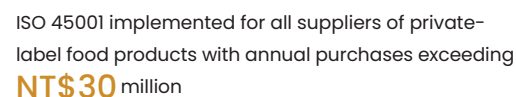


Commitment to Sustainable Production and Sales



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(Note 5) The classification has been adjusted this year. A level was 90-100 points in the past. It has been adjusted to 80-89 points for A level and 90-100 points for A+ in 2024.



X-STORE 8

Following the first 24-hour smart convenience store “X-STORE 7” that opened in 2023 with no regular store nearby, President Chain Store Corporation launch its second “X-STORE 8” on the campus of National Taiwan Ocean University in 2024 to make the “grab and go” shopping experience a reality. The technology was further upgraded in cooperation with the Industrial Technology Research Institute and National Taiwan Ocean University as the first in the industry to adopt optical radar image recognition (LiDAR) used in unmanned electric vehicles to identify products, breaking the prior limitations of infrared product identification. The range of products has been expanded from room temperature and refrigerated items to all products in the store. With detailed recognition, the store is able to introduce products such as rice balls with different flavors but similar in appearance, smaller packets of sweets and snacks, etc., to create a new “AI smart shelf” with more than 1,600 products, which is 5 times the scale of X-STORE 7 and can better meet the needs of students on campus.



+ Digital Service +

iOPEN Mall

To build a shopping mall that focuses on the common good with local areas and stable operational quality, President Chain Store Corporation has taken advantage of resource sharing and joint creation of business opportunities based on over 45 years of experience running its business in Taiwan. The brand new iOPEN Mall was launched in 2023 as the first shopping mall created by a local enterprise. In addition to providing a digital platform that is easy to understand and accessible at all times for micro-enterprise entrepreneurs, the platform has developed an outstanding intelligent management system with features such as simple registration, quick listing, orders, members, merchandise, accounting, logistics, etc. The platform connects to the OPENPOINT Ecosystem and its 18 million members, the group’s logistics and warehouses all over the country, and more than 7,000 7-ELEVEN stores to bring micro-enterprise entrepreneurs an influx of consumers, diversified marketing resources, and convenient delivery and pickup services. The service has so far attracted nearly 70,000 merchants to set up shop with more than 5 million items on the shelves, reducing the digital transformation risks of micro-enterprises as a strong backing for everyone who wants to run an online shopping business with ease. President Chain Store Corporation won the Silver Award of the 2024 Taiwan Sustainability Action Award for assisting micro-entrepreneurs.



3.2 Customer Health and Safety

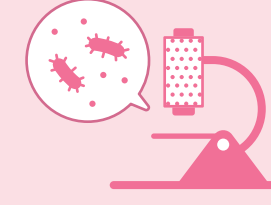
Product safety is the cornerstone of President Chain Store Corporation operations. To this end, it follows the internal “Private-label Product Policy” to stay on top of the value chain of products, from raw materials, logistics to stores with management mechanisms and continuous tracking. In the meantime, we fulfil our promise of product safety through product safety information and a comprehensive internal reporting mechanisms. In 2024, a total amount of NT\$141,342 thousand was invested in food safety management.

1



No preservatives or partially hydrogenated oils are used from raw materials to product for private-label fresh food. Each product must be inspected by a third-party testing agency. Fructose is also not added. If the ingredient is contained in raw materials, it will be tracked and managed internally.

2



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.

3



For private-label products that may contain GMO materials approved by the Ministry of Health and Welfare, the information will be disclosed.

+ Healthy and Nutritious Products +

A healthy diet has become one of the top priorities for consumers nowadays. As a member of the food retail industry, President Chain Store Corporation provides products with a variety of health concepts to meet the nutritional needs of consumers in their daily diets to fulfill our responsibility and obligation to consumers. In 2024, President Chain Store Corporation continued to focus on developing products with reduced saturated fat, trans fat, sodium and sugar with reference to the Daily Diet Manual published by the Health Promotion Administration. Moreover, preservatives, partially hydrogenated oils and fructose are not added to fresh food products. In the meantime, President Chain Store Corporation strengthened the voluntary labeling of health and nutrition information on private-label food products, stating whether there are added chemicals, low-fat, low-sodium, low-sugar, or other nutrient content by following MOHW's "Guidelines for Nutrition Labeling of Packaged Foods" and "Nutritional Claims of Packaged Foods." The Company has also actively raised the bar for additives in its products by introducing the "Anti Additive Clean Label" certified by a third party for some of its products. The revenue of the aforementioned private-label food products that comply with [health and nutrition principles](#) totaled NT\$32,721 million, while the revenue of its private-label products containing voluntary nutrition labels accounted for 11.46% of its revenue from private-label food products (Simple Fit and Veggie Selection).

