

# Creating a Sustainable Planet

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

and Waste

Waste

Management



In 2024, the "iLove Food" program reduced food waste by 17,866.94 metric tons



The OPEN IECO Recycled Cups Renting Service has been adopted by 2,531 stores with 20.91% of consumers bringing their own cups



Store energy-saving actions saved the equivalent of 61,380.58 metric tons of  $CO_2$ e in 2024



The procurement amount for certified raw materials for paper in 2024 was NT \$617,979 thousand

# Sustainable Goal Management Process

# Manaaement Metrics Proportion of EUI value decrease compared with the previous year Proportion of direct (Scope 1) and indirect (Scope 2) GHG emission intensity (carbon emission intensity per NT\$ million of revenue) reduction compared with the previous year (Note 4) Proportion of consumers bringing their own cups (Note 1) Number of stores adopting the Recycled Cups Renting Service (Note 1) Packaging Materials Proportion of other single-use plastic for private-label products and materials Total weight of food loss and waste discarded (with 2019 as base year) Food Loss

Total weight of all food loss and waste

alternative purposes

store (base year 2019) (Note 2)

Total weight of food loss and waste volumes used for

Proportion of volume for waste removal reduction in each

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# Management Policies

#### Policies and Commitments

- Environmental policy
- GHG policy
- · Energy policy
- · Packaging material management
- Waste management policy

#### Management Actions

- Inventory and management of environmental information (greenhouse gas emissions, packaging material consumption, waste removal, food loss and waste in the stores, water withdrawal and consumption)
- Low-carbon transition plan for own operations and value chain
- Adaptation strategies for climate-related physical and transition risks, investing in solar photovoltaic power year by year
- Actions towards plastic reduction (reducing product packaging and single-use plastic used for in-store services, expanding recycling mechanism, building a circular model for recycled cups, procuring packaging materials with circular economy certifications)
- Food loss and waste management (reducing the scrap rate of fresh food, improving the management mechanism of the manufacturers, improving the recovery rate of food waste, upgrading order-to-delivery system)
- Waste management (setting up a convenient recycling platform in stores, refurbishment and reuse of store equipment, waste reduction for all operating locations, managing waste flows with suppliers)

Medium-and long-term Targets	2025 Targets	2024 Targets & Performance
Reducing EUI by 0.5% compared to the previous year	Reducing EUI by 0.5% compared to the previous year	Reducing EUI by 0.5%  — compared to the previous year  EUI increased by 5.75% compared to the previous year
Reducing the proportion by 60% compared to 2020	Reducing the proportion by 1.5% compared to the previous year	Reducing the proportion  by 1 % compared to the previous year  Increased by 1.76% compared to the previous year
24% by 2028	21%	19% ••••••••• 20.91%
Following regulations regarding single- use beverage cups	2,500 stores (30% by regulations)	2,300 stores •••••• 2,531 stores
10% of other single-use plastic by 2028, completely eliminating plastic shopping bags and plastic straws Completely eliminating other single-use plastic by 2050	18%	<b>—</b> 19% •••••••••• 20.96%
4,461 metric tons by 2030 Reduction of 50% by 2030	5,365 metric tons with a 39.9% reduction compared to the base year	5,667 metric tons with a 3,216 metric tons with a 36.5% reduction
11,605 metric tons by 2030 Halving by 2030 (with 2019 as base year)	11,241 metric tons	— 11,353 metric tons ···· → 12,496 metric tons
7,144 metric tons by 2030	5,875 metric tons	5,686 metric tons ••••• 9,279 metric tons
45% of reduction by 2028	20%	A 25.63% decrease compared to the base year

