore, after 2018, the total weight removed from the stores has deducted the food waste.	56,690.88	53,793.32	56,156.01	43,992.12
	Stores inventoried	Number of stores	(Note 3) 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.	645	925	1,010	1,110
	Scope of estimation	-	(Note 4) Considering that the stores cannot confirm if food waste was indeed recycled, the volume of removal after 2018 was estimated based on the total volume of removal (without deducting the volume of food waste).	8 regional offices and 5,010 stores	8 regional offices and 5,009 stores	9 regional offices and 5,369 stores	9 regional offices and 5,521 stores

Item for Disclosure	Sub-item for Disclosure		Unit	Description	2019	2020	2021	2022
Amount of waste - recyclable	Plastic	Headquarters	Metric tonnes	-	1.50	0.07	0.06	0.06
		Stores	Metric tonnes	-	676.31	633.88	647.25	681.93
	Paper	Headquarters	Metric tonnes	-	13.32	17.20	18.71	16.07
		Stores	Metric tonnes	-	8,916.81	9,262.45	10,613.94	8,938.22
	Metal	Headquarters	Metric tonnes	-	0.45	1.87	1.85	1.70
		Stores	Metric tonnes	-	12.83	27.00	37.27	22.98
	Batteries	Stores	Metric tonnes	-	327.16	365.57	341.06	365.68
	Optical discs	Stores	Metric tonnes	-	65.89	74.00	71.39	76.72
	Electronics	Stores	Metric tonnes	Electronics have been included by weight since 2021 and traced back to the data in 2019.	62.55	61.85	57.39	78.31
	Food waste	Headquarters	Metric tonnes	Statistics on the amount of food waste commissioned by the headquarters to be cleared and transported since 2021.	-	-	4.99	8.15
		Stores	Metric tonnes	(Note 1) Since 2018, statistics on the amount of food waste has been included in the volume of waste removal and transportation companies commissioned by the stores. (Note 2) Only statistics from stores in Taipei City, New Taipei City and Taoyuan City was calculated, the data from 2022 covered all stores in Taiwan.	177.33	193.91	277.20	3,294.16
		Manufacturers	Metric tonnes	From 2019 to 2021, the amount of food waste of the 4 manufacturers started to be included by entrusted companies. In 2022, the scope of statistics was expanded to 12 companies.	1,510.39	1,475.68	1,298.87	2,515.14

Item for Disclosure	Sub-item for Disclosure	Unit	Description	2019	2020	2021	2022	
Volume of waste - statistics by treatment (including unrecyclable, incineration and recycling)	Landfill (A)	Metric tonnes	-	1,074.85	1,295.03	3,260.16	2,451.89	
	Waste incinerated (including energy recovery, B)	Upstream (manufacturers)	Metric tonnes	From 2019 to 2021, the amount of food waste of the 4 manufacturers started to be included by entrusted companies. In 2022, the scope of statistics was expanded to 12 companies.	-	-	76.63	380.14
		Own operations	Metric tonnes	Including the headquarters, regional offices and stores.	55,616.03	52,498.29	52,919.45	41,540.23
	Waste recycled or reused (C)	Upstream (manufacturers)	Metric tonnes	From 2019 to 2021, the amount of food waste of the 4 manufacturers started to be included by entrusted companies. In 2022, the scope of statistics was expanded to 12 companies.	1,510.39	1,475.68	1,222.24	2,515.14
		Own operations	Metric tonnes	Including the headquarters, regional offices and stores.	10,254.14	10,637.78	12,047.51	13,483.96
	Total waste disposed (A+B)	Metric tonnes	-	56,690.88	53,793.32	56,256.24	44,372.26	
	Total waste generated (A+B+C)	Metric tonnes	-	68,455.41	65,906.78	69,525.99	60,371.36	
	Data coverage for operating locations	%		99.11%	99.11%	99.12%	99.12%	
	Proportion of incineration	%	The proportion of incineration is the waste incinerated compared to total non-recycled waste, using the national data of general waste disposal (excl. recycled and reused) published by the Environmental Protection Administration (EPA).	97.91%	97.26%	93.34%	93.53%	
Food loss&waste and reuse	Total weight of all food loss &waste (A)	Headquarters	Metric tonnes	(Note 1)Store food waste has included the amount of store scraps. In 2022, the statistics of store food waste treatment was optimized, and made the weight of food reused to increase.	-	-	4.99	8.15
		Stores ^(Note1)	Metric tonnes		9,100.00	10,122.13	9,110.76	9,120.09
		Manufacturers ^(Note2)	Metric tonnes		1,510.39	1,475.68	1,298.87	2,895.28
	Total loss & waste volumes used for alternative purposes (B) ^(Note 4)	Headquarters	Metric tonnes	(Note 2)From 2019 to 2021, the amount of food waste of the 4 manufacturers started to be included by entrusted companies. In 2022, the scope of statistics was expanded to 12 manufacturers.	-	-	4.52	8.15
		Stores ^(Note1)	Metric tonnes		177.33	193.91	254.07	3,294.16
		Manufacturers ^(Note2)	Metric tonnes		1,510.39	1,475.68	1,222.24	2,515.14
	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.	8,922.67	9,928.22	8,933.79	6,206.07
	Food loss & waste intensity (weight / food-related revenue)	Metric tonnes / Million NTD of food-related revenue		(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 2022.	0.44	0.46	0.41	0.28
Data coverage ^(Note 3)	%			98.41%	97.57%	98.49%	98.39%	