Veggie Selection

Due to the impact of the pandemic and climate change in recent years, we have noticed that citizens lay more emphasis on health and environmental protection. The local vegetarian population exceeds, accounting for 13-14% as the third highest in the world. To this end, President Chain Store Corporation took the lead as the first retail channel to launched its private-label brand, "Veggie Selection" with clear vegetarian labels and separate production lines, allowing consumers to know clearly what they are buying with peace of mind. In 2021, the first "Veggie Selection Compound Store" opened its doors with almost 300 vegetarian food items. In recent years, President Chain Store Corporation has been working with chefs from well-known green catering brands and Michelin Green Star restaurants to develop and launch a variety of vegetarian products. The products adopt all plant ingredients with whole foods for seasoning, such as truffle mushroom risotto, Yangming Spring mushroom and bamboo shoot porridge, as well as incorporating such as plant-based meat, oat milk and superfoods such as quinoa and chickpeas in dishes. Veggie Selection® products cover three meals a day to meet customer needs, such as mushroom and bamboo shoot rice balls, Jidi dumplings with plant-based meat, and salted egg yolk tofu pasta. Besides frozen box meals and microwave fresh food, home-cooked vegetarian food products at different temperatures were introduced to satisfy the needs of different consumption situations.



Vegetarians and vegans attach great importance to the labeling of food ingredients. To help them identify product content, we have launched 13 vegetarian/plant-based labels. Categories are distinguished by green and orange for different groups by listing whether ingredients such as spices, milk and eggs are used in the products. Vegetarians and vegans also attach great importance to food production details. In the past, most production lines produced both vegetarian and non-vegetarian food with very few strictly vegetarian ones. As a result, President Chain Store Corporation dedicated a lot of effort and expenses to create special production lines for vegetarians by strictly controlling every step of the procedure from the production. With existing supply chain advantages, we have launched the first vegan production line with a CAS label, satisfying the needs of vegetarian/vegan consumers from ingredient selection to production line.

As of the end of 2024, 185 Veggie Selection® Compound Stores have been set up, with the line sold in over 3,000 stores. President Chain Store Corporation has built a vegetarian food industry chain together with its suppliers, giving consumers in all cities and counties access to vegetarian and vegan food as the top choice for vegan and vegetarian food products in convenience stores in consumer reviews. Since the launch of the brand, it has reduced carbon emissions by 90,526 metric tons as of 2024, equivalent to the annual carbon absorption of 235 Daan Forest Parks. In the future, President Chain Store Corporation will create a more professional vegan/vegetarian brand for consumers based on the



three strategies of "co-branded green food," "expanding sales bases" and "optimizing vegan/vegetarian food labels." It also plans to launch a variety new products to attract vegan/vegetarian consumers, as well as providing accurate information on the labels as the most convenient kitchen for vegan and vegetarian consumers. More eco-friendly and sustainable production methods will be adopted in the future, including using local raw materials to reduce carbon footprint and incorporate whole food ingredients.

(Note) According to a [research by Oxford University](#), 2.03 kilos of carbon emissions can be reduced by replacing one meal with a vegetarian meal. When multiplied with the number of Veggie Selection products sold since the launch of the brand (44,667,500), it is equivalent to 90,526,133 kilograms of carbon emissions, approximately 90,526 metric tons. The average daily carbon emissions of meat eaters is 10.24 kilograms, while the average daily carbon emissions of vegetarians is 4.16 kilograms. $2.03 = (10.24 - 4.16) / 3$ meals.

Simple-Fit

Since 2020, President Chain Store Corporation has been targeting the trend of a healthy lifestyle and diet with the Simple-Fit lifestyle proposal. The Company has worked with the nutritionists and R&D team of the Taiwan Millennium Health Foundation to provide nearly 100 food and beverage options with a calorie content of less than 500 kcal. It also meets the functional diet needs of those who often eat out, are into fitness, and the elderly through the two major strategies of "supplying nutrition and protein" and "enhanced product labeling." President Chain Store Corporation has observed the lifestyle of current consumers and realized that fitness buffs, young generations, and diversified combinations have become the main buying power of convenience stores.