(Note 1) Targets for the proportion of bring-your-own cups and the number of stores with recycling cup renting services have been adjusted for 2025 and 2028 in line with regulatory requirements. Considering the high regulatory uncertainty in 2030 and 2050, the targets will not be disclosed for the time being. Please refer to the description of the plastic reduction management action section in the subsection 4.2 Packaging Material Management.
(Note 2) Targets for the current year and 2025 for store waste reduction have been adjusted in line with current operations. Please refer to the description of Waste Generation

and Process Flow Management section in <u>4.4 Food Waste and Waste Management</u>

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# 4.4 Food Waste and Waste Management

# Food Waste and Waste Management Strategy

The busy pace of modern life gives rise to the services of compound retail stores such as convenience stores, making life easier for consumers through continuous product and service innovations. However, increased convenience also leads to an increase in single-use products and packaging materials, bringing challenges to resource consumption and waste management. With a large number of stores and a wide distribution, President Chain Store Corporation is fully aware of its responsibilities in managing food waste and other waste. To this end, it actively promotes relevant management measures to reduce environmental impact. The waste generated by the service model of convenience stores is mainly domestic waste and food waste. In 2023, President Chain Store Corporation formulated the "President Chain Store Corporation Waste Management Policy" and planned medium- and long-term goals, management strategies and reduction actions to effectively manage the waste generated by operations and implement its commitment to sustainable development.

## + Food Loss and Waste Management Strategy +

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

## + Waste Management Strategy +

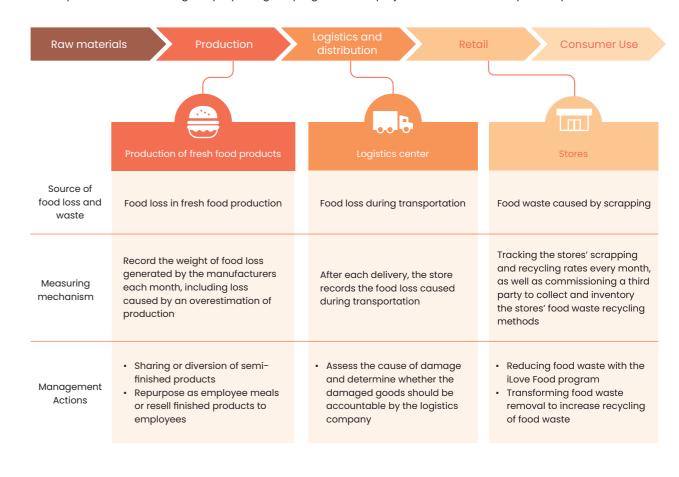
The waste produced by President Chain Store Corporation is mainly domestic waste, which belongs to the general waste and general industrial waste as categorized by the Ministry of Environment with no hazardous industrial waste. The generation of bulk waste is closely related to store operations, including operational waste from upstream fresh food manufacturers, general waste (food waste, general household waste, etc.) generated by store services, and recyclables materials from the stores' reverse logistics mechanism, etc. To this end, President Chain Store Corporation has set clear targets for waste reduction while tracking the performance on an annual basis. To reflect the feasibility of the reduction plan, we reviewed the waste reduction target and adjusted the original reduction target in 2024. By 2028, the waste collection volume of each store will be reduced by 45%; the 2024 target is to reduce the waste collection volume of each store by 20% (with 2019 as the base year).

In 2024, the non-recyclable waste generated by the stores and headquarters activities reached 41,427.87 metric tons, accounting for 0.94% of the national waste for incineration. If President Chain Store Corporation fails to properly handle and reduce waste, not only will it put a heavy burden on the incineration plants, but it will also exacerbate the subsequent environmental impact caused by waste incineration. President Chain Store Corporation follows the 3R principles in the overall waste management strategy to reduce, recycle, reuse, as well as minimizing non-recyclable waste. In terms of our own operations, we are concerned about the impact of plastic on the environment that is difficult to decompose and fulfill our corporate social responsibilities. To this end, President Chain Store Corporation engages in three aspects to reduce plastic, including "reduction at the source," "innovative packaging" and "encouraging customers to bring their own containers," as well as expanding the recycling mechanism in the stores to gradually decrease the dependence on single-use plastic and ensure proper treatment of waste from our operations. We are also actively concerned with waste from the downstream waste of the value chain by combining "convenience" and "recycling" through our many bases. To this end, we recycle PET bottles with Intelligent Automatic Recycling Machines, help people recycle electronic waste, and turn waste into resources to fulfill our social responsibilities (for detailed packaging material management measures, please refer to 4.2 Packaging Material Management).