GRI content index

● Statement of use	PCSC has reported in accordance with the GRI Standards for the period 2022/1/1-2022/12/31.
● GRI 1 used	GRI 1: Foundation 2021
● Applicable GRI Sector Standard(s)	No sector standard applicable.

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Corresponding Section	Page	
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report 2.1 Corporate Governance	4 53	
	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	4	
	2-4 Restatements of information	1. Plastic packaging and packaging materials are classified according to purpose and material this year (see Section 4.2 of the report for details), so that stakeholders can understand how PCSC uses various types of packaging materials. 2. The calculation method of "percentage of employees classified as active" and "survey coverage" in the employee satisfaction survey has been adjusted this year (For details refer to the notes to the employee satisfaction survey in the appendix)		
	2-5 External assurance	About This Report Appendix Limited Assurance Report Issued by the Accountant	4 209-210	
		Appendix AA1000 Assurance Statement	211-214	
	2-6 Activities, value chain and other business relationships	About This Report 1.3 Materiality Assessment	4 35	
		3.1 Product and Service Innovation 3.3 Sustainable Supply Chain Management	64.66-67 73-82	
	2-7 Employees	Appendix: Historical Data	164-165	
	2-8 Workers who are not employees	5.1 Talent Attraction and Retention	117	
2-9 Governance structure and composition	1.2 Sustainable Development Committee	28		
	2.1 Corporate Governance	50		
2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance	50		

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explanation
		Corresponding Section	Page	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	2.1 Corporate Governance	50	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainable Development Committee	28	
		2.2 Risk Management	54	
	2-13 Delegation of responsibility for managing impacts	2.2 Risk Management	54	
	2-14 Role of the highest governance body in sustainability reporting	About This Report	4	
		1.3 Materiality Assessment	30	
	2-15 Conflicts of interest	2.1 Corporate Governance	52	
	2-16 Communication of critical concerns	1.2 Sustainable Development Committee	29	
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance	50	
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance	51	
	2-19 Remuneration policies	2.1 Corporate Governance	51	
	2-20 Process to determine remuneration	2.1 Corporate Governance	51	
	2-21 Annual total compensation ratio	omit disclosure		Annual total compensation for the organization's highest paid-individual is confidential information of the organization
	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 Talent Attraction and Retention 6 Promotion of Social Welfare & Charity	52 74 87 117 141	
		PCSC's policy commitments are simultaneously published on the official Sustainability website for the understanding of all stakeholders		
2-24 Embedding policy commitments	2.1 Corporate Governance 3.3 Sustainable Supply Chain Management	52 75-76		
	5.2 Occupational Safety and Health PCSC Human Rights Due Diligence	130-131		