"Simple-Fit" products features fresh food with a calorie content of less than 500 kcal and offers a recommended menu. The number of products launched for the first time in 2020 has grown exponentially compared to five years ago. It continues to launch innovative products that meet market demand, with hundreds of items including salads, meal boxes, fruits, soups, rice balls, sandwiches, bread, sweet potatoes and side dishes, etc. to meet customers' needs for healthy diets. We expect to work with nutritionists in the future to launch meals designed with the 2:1:1 plate concept (i.e. vegetables: protein: whole grains = 2:1:1) in order to better meet the health and nutrition needs of consumers.



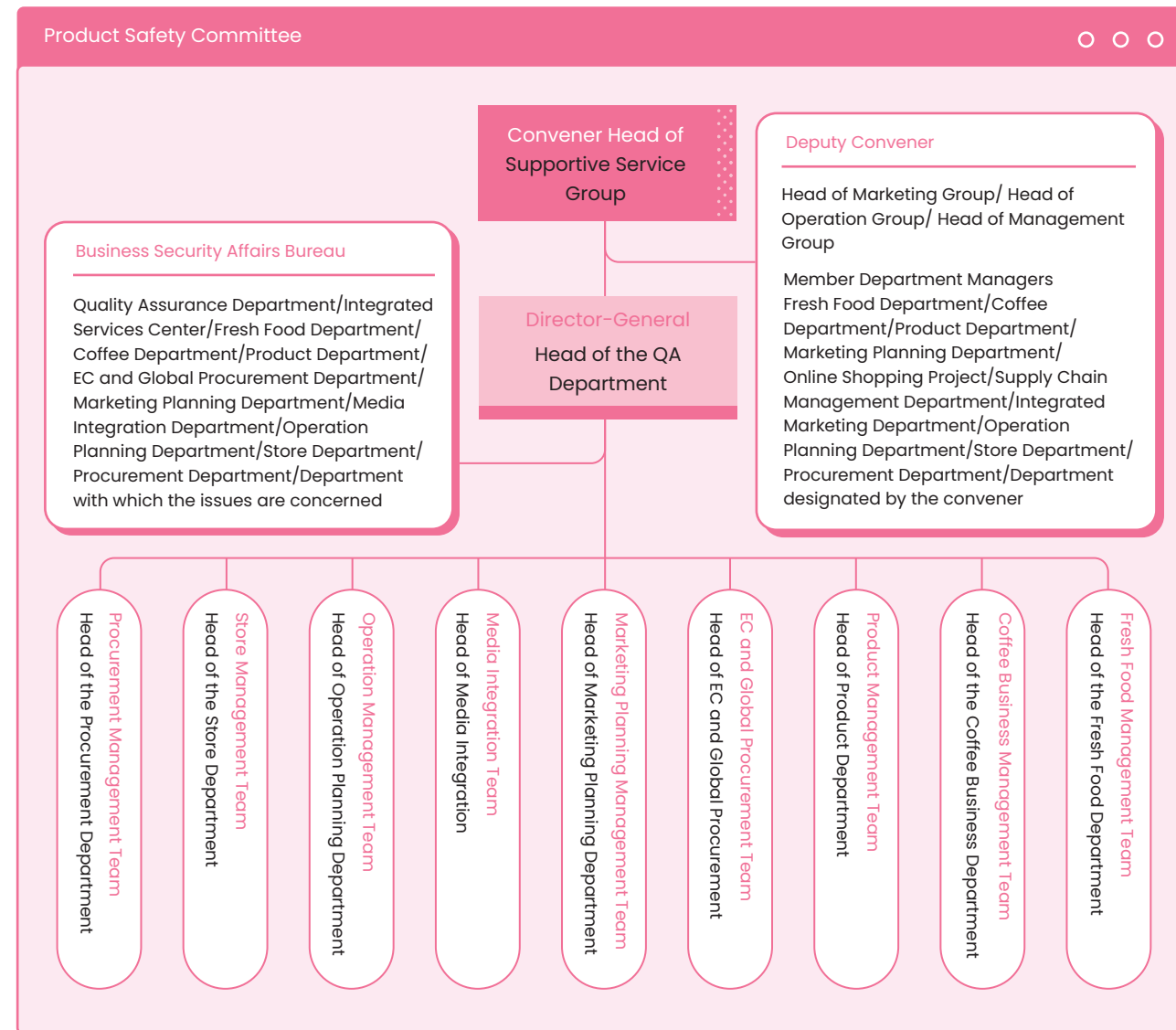
Anti Additive Clean Label



President Chain Store Corporation attaches great importance to the health and well-being of consumers. To this end, it actively improves the health standards of its products. In 2021, it introduced the "Anti Additive Clean Label" certified by a third party. Products that have obtained 100% Additive-Free certification do not contain any additives specified in the "Standards for Specification, Scope, Application and Limitation of Food Additives" from the Ministry of Health and Welfare. Products that have obtained 1-star certification do not contain flavor enhancers, bleaching agents and phosphates. Currently, 4 products have obtained 100% Additive-Free certification, including salads, sweet potatoes, etc., and 7 products have obtained 1-star certification, including mainly fruits, salad dressings, etc. Product certification will be expanded in the future.

Product Safety Committee

The Product Safety Committee is divided into three main levels. The convener is appointed by the President, with the Marketing Group Vice President and Operation Group Vice President serving as deputy conveners. The Quality Assurance Department Manager serves as the Director-General on the second level. Under the Director-General, a separate Business Security Affairs Bureau is responsible for the integration and collection of issues related to product safety. The third level consists of 9 task forces with each department head as leader. Focusing on safety and quality, the Product Safety Committee set up a management system for private-label products with the scope covering 100% of private-label products. One meeting was convened in 2024, with discussions focusing on reporting and tracking important business security information, planning and responding to changes in regulations.