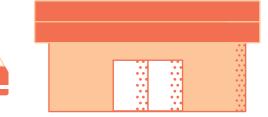
## Food Loss and Waste Generation and Process Flow Management

According to the UN Food and Agriculture Organization (FAO), over 40% of the food produced in the world is discarded or wasted, and 2.5 billion metric tons of food was never purchased, with food loss and waste costing the global economy more than \$1 trillion each year. Statistics from the Ministry of Environment shows that the amount of food waste in Taiwan in 2023 was as high as approximately 470,000 metric tons. 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. The decomposition of food waste in landfills also produces 8–10% of greenhouse gases in the world each year. Not only does this exacerbate climate change, it could lead to food safety problems. The multiple environmental impact of food waste shows that the urgency of reducing food waste is self-evident.

President Chain Store Corporation is closely intertwined with people's food and consumption on a daily basis. To this end, it has taken the responsibility in reducing food waste from the overall supply chain from three stages including "production," "logistics and distribution" and "retail," monitoring and recording food loss and waste that may occur at each stage of operations for better management, shouldering the responsibilities and obligations of the retail industry on the issue of food waste. 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: Food Loss and Waste from the Production of Fresh Food Products

To effectively manage the amount of food loss and waste generated by production, 12 exclusive contract manufacturers of President Chain Store Corporation are required to report the weight of food loss and waste, revenue and other information regarding their production by e-mail every month. The food loss generated by the manufacturers includes loss during production, daily loss and other scrapped products. Starting from 2024, in order to ensure the accuracy of the food loss and waste data provided (such as weight of food loss and waste, amount of scrap, etc.), we added clauses about forgery and false reporting as major breach of contract to the contract clauses to ensure that the manufacturers provide correct data. In addition, we will introduce an information verification mechanism in 2025 and entrust an impartial third-party to spot check the accuracy of the data provided to President Chain Store Corporation.

President Chain Store Corporation reduces food loss and waste from 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 loss and 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 2024, the production losses (amount of food waste per NT\$ million of revenue) decreased by 47.58% compared to the base period of 2019.



#### Logistics and Distribution: Food Loss and Waste during Transportation

President Chain Store Corporation has set up a monitoring mechanism for food loss during distribution to track and manage potential food loss during transportation. Since the distance between stores and contract manufacturers is relatively short, they are mainly delivered by logistics vehicles without requiring long-distance transportation. Therefore, there is no food loss from exceeding the shelf life caused by long transportation time. Losses during distribution mainly come from collisions, squeezing or deformation, making the products unsaleable. If this situation occurs, store employees will accurately document the products and hand over to the logistics personnel for collection, the logistics personnel or logistics company will take responsibility for any losses incurred. In 2024, President Chain Store Corporation did not incur actual food loss during the distribution process, and will continue to optimize the monitoring process to ensure the effective use of resources.



#### Retail: Food loss and waste caused by scrapping

President Chain Store Corporation actively reduces the amount of scrapped food and food waste at the store through a comprehensive monitoring mechanism and the implementation of reduction actions. Store scrap data is tracked on a monthly basis, and the total amount of scrapped food of various types (such as salad, cooked food, noodles, boxed meals, baked goods, etc.) is recorded. In addition, President Chain Store Corporation has commissioned a third party to collect and inventory the recycling methods of store food waste to ensure the transparency and effectiveness of the waste management mechanism and continue to optimize the food waste management strategy. To improve the food waste inventory in the store, the statistical method for the scrap weight of sweet potatoes has been developed in 2024 and included in the food waste statistics.