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explan- ation
		Corresponding Section	Page	
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	2.1 Corporate Governance	52	
		2.3 Information Security and Privacy Protection	60	
		3.2 Customer Health and Safety	69-70	
		4.1 Environmental Management	87	
		5.1 Talent Attraction and Retention	125	
		5.2 Occupational Safety and Health	130	
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	2.1 Corporate Governance	52	
		1.4 Process Management of Sustainable Targets	36-39	
		2.4 Legal Compliance	60-61	
		Appendix: Historical Data	162	
		1.5 Stakeholder Communication	40-45	
		5.1 Talent Attraction and Retention	118	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.3 Materiality Assessment	30-31	
		1.3 Materiality Assessment	32-34	
Legal Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		2.4 Legal Compliance	48	
GRI 2: General Disclosures 2021	2-27 Legal Compliance	2.4 Legal Compliance	60-61	
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	61	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	2.4 Legal Compliance	61	
		417-3 Incidents of non-compliance concerning marketing communication	2.4 Legal Compliance	61
Cyber Security				

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explan- ation
		Corresponding Section	Page	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		2.3 Information Security and Privacy Protection	48	
GRI 418: Incidents of non-compliance concerning marketing communication 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Information Security and Privacy Protection	58-60	
Risk Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		2.2 Risk Management	48	
Customer Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		3.2 Customer Health and Safety	62	
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	68	
Product Labeling and Marketing Communication				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		3.2 Customer Health and Safety	62	
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.2 Customer Health and Safety	70-72	
Sustainable Supply Chain Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		3.3 Sustainable Supply Chain Management	62	

GRI standard/ Other source	Disclosure	Location and Explanation		Omis- sion Expla- nation
		Corresponding Section	Page	
GRI 308:Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.3 Sustainable Supply Chain Management	73-82	
	308-2 Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain Management	76	
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.3 Sustainable Supply Chain Management	73-82	
	414-2 Negative social impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain Management	76	
Sustainable Procurement				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		3.4 Sustainable Procurement	62	
Packaging material management				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		4.2 Packaging material management	87	
Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		4.3 Mitigation and Adaptation for Climate Change	87	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Mitigation and Adaptation for Climate Change	108-109	
	302-2 Energy consumption outside of the organization	4.3 Mitigation and Adaptation for Climate Change	108-109	
	302-3 Energy intensity	4.3 Mitigation and Adaptation for Climate Change	109-110	
	302-4 Reduction of energy consumption	4.3 Mitigation and Adaptation for Climate Change	101-107	
	302-5 Reductions in energy requirements of products and services	4.3 Mitigation and Adaptation for Climate Change	101-107	
GRI 305: Emission 2016	305-1 Direct (Scope 1) GHG emissions	4.3 Mitigation and Adaptation for Climate Change	108	
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Mitigation and Adaptation for Climate Change	108-109	
	305-3 Other indirect (Scope 3) GHG emissions	4.3 Mitigation and Adaptation for Climate Change	108-109	

GRI standard/ Other source	Disclosure	Location and Explanation		Omis- sion Expla- nation
		Corresponding Section	Page	
GRI 305: Emission 2016	305-4 GHG emissions intensity	4.3 Mitigation and Adaptation for Climate Change	109-110	
	305-5 Reduction of GHG emissions	4.3 Mitigation and Adaptation for Climate Change	101-107	
Food Waste Management / Waste Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		4.4 Food Waste and Waste Management	87	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4 Food Waste and Waste Management	111-114	
	306-2 Management of significant waste-related impacts	4.4 Food Waste and Waste Management	111-115	
	306-3 Waste generated	4.4 Food Waste and Waste Management	113	
	306-4 Waste diverted from disposal	4.4 Food Waste and Waste Management	113	
	306-5 Waste directed to disposal	4.4 Food Waste and Waste Management	113	
Talent Attraction and Retention				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		5.1 Talent Attraction and Retention	116	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix: Historical Data	168-173	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Talent Attraction and Retention	119-123	
	401-3 Parental leave	5.1 Talent Attraction and Retention	123	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.1 Talent Attraction and Retention	119	
Occupational Safety and Health				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		5.2 Occupational Safety and Health	116	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explan- ation
		Corresponding Section	Page	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.2 Occupational Safety and Health	135	
	403-2 Occupational health and safety management system	5.2 Occupational Safety and Health	131-132	
	403-3 Occupational health services	5.2 Occupational Safety and Health	138-139	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.2 Occupational Safety and Health	130	
	403-5 Worker training on occupational health and safety	5.2 Occupational Safety and Health	133-134	
	403-6 Promotion of worker health	5.2 Occupational Safety and Health	138-319	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2 Occupational Safety and Health	134-136	
	403-8 Workers covered by an occupational health and safety management system	5.2 Occupational Safety and Health	135	
	403-9 Work-related injuries	5.2 Occupational Safety and Health	137-138	
	403-10 Work-related ill health	5.2 Occupational Safety and Health	137-138	
Social Welfare				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Materiality Assessment	32-34	
		1.4 Process Management of Sustainable Targets	36-39	
		1.5 Stakeholder Communication	40-45	
		6 Promotion of Social Welfare & Charity	140	