+ Collection and Inventory for Product Safety Information +

Staying abreast of the latest product safety information has been key to President Chain Store Corporation's making product quality management a reality. Product safety information is negative reports collected by President Chain Store Corporation on its private-label products and indirect investment business, information on unqualified products, and information on regulations promulgated by relevant authorities and issued in other countries. President Chain Store Corporation manages information in different levels in accordance with our "Product Safety Information Collection and Review Tracking Standards." The system applies to 100% of President Chain Store Corporation's private-label products. In 2024, the Company collected 387 product safety-related memos, including 9 A-level information, 295 B-level information and 83 L-level information. In 2024, the 9 A-level incidents were negative information involving business safety directly related to President Chain Store Corporation. All cases were subject to crisis reporting or tracking, and each case was reviewed with corrective action plans proposed. The improvement has been completed with case closed.

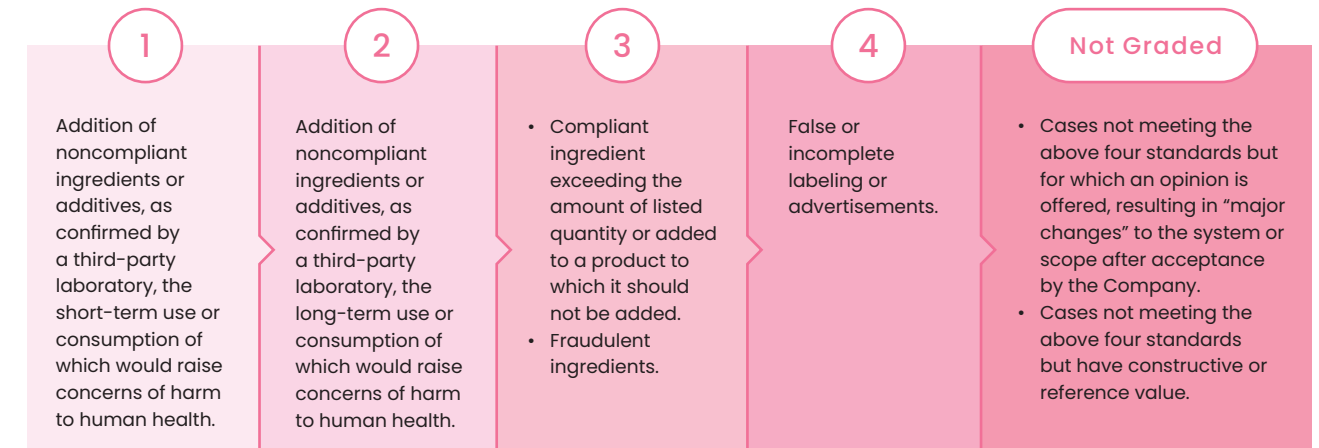
<p>A</p> <p>level information</p>	<p>Negative business safety information and non-conformance information directly related to President Chain Store Corporation, or information that may be classified as A-level information after evaluation by the Head of Quality Assurance Department or relevant supervisor of Quality Assurance Department.</p>
<p>B</p> <p>level information</p>	<p>Product safety information other than Level A.</p>
<p>L</p> <p>level information</p>	<p>Drafts of laws and regulations issued by the government and information on foreign laws and regulations.</p>

(Note) A-, B-, and L-level information is compiled based on the date of internal announcement. In 2024, there were 9 A-level incidents, all of which were negative business security information directly related to President Chain Store Corporation. Crisis notifications or follow-up actions were carried out for each case, including a review and proposal of improvement measures. All improvement actions have been completed and the cases have been closed.