In terms of specific reduction actions, President Chain Store Corporation introduced the "iLove Food" program that takes advantage of the "smart labeling system" that was originally used for flagging expired products to prevent expiration. Besides managing the shelf life of food, this allows for better control over the "best before" time (8 hours prior to expiration). A 35% discount is given 8 hours prior to expiration on over 100 products. The "iLove Food Map" was also launched on the OPEN POINT APP to check on the stock as well as subscribing for product availability notifications. In 2024, the "iLove Food" program reduced the generation of leftover food by approximately 17,866.94 metric tons, with a 30.19% growth compared to last year. In the future, President Chain Store Corporation also plans outsource cleaning and transportation to certain stores, all of which will join the food waste recycling process. President Chain Store Corporation will continue to increase the recycling rate of store kitchen waste by taking 3 specific actions, including reviewing the methods of handling food waste in newly opened stores and stores with low recycling rates; encouraging stores to join the Company's cleaning mechanism to ensure that food waste can be handled in compliance with the law, communicating with operating units every quarter, emphasizing the legality of outsourcing collection to ensure that food waste is properly recycled.

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## + Food Loss and Waste Management Performance +

In addition, President Chain Store Corporation inventories the production and sales of private-label products from manufacturing to retail to understand the amount of food loss and waste at each stage, to better organize more appropriate measures for reducing food waste. The total weight of food loss and waste generated in 2024 was 12,495.66 metric tons, with a 1.9% increase from 2023. The reasons include the increase in number of stores and continuous growth in fresh food sales. The food used for alternative purposes ratio was 74.26% (mainly for animal feed/compost) in 2024, with a significant growth compared to 70.95% in 2023. The proportion of food waste recycled by contract manufacturers has reached 100% for two consecutive years. Total discarded weight of food waste was 3,216.35 metric tons with a decrease of 9.7% from 2023. President Chain Store Corporation will continue to strive to lower food loss and waste, increase the food waste recovery rate at stores, optimizing 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 Loss and Waste Management Performance



To actively reduce food loss and waste, President Chain Store Corporation analyzes the categories of food waste in addition to understanding its weight distribution through the value chain. Food loss and waste is divided into 10 categories, with the proportion estimated and ranked based on the weight of private-label products to propose management actions targeting commonly seen categories of food waste. In terms of food waste categories in 2024, the highest proportion was 16.68% of noodles, as the sales volume and figures are both high. The second highest was rice balls, taking up 16.29%, as the sales volume is high due to the product has a close expiration date. Therefore, it is easy to be scrapped. Noodles, rice balls and other fresh food products with rice constitute the top three categories of food waste. President Chain Store Corporation aims at reducing food waste with advanced orders, centralized production and processing plant stocking accuracy, and two iLove Food discount time slots to increase product sales opportunities. We worked on three aspects including production, order and delivery and retail, as well as convening with different divisions to formulate measures for managing food waste.

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

of Food	0.1	Store												
	Category of Food Waste (Note 1)	Cooked Food	Noodles	Salad	Hot dogs	Tea eggs	Boxed Meals	Rice	Rice ball	Freshly- prepared Food	Refrigerated Conditioned Bread	Manufacturers	Headquarters	Total proportion
	Proportion of Weight	6.61%	16.68%	3.76%	3.64%	3.67%	5.47%	11.60%	16.29%	2.84%	5.42%	23.88%	0.13%	100.00%

(Note 1) The proportion of food waste categories is estimated based on the weight of private-label products. Braised food was launched in 2024 and listed as "freshly-prepared food" together with oden.