GRI standard/ Other source	Disclosure	Location and Explanation		Omission Explan- ation
		Corresponding Section	Page	
Other Topics				
GRI 200: Economic				
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	2.1 Corporate Governance	52	
GRI 400: Social				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.1 Talent Attraction and Retention	126	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Attraction and Retention	129-130	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.1 Talent Attraction and Retention	119-122	
	405-2 Ratio of basic salary and remuneration of women to men	5.1 Talent Attraction and Retention	122	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2 Occupational Safety and Health	135-137	

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 (%)	109	Fleet fuel consumed (GJ): 629,689 GJ percentage renewable : 0%
Air Emissions from Refrigeration	FB-FR-110b.1	Quantitative	Gross global Scope 1 emissions from refrigerants (metric tons CO ₂ e)	107-108	25934 t-CO ₂ -e
	FB-FR-110b.2	Quantitative	Percentage of refrigerants consumed with zero ozone-depleting potential (%)	107-108	100%
	FB-FR-110b.3	Quantitative	Average refrigerant emissions rate (%)	-	No data from 2022
Energy Management	FB-FR-130a.1	Quantitative	(1) Operational energy consumed (GJ), (2) percentage grid electricity (%), (3) percentage renewable (%)	109	(1)3,571,169.34 GJ (2)100% (3)0%
Food Waste Management	FB-FR-150a.1	Quantitative	Amount of food waste generated (metric tons), percentage diverted from the waste stream (%)	114	Amount of food waste generated: 12,023.5205 metric tonnes percentage diverted from the waste stream : 48.3839%
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	60	No data leak in 2022
	FB-FR-230a.2	Discussion and Analysis	Description of approach to identifying and addressing data security risks	58-60	Refer to 2.2 Risk Management for details
Food Safety	FB-FR-250a.1	Quantitative	High-risk food safety violation rate	-	PCSC had no violation of major food safety regulations or product recalls in 2022
	FB-FR-250a.2	Quantitative	(1) Number of recalls (2) Number of recalls (3) percentage of units recalled that are private-label products ⁴	-	PCSC had no violation of major food safety regulations or product recalls in 2022
Product Health & Nutrition	FB-FR-260a.1	Quantitative	Revenue from products labeled and/or marketed to promote health and nutrition attributes	72	NT\$6,272 million
	FB-FR-260a.2	Quantitative	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	72-73	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	-	PCSC did not violate any regulations regarding product labeling or marketing in 2022
	FB-FR-270a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	-	PCSC did not violate any regulations regarding product labeling or marketing in 2022
	FB-FR-270a.3	Quantitative	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	72	(1) PCSC does not have products containing GMO. (2) NT\$87,773,427

Topic	Code	Category	Accounting Metric	Page	Description
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 2022
	FB-FR-310a.2	Quantitative	Percentage of active workforce covered under collective bargaining agreements	118	100%
	FB-FR-310a.3	Quantitative	(1) Number of work stoppages and (2) total days idle	118	There was no strike or suspension in 2022
	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	61	There was no compliance incident regarding labor law violations in 2022
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	84	NT\$2,385million
	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 2022
	FB-FR-430a.3	Discussion and Analysis	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	73-82 82-83	Refer to 3.3 Sustainable Supply Chain management
	FB-FR-430a.4	Discussion and Analysis	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	90-96	Refer to the "Use, Don't Own" Sustainability Column and 4.2 Packaging Material Management
Activity Metrics	FB-FR-000.A	Quantitative	Number of retail locations	64	6631
	FB-FR-000.B	Quantitative	Total area of retail space	-	1,170,054 square meters