+ Internal Reporting System +

President Chain Store Corporation has established an internal product supervision mechanism based on the “Rules for Safety on Private-label Products.” This mechanism invites employees to come together to play a role in supervising product safety. In cases where employees in logistics, directly operated stores, or franchisees have doubts or questions about ads, labeling or ingredients, they can use this mechanism to provide feedback. Issues raised in this way are forwarded to the Product Safety Committee and the person making the report receives a reward based on the severity of risk involved with the safety issue. In 2024, no incident was reported.

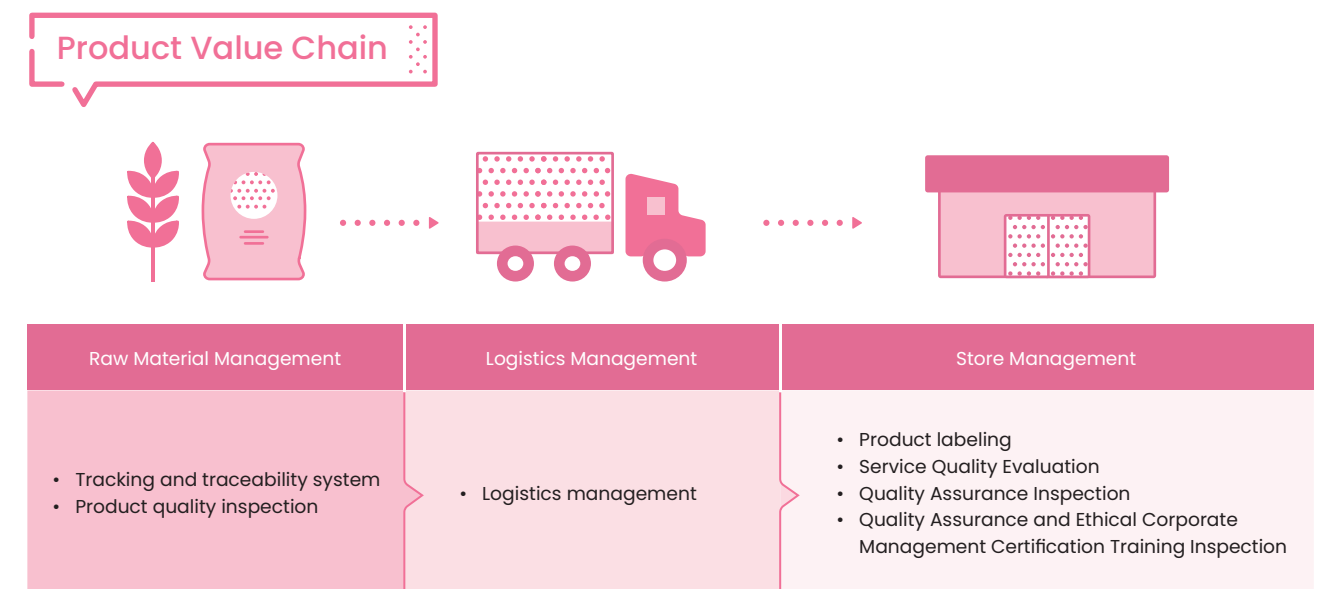
President Chain Store Corporation Product Safety Incident Risk Categories



+ External Grievance Mechanism +

President Chain Store Corporation established an “Integrated Services Center” to act as the internal and external channel for issues involving products and services. Consumers can voice their complaints or suggestions to the Integrated Services Center via hotline or email. The Center creates a file for each issue and in cases that require follow-up, cases are only closed after customers receive information on how President Chain Store Corporation responded to and handled the issue. In 2024, the Center handled 92.5% of the cases online in real time with 100% of the cases closed ^(Note). 100% of the stakeholder letters were answered without receiving a major complaint.