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## Reusing and Reducing Food Loss and Waste

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

As the leading company in the retail industry, President Chain Store Corporation is committed to reducing food waste. President Chain Store Corporation launched the iLove Food Map in the app in 2022 for consumers' easy access to the iLove Food availability in each store, allowing them to take advantage of the convenient program. In 2024, iLove Food prevented the generation of 17,866.94 metric tons of food waste with an increase of 4,143.63 metric tons from 2023. In addition to working together with consumers to reduce food waste, we extended the shelf life of food in 2023 by taking advantage of new technologies, such as the high-temperature sterilization equipment and special sealing film to reduce food waste from overstock.

## + Coffee Grounds Recycling Program Promotes Circularity +

To promote circular economy and resource recycling, President Chain Store Corporation launched the "Coffee grounds Recycling Program" in 2024 to convert coffee grounds from store operations into performance fabrics and shoe materials. Coffee grounds are systematically recycled in the store and processed in an innovative method to create a series of recycled products to reuse, conveying the concept of green fashion and environmental protection to young consumers. As part of the plan, we launched the "Coffee Grounds - Urban Trend Points Collection Program" to encourage consumers to actively participate in recycling and point collection activities, as well as making products made from recycled coffee grounds as gifts, including 2,000 T-shirts, 2,000 bucket hats, 1,500 pairs of socks, and 1,000 travel cups. These products are made of recycled coffee grounds, and reusable eco-friendly bags and other products were launched during the event to improve the efficiency of recycling. In 2024, the program promoted the recycling of coffee grounds with 10,000 people participating and 1.064 metric tons recycled. The program also expanded the scope of applications to improve resource use efficiency and reduce the impact of waste on the environment.

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

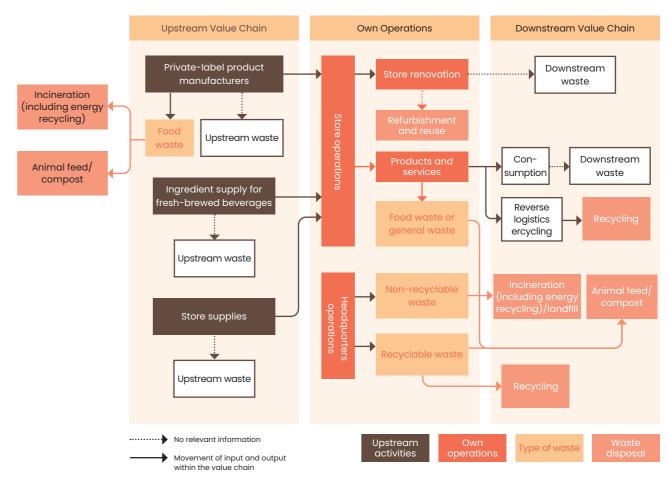
In continuous search of a sustainable circular economy solution, President Chain Store Corporation launched the "Sustainable Farm" circular program in 2023. With "being friendly to the earth with a cup of coffee" as its starting point, President Chain Store Corporation systematically recycles expired, opened or defective scrapped products and coffee grounds through stores, and collaborates with an agricultural biotechnology team to use black soldier fly automated breeding equipment to convert food into safe and non-toxic organic fertilizers for contracted farm. This fertilizer is rich in organic matter, which helps improve soil fertility and ecological health, while promoting the development of low-carbon agriculture. After the agricultural waste is recycled and reused, the fruits and vegetables will go back to the stores as side dishes for fresh food or for sale. In addition, to further expand the scope of resource recycling, President Chain Store Corporation is also evaluating the possibility of including food sludge from fresh food manufacturers in the recycling program in the future to continuously maximize the impact of green agriculture.

In 2024, the Sustainable Farm program was expanded to turn coffee grounds and scrapped food products from specific stores into organic fertilizers through agricultural biotechnology for growing fruits and vegetables. The scope of cooperation has been expanded to four agricultural product manufacturers to increase crop yields. In 2024, a total of 3.5 metric tons of coffee grounds were recycled and converted into fertilizers to produce crops such as cabbage, bananas and corn on contract farms, before being sold in the stores, allowing more consumers to participate in and support a sustainable diet, as well as further realizing the targets of resource recycling and environmental protection.