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 Mitigation and Adaptation for Climate Change	96-97
	TCFD 1(b)	Describe management's role in assessing and managing risks and opportunities.		1.2 Sustainable Development Committee	28-29
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 Mitigation and Adaptation for Climate Change	98
	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 Mitigation and Adaptation for Climate Change 6.2 Mitigation and Adaptation for Climate Change in 2020 CSR report	98-107 131-134 (2020)
	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 Mitigation and Adaptation for Climate Change	98-107
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 Mitigation and Adaptation for Climate Change	96-97
	TCFD 3(b)	Describe the organization's processes for managing climate-related risks.		4.3 Mitigation and Adaptation for Climate Change	98-107
	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 Mitigation and Adaptation for Climate Change	57 96-97
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 Mitigation and Adaptation for Climate Change	107
	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 Mitigation and Adaptation for Climate Change	107-110
	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 Mitigation and Adaptation for Climate Change 1.4 Process Management of Sustainable Targets	109-110 37

Appendix: 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 ₂ e)	Intensity(Tonnes of CO ₂ e/NT\$ thousand)	Assurance institution
Parent company	29,940.01	0.0001637210	SGS Taiwan

Description of assurance
A verification statement with reasonable assurance was issued by SGS with unqualified opinion listed.

Scope 2	Total emissions (Tonnes of CO ₂ e)	Intensity(Tonnes of CO ₂ e/NT\$ thousand)	Assurance institution
Parent company	504,544.40	0.0027589970	SGS Taiwan

Description of assurance
A verification statement with reasonable assurance was issued by SGS with unqualified opinion listed.

Scope 3 (voluntary disclosure)	Total emissions (Tonnes of CO ₂ e)	Intensity(Tonnes of CO ₂ e/NT\$ thousand)	Assurance institution
Parent company	2,393,290.28	0.0130872140	SGS Taiwan

Description of assurance
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 2022, with the discussion focusing on reporting and tracking important business security information, planning and responding to changes in regulations.	68	2022 Product Safety Committee organization and operations management procedures and the total number of Product Safety Committee meetings in 2022 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	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 labelled products. In 2022, the Company collected 416 product safety-related memos, including 0 A-level information, 265 B-level information and 151 L-level information. (Note) A-, B-, and L-level information is based on the date that the information was announced internally.	69	Product safety information collected in 2022 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 2022, 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.	71	The percentage of the total amount of a given product sold in 2022 that was supplied by a firm with an initial transport and logistics distribution contract signed before the end of 2022, 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 2022 from the sales of the products supplied by the manufacturers that have signed the initial transportation logistics and distribution contracts in 2022.	Item 1

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
4	PCSC performs quality assurance audits through the engagement of an external management consulting company. In 2022, 98.02% of all stores underwent this audit.	73	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	PCSC hired a management consulting company to audit the quality assurance training certification status of stores, with 99.06% of the stores audited in 2022.	73	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 PCSC 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. A specific vanilla raw material from France used in Haagen-Dazs ice cream was polluted with Ethylene oxide in 2022. PCSC voluntarily removed 5.995366 metric tonnes of products from the shelf and notified the competent authority in a document.	61	The number of letters and amount of fine received from competent authorities notifying of fines for PCSC chain retail locations violating the Act Governing Food Safety and Sanitation and its subordinate legislations as of the end of 2022, as well as the number of products and the weight of products removed from the shelf.	Item 2
7	FSC certification has been 100% introduced to the iselect refrigerated beverage packaging materials sold in 2022.	84	The percentage of the number of items with FSCTM introduced to iselect refrigerated beverage packaging materials in 2022 divided by the number of iselect refrigerated beverage items in the current year.	Item 3
	Not applicable as PCSC does not have any self-operated factories.			Item 4
8	In 2022, there were a total of 39 suppliers of private-label 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 3) of those suppliers were audited ^(Note 2) . A total of 114 audits were performed on the 39 suppliers on P.73-75 with 114 passing, with the compliance rate of 100%. (Note 1) Defined as (1) Suppliers that passed the assessment prior to 2022 and passed internal submission. (2) New suppliers that successfully passed the introduction assessment during 2022. (3) Those eligible to halt assessment in 2022 are also included.	82	The number of suppliers, percentages, 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.73-75).	Item 5