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



+ Raw Material Management +

Tracking and Traceability

To effectively monitor product safety and take up the responsibility of President Chain Store Corporation as a retail business, President Chain Store Corporation works with the ROC Fresh 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 2024, 100% of the Company's private-label food products had the corresponding product specification document in the MAS system.

President Chain Store Corporation meets the definition of a vendor of box meals as set forth in Article 9 of the Act Governing Food Safety and Sanitation 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 752 products in the meal box category ^(Note) have undergone traceability management (must be traceable) , 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.

Quality Certification

To manage and stay on top of product quality, President Chain Store Corporation's Quality Testing Laboratory obtained certification following items specified by TFDA and TAF (ISO/IEC 17025:2017). After a product is made, the laboratory first samples and tests it for microorganisms with chemical methods, ensuring product safety before it is put on the shelf. As of the end of 2024, the laboratory conducted tests on 640 items per requirements of CNS or the competent authority. Another 125 test items that follow directives from the aforementioned requirements were also conducted.



In 2024, a total of 845 tests were run on products and raw materials, with 842 passing the test. The pass rate was 99.64%. The aforementioned tests corresponded to a total of 518 products with a total of 515 products passing the test. Among the initially unqualified products, all 3 of them passed the re-inspection. In addition to treating these incidents as stated by the contract, we also carried out follow-up inspections and monitoring to ensure that the products we sell are safe. The quality testing laboratory resulted in costs of NT\$43,655 thousand, including NT\$25,221 thousand for entrusted laboratories ^(Note), accounting for 0.02% of the Company's operating revenue.

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

+ Logistics Management +

President Chain Store Corporation products are shipped to stores after production. Ensuring product quality during transportation is the key to stable product quality and safety. Therefore, even though the logistics company is not a

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Appendix

main element in the scope of disclosure in this report, its operations are still disclosed due to its impact on product safety. After President Chain Store Corporation products and raw materials are manufactured by suppliers or contract manufacturers, they are shipped to stores by a logistics company. To ensure that the quality of products is maintained and guaranteed throughout the entire process of shipping, storage, and display and to reduce potential risk to products due to temperature, employees or sanitation, we partner with logistics companies on initial logistics and in-store product management and service audits. Initial logistics involves cooperation on shipping, taking product quality management processes from the store and pushing them upstream to the supplier end to set up a comprehensive quality control mechanism. In 2024, we continued to implement a logistics mechanism for 100% of the exclusive and private-label products including rice, fresh noodles, salads, cooked food, refrigerated flavored breads, sweet potatoes and fresh foods.

+ Store Management +

Product Labeling

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

In the meantime, President Chain Store Corporation is also committed to obtaining relevant labels for its own products. In 2024, the raw materials for President Chain Store Corporation's private-label products were inspected by an external body to confirm no GMOs were adopted. To make it easier for consumers to make purchase decisions, President Chain Store Corporation is also committed to clearly displaying labels relevant to GMOs on the outer packaging in accordance with MOHW's "Guidelines for Labeling Packaged Food Containing GMO Raw Materials" and Guidelines for Labeling Bulk Food Containing GMO Raw Materials." Among private-label products, the ones whose outer packaging was marked with a label stating "Does Not Contain GMO" reached a revenue of NT\$113,508 thousand in 2024.

President Chain Store Corporation High-Quality Service Qualification

President Chain Store Corporation conducts an annual President Chain Store Corporation High-Quality Service Qualification assessment on all its directly-operated stores and franchises, with items including basic service, professional service, comfort of the environment and appropriate responses. The results of the assessment are graded A+ and A (excellent), B (meets expectations) or C (needs improvement) (Note). In 2024, a total of 1,963 stores were graded A+ and 950 were graded A out of all the stores, accounting for 79% of all the stores that were audited, exceeding our high-standard target (70%). Operations specialists visit stores receiving a grade of C to provide guidance, and hold meetings to draft corrective action plans, conduct drills on the shortcomings as well as re-evaluating to ensure improvement, providing the consumers

with a great shopping environment. Besides providing in-depth counseling through district consultants to improve the overall service quality, we plan to organize a quarterly training session for cadres in 2025, as well as focusing on the four tips for conversing with customers to enhance the overall service quality in the stores.

(Note) The classification has been adjusted this year. In the past, A level was 90-100 points, B level 75-89 points, and C level <75 points.

2024 Annual Initial Assessment Grade	Grade	Number of stores Audited	Percentage
A+ (Excellent)	90-100	1,963	53%
A (Excellent)	80-89	950	26%
B (Meets expectations)	70-79	611	17%
C (Needs improvement)	<70 分	156	4%

Quality Assurance Audit

President Chain Store Corporation performs quality assurance audits through the engagement of an external management consulting company. In 2024, 99.55% of all retail stores underwent this audit. A total of 30,075 stores were inspected with a pass rate of 92.79%^(Note). The stores were unqualified mainly due to expired products. President Chain Store Corporation provided concrete suggestions for the issue and followed up to ensure that improvements were made.

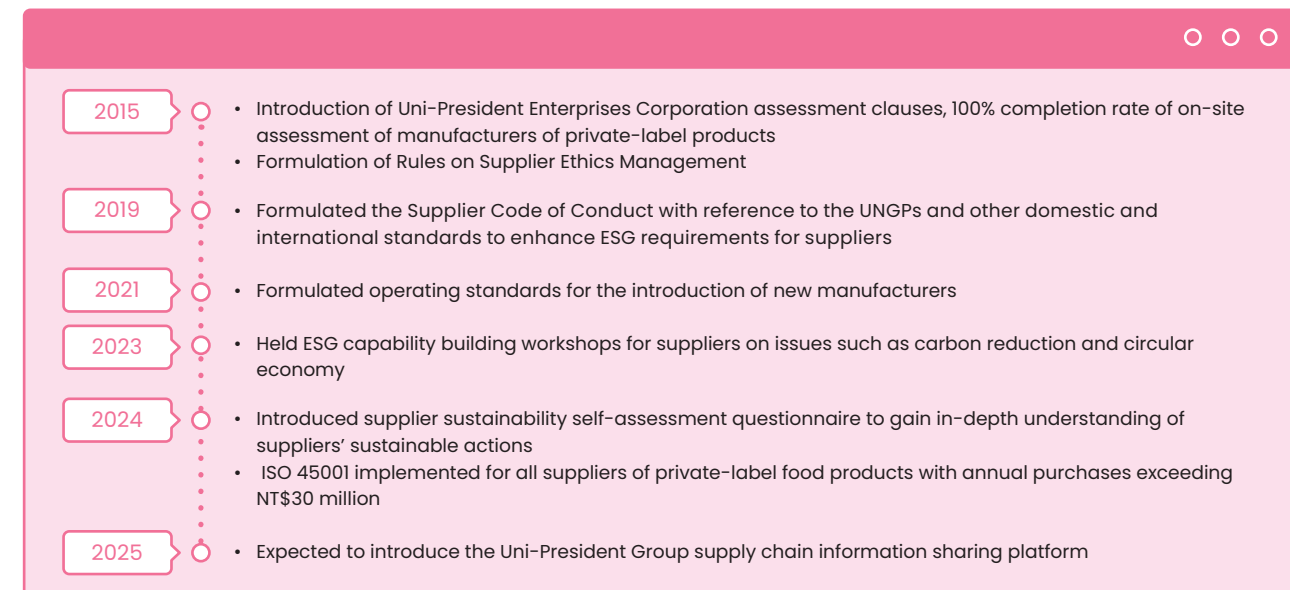
(Note) The scope of inspected stores and the pass rate includes all inspected retail stores in 2024, and stores that close by the end of the year are not excluded.

QA and Ethical Corporate Management Certification Training and Audits

To maintain the quality of the overall workforce, President Chain Store Corporation continues to provide quality assurance education and training for both new hires and existing retail store employees in addition to the store audits described above. A total of 87,135 people participated in the training in 2024 (including employees who have quit). President Chain Store Corporation hired a management consulting company to audit the quality assurance training certification status of stores, with 99.45% of the retail stores audited in 2024.

3.3 Sustainable Supply Chain Management

President Chain Store Corporation places a high priority on supply chain management to ensure that our partners can promote sustainable development together. Since the formulation of the Rules on Supplier Ethics Management in 2015, it has gradually increased the intensity and scale of management to carefully manage supply chain partners through regulations such as the Supplier Code of Conduct and the evaluation system. We have also implemented supplier guidance, capability building training and other measures to create a sustainable value chain with suppliers.

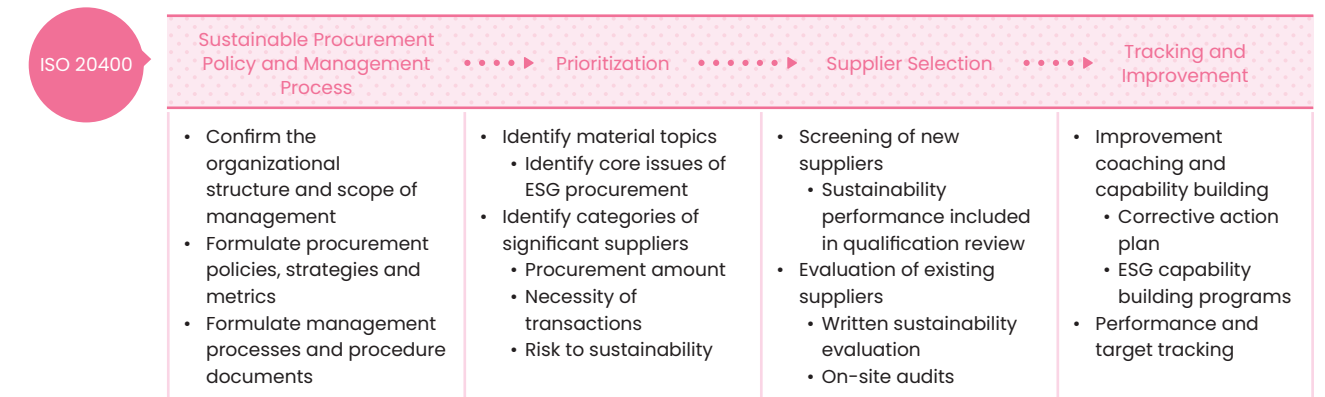


Supplier Management Structure

President Chain Store Corporation's supplier management structure follows the spirit of ISO 20400 Sustainable Procurement Guidance to formulate the overall management process as shown in the figure below. The organization sets up a comprehensive management structure from top to bottom, and implements grading, screening and evaluation of suppliers to subsequent corrective action plans.

The highest decision-making unit of President Chain Store Corporation's implementation of supplier ESG plans is the Board of Directors. The Sustainable Procurement Task Force is responsible for the management and tracking, as well as regularly reporting the progress of various supply chain assessments, management and ESG projects to senior management. An integrated ESG report is compiled and submitted to the Board of Directors at the end of each year.

At the end of 2024, the 2025 Supply Chain ESG Plan was submitted to the Board of Directors with details to improve supply chain management in accordance with the ISO 20400 framework, as well as further promoting carbon reduction in the supply chain. In addition, relevant content and actions are shared from time to time at internal meetings to let the Company's procurement and relevant staff members better understand the roles and values of supply chain ESG projects. In 2024, ISO 20400 Sustainable Procurement Guidance training was arranged for the procurement departments, totaling 39 man-hours. It is also scheduled to arrange supplier ESG management training for internal supply chain management personnel (including the carbon reduction task force) in 2025.



Supplier Management Policy

+ Supplier Sustainability Standards +

President Chain Store Corporation hopes to make itself the benchmark in the local retail industry by encouraging suppliers to practice corporate social responsibility. We have revised the "President Chain Store Corporation and President Chain Store Corporation's Subsidiaries' Code of Conduct for Suppliers" based on the United Nations Global Compact (UNGC) and UN Guiding Principles (UNGPs), as well as taking ISO 20400 Sustainable Procurement Guidance into consideration with requirements for suppliers' performance in Environment, Social and Governance. Suppliers are required to sign an "Agreement on Ethical Corporate Management and the Corporate Social Responsibility," and their compliance with the guidelines are taken into consideration when evaluating cooperation and contract renewal to ensure suppliers understand and commit to complying with our supply chain management requirements.

Document	Standards and Compliance for the Year
President Chain Store Corporation and President Chain Store Corporation's Subsidiaries' Code of Conduct for Suppliers	<ul style="list-style-type: none">All suppliers are required to sign, with 100% signing in 2024.E: Providing products that conform to environmental protection and food safety laws and regulations to reduce their impact on the environment and health.S: Not violating labor laws or regulations (including hiring rules, hiring child labor, working conditions, salary and remuneration, occupational safety and health); ensuring labor equality, a non-discriminatory workplace, and fundamental human rights.G: Not being involved in inappropriate gains or conflicts of interest through bribery, corruption, monopoly, or the giving of gifts.
Agreement of the Ethical Corporate Management and the Corporate Social Responsibility	<ul style="list-style-type: none">For suppliers unwilling to sign the agreement