## Waste Generation and Process Flow Management

#### + Waste Generation Flow +

To understand the amount and process flow of waste, President Chain Store Corporation collects and calculates the amount of waste at each operating site on a yearly basis. The headquarters building signs an agreement with a waste management company, which calculates the amount of waste generated and treats various types of waste in a manner that complies with the laws. Regarding the retail stores, only Taipei City, New Taipei City, Taoyuan City and Tainan City at present require convenience stores to dispose of waste separately from other entities, while waste from stores located in other counties and cities is disposed of with household waste. Besides the stores that are obliged to dispose of waste separately, President Chain Store Corporation has formulated a plan in 2024 to encourage stores from other cities and counties to also outsource waste management with the aim to better control the amount of waste generated by retail stores. In addition to its own operational waste, President Chain Store Corporation also attaches great importance to the waste management of fresh food manufacturers in the upstream value chain. We regularly calculate the amount of food waste generated by the manufacturers and track the food waste disposal methods. To improve information accuracy in 2024, a third-party review mechanism was introduced to ensure that the food waste remains under control. 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" section for further details.



#### + Waste Management Performance +

In 2024, a total of 1,167 stores and the head office building have entrusted waste management to dedicated companies. The companies reported the amount of waste collected 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) with no waste removal company on contract is harder to measure. Therefore, the amount of waste produced by a single store or per capita is used for estimation. Moreover, scrap items are estimated based on the date of expiration, and the disposal method of waste that was not outsourced to cleaning companies is speculated based on national waste disposal announced by the Ministry of Environment for the current year.

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In 2024, the total amount of non-recyclable waste from store operations and headquarters activities was 41,427.87 metric tons. To effectively manage non-recyclable waste (excluding food waste) in stores, President Chain Store Corporation takes 2019 as the base year and sets the average waste generated by a single store as the management target. Based on the evaluation of the rationality of the target, the uncertainty of data from some stores that do not have a waste removal company, and the consideration of diversified growth in operations, the target was reviewed this year and adjusted to a 20% decrease in the waste removal volume per store in 2024 compared to the base year, and a 45%

decrease in the waste removal volume per store in 2028 compared to the base year. The waste removal volume per store in 2024 was 6.27 metric tons, a decrease of 25.63% from the base year, achieving the 2024 target. The categories of fresh food and other services will continue to increase and expand to meet consumer demand, and we still need to continue to introduce various waste reduction measures to achieve the target. In the future, we will continue to optimize data quality, implement recycling, reuse and plastic reduction actions, as well as enhancing the management of non-

#### President Chain Store Corporation Waste Generation and Disposal in 2024

recyclable waste from the stores.

	, ,		Location of Waste Generation <sup>(Note 2)</sup>			
Wast	e Disposal <sup>(Note 1)</sup>	Waste Composition	Upstream (Metric Tons)	Own Operations (Metric Tons)		
	Animal feed/ compost <sup>(Note 3)</sup>	Food waste	2,984.49	6,278.44		
	Incineration (including energy recovery)	Food waste	-	2,831.53		
	Landfill	Food waste	-	384.83		
		Recycled plastics	-	1,213.38		
		Paper	-	11,807.62		
Off-site	Recycling	Metal	-	47.57		
		Batteries	-	503.99		
		Optical discs	-	84.40		
		Electronic appliances	-	103.67		
	Landfill	General household waste	-	4,209.73		
	Incineration (including energy recovery)	General household waste	-	34,386.62		

(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 88.04% based on 2024's National General Waste Disposal published by the Ministry of Environment.

(Note 2) The scope of data for our own operations includes the headquarters, regional offices and stores. The scope of data from the upstream covers 12 manufacturers. (Note 3) The data before 2021 only covers Taipei City, New Taipei City and Taoyuan City. The data from 2022 covered all stores.