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
8	(Note 2) The audited items are those listed in the "Assessment Criteria." (Note 3) One manufacturer and 3 suppliers of raw materials through direct transactions 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 2022 according to the corresponding rules.	81-82	2022 Product Safety Committee organization and operations management procedures and the total number of Product Safety Committee meetings in 2022 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 5
9	In 2022, there were 13 suppliers of disposable products ^(Note 1) , with 100% ^(Note 2) audited. Please refer to the table on P.73-75 for these 13 suppliers. A total of 16 audits on supplier assessment items were performed, resulting in 16 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) One suppliers have stopped transactions with PCSC 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 2022.	82	According to the "Management Rules for Site Assessment of Suppliers of Products Related to Store Safety" (refer to the table on p.73-75). The table showed the number of disposable merchandise supplier evaluated, percentage, items evaluated, times of evaluation and results.	Item 5
10	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 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 527 products in the meal box category ^(Note) have undergone traceability management (must be traceable) in 2022, taking up 100% of all box meal items in the current year. (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.	70	In 2022, 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

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
11	As of the end of 2022, the laboratory conducted 627 test items per the announcements and requirements of the competent authority including CNS, the Taiwan Food and Drug Administration, etc.	71	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 2022. (Note) These test items include standard methodologies and methodologies developed by PCSC.	Item 7
12	Another 125 test items of self-inspection that do not follow directives from the aforementioned announced methodologies were conducted.	71	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 2022. (Note) These test items include standard methodologies and methodologies developed by PCSC.	Item 7
13	PCSC's Quality Testing Laboratory obtained certifications following test items specified by TFDA and TAF (ISO/IEC 17025:2017).	71	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: 4 Scope of microorganisms for ISO/IEC 17025:2005 certification and 1 caffeine item.	71	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 test items: 1. 4 Microorganisms items 2. 8 Colorants items	71	Test items and the total number of test 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\$37,877 thousand, including NT\$20,713 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, as well as miscellaneous purchases.	71	The percentage of operating revenue on financial reports that is allotted to quality testing laboratory expenditures in 2022.	Item 7

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
17	In 2022, a total of 1,008 tests were run on products and raw materials, with 1,008 passing the test. The passing rate was 100%.	71	The total number of tests, number of passed tests, and passing rates for test items in accordance with announcements and recommendations of CNS or the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare, Executive Yuan (note), test items for government-approved food additives, and non compulsory test items referencing regulations in other countries or international journals (not according to the announcements and recommendations of CNS or TFDA (Note) or not for government-approved food additives). (Note) These test items include standard methodologies and methodologies developed by PCSC.	Item 7
18	In 2022, the total electricity consumption of all the inspected locations reached 991,246,355.69 kWh, with the 3,571,172.07 GJ energy consumption.	109	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) The number of stores include the ones that have moved or closed. (Note 2) Data for total energy consumption and purchased electricity are from the Greenhouse Gas Inventory Report verified by third party. (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
19	In 2022, the total water withdraw of PCSC was 3,020,304.2 cubic meters, and the total water consumption was 105,461.0 cubic meters. The scope covers stores, headquarters, shopping centers and regional offices.	90	Water withdraw: all operating locations (all stores in Taiwan ^(Note 1, 2) , shopping centers, headquarters and regional offices ^(Note 3)), report the water withdraw in each period of the current year and the basis (water bill). 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 used and their water consumption, and statistical reports for the current year. (m ³) = [(total water consumption of fresh-brewed beverages (ml)) + (water consumption of purchased ice cubes (ml))] ÷ 1,000,000	Item 9

Number	Subject Matter Information	Page No.	Applicable Criteria	Regulations
19		90	(Note 1) The number of stores include the ones that have moved or closed. (Note 2) For stores without separate water meters, the calculation is based on the average value of all stores with independent water meters. (Note 3) The regional offices 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.	Item 9
20	As of the end of 2022, PCSC has 6,631 stores covering an area of 1,170,054 square meters.	199	Reporting the number of stores and the area occupied by the stores in the current year.	Item 10
21	During 2022, suppliers of private-label products (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 39 companies. If calculating using the number of the plants, there were a total of 78 manufacturing sites, among those 45 were manufacturers of private-label food products within Taiwan. Of these, 44 manufactures 100% obtained international food safety management system ISO22000 certification.	75	The number of private-label product food suppliers, total number of factories, total number of original design manufacturers in Taiwan, ISO22000 certifications, and total number of original design manufacturers in Taiwan certified to ISO22000 in 2022.	Voluntary assurance

Limited Assurance Report Issued by the Accountant



會計師有限確信報告

資會綜字第 22011457 號

統一超商股份有限公司 公鑒：

本事務所受統一超商股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定西元 2022 年度永續報告書所報導之關鍵績效指標（以下稱「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 貴公司西元 2022 年度永續報告書第 184 至 189 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「報告書時間、邊界與數據」段落說明。

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、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採其他基準。

管理階層之責任

貴公司管理階層之責任係依照臺灣證券交易所「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、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採其他基準，以編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，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。

會計師之責任

本會計師係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認所選定之關鍵績效指標可能發生重大不實表達之領域，以及針對前述領域設計及執执行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執执行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw

AA1000 Assurance Statement



- 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，對所選定之關鍵績效指標選取樣本進行包括查詢、觀察及檢查等測試，以取得有限確信之證據。

此報告不對西元 2022 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。

會計師之獨立性及品質管理規範

本會計師及本事務所已遵循會計師職業道德規範中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「會計師事務所之品質管理」，因此維持完備之品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

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。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依臺灣證券交易所「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、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其選定之關鍵績效指標參採其他基準編製而須作修正之情事。

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

張瑞婷



西元 2023 年 6 月 27 日



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE PRESIDENT CHAIN STORE CORPORATION'S SUSTAINABILITY REPORT FOR 2022

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by PRESIDENT CHAIN STORE CORPORATION (hereinafter referred to as PCSC) to conduct an independent assurance of the Sustainability Report for 2022. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2023/03/25~2023/05/15). 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 PCSC's Stakeholders.

RESPONSIBILITIES

The information in the PCSC's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body (as applicable) and management of PCSC. SGS has not been involved in the preparation of any of the material included in the PCSC's Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all PCSC'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 organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation'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 and/or ISAE3000.

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)
B	AA1000ASv3 Type 2 High (AA1000AP Evaluation plus evaluation of Specified Performance Information)

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 Universal Standard (2021) (In Accordance with)
2	AA1000 Accountability Principles (2018)

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics (as listed in Appendix A of this statement) at a high level of scrutiny for PCSC and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

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 verification, 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 PCSC, being free from bias and conflicts of interest with the organisation, 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.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, 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

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

PCSC 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, PCSC may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality

PCSC 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

PCSC 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, PCSC's Sustainability Report of 2022, complies with the Requirements for reporting with reference to the GRI Standards set out in Section 3 of GRI 1. The significant impacts are assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. The report has properly disclosed information related to PCSC's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people. Moreover, it is recommended to disclose information of GRI 2-21 and to address conflicts arising from diverging or conflicting expectations with more details and corrective measures.

Signed:

For and on behalf of SGS Taiwan Ltd.



Stephen Pao
 Knowledge Deputy General Manager
 Taipei, Taiwan
 07 June, 2023
WWW.SGS.COM



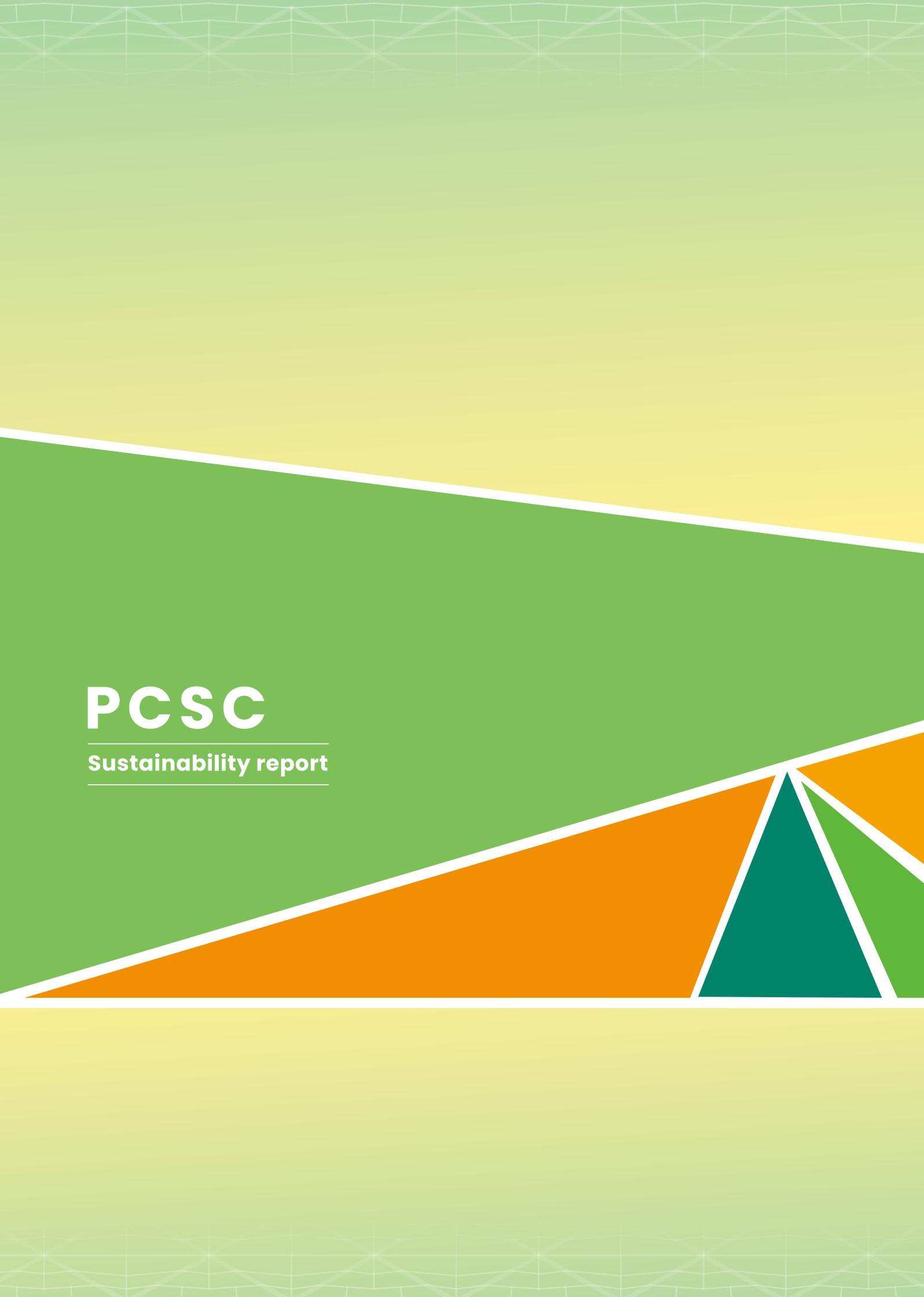
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Appendix A

ASSURANCE OF MATERIAL TOPICS AND CORRESPONDING SUSTAINABILITY PERFORMANCE

Material Topics	Corresponding Sustainability Performance
Risk Management	The risk management process
Compliance	GRI 416- Customer Health and Safety GRI 417- Marketing and Labeling
Information security	GRI 418- Customer Privacy
Product Labeling and Marketing Communications	GRI 417- Marketing and Labeling
Customer Health and Safety	GRI 416- Customer Health and Safety
Sustainable Supply Chain Management	GRI 308- Supplier Environmental Assessment GRI 414- Supplier Social Assessment KPIs including Supplier Screening, Supplier Assessment, Corrective action plan support and Capacity building programs in the appendix
Sustainable procurement	The amount of Green Procurement and Sustainable Materials
Packaging Material Management	Statistics of Packaging Material Consumption for Private-Label
Climate change	GRI 302- Energy GRI 305- Emissions
Food waste management / Waste management	GRI 306- Waste
Talent Attraction and Retention	GRI 401- Employment GRI 402- Labor-Management Relations KPIs including average salary ratio between men and women in the appendix
Occupational Health and Safety	GRI 403- Occupational Health and Safety
Social welfare	Annual Philanthropic Participation & Contribution Charity Fundraising

Note: For more details about the corresponding GRI Standards Index, please refer to PCSC's Sustainability Report of 2022.



PCSC

Sustainability report