## + Waste Reduction in Headquarters +

To encourage employees to save resources, the President Chain Store Corporation head office set "paper-saving" as an internal management metric to review the performance of paper reduction. The paper consumption per capita in 2024 decreased by 1.5% compared with the previous year. We will continue to optimize administrative processes by replacing paper with electronic files, increasing utilization of digital documents, as well as implementing double-sided printing to reduce the amount of paper used in office and administrative processes. In addition, the head office building has also continued the recycling program. In 2024, the weight of recycling reached a total of 19,077 kilograms, an increase of 3.54% over 2023 due to the cleaning days we had at the first and second halves of the year. We aim at increasing the amount of recycling in the head office building by continuing to promote waste reduction and classification each quarter.

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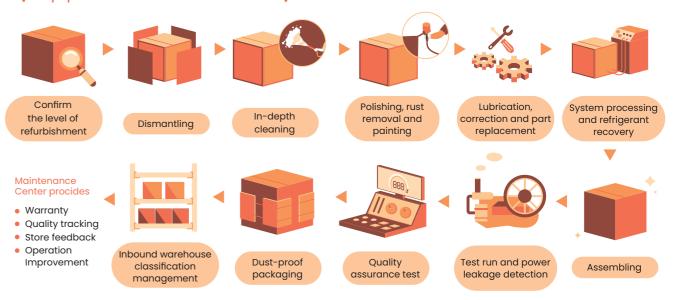
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#### + Store Equipment Reuse +

In order to provide the most convenient products and services, President Chain Store Corporation 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 2024, 34 types of equipment were refurbished and put to use, with the total number of 2,803 machines and saving a total amount of equipment procurement costs of NT\$93,712,458.

## + Equipment Refurbishment Process +



#### + Convenient Recycling Platform +

By taking advantage of the multiple bases, President Chain Store Corporation effectively combines "convenience" with "recycling" in helping people recycle electronic waste, including batteries, laptops, optical discs, mobile phones and chargers. To encourage people to recycle through convenience stores, President Chain Store Corporation provides NT\$3 to NT\$120 of credit as reward.

To realize the vision of circular economy, President Chain Store launched the Intelligent Automatic Recycling Machine after a year of research with President Packaging Ind. Corp. It was the first smart recycling system in Taiwan that offers a more efficient and convenient recycling method. With a patented AI optical imaging and material recognition technology, the machine can recycle PET bottles and batteries in a simple and timely manner. The unique "shredding" function can shred PET bottles into pieces, reducing the volume by 75%, improving recycling efficiency and reducing carbon footprint. Plastic from recycled PET bottles is turned into recycled materials by professional manufacturers from President Packaging Ind. Corp. The materials can be made into store uniforms or products for sale. Meanwhile, President Chain Store Corporation also collaborates with PET bottle manufacturers to develop a "bottle to bottle" recycling system in central and southern Taiwan as well as outlaying islands, and the recycled PET bottles will be remade into new PET bottles through professional technology to create a sustainable supply chain.

In 2024, President Chain Store Corporation continued to increase the number of recycling machines, setting up in 6 stores Yilan, Hualien and Taitung to make "24/7 Services from Our Stores All over Taiwan" a reality. A total number of machines installed was 246 as the brand with the most recycling machines among all channels. In addition, in order to improve the utilization rate of equipment and promote the mechanism of turning around sub-standard stores, the equipment configuration will be adjusted in a timely manner for stores whose recycling volume does not meet expectations, with the relocation accelerated to maximize the benefits. In 2024, a total of 5 stores had the machines relocated. Overall, in 2024, a total of 23.17 million PET bottles and 5.2 million waste batteries were recycled through the Intelligent Automatic Recycling Machine and processed through distribution and reverse logistics systems to ensure the best use of recycled resources. In 2025, we will continue to set up more recycling machines with reaching a total of 380 machines as the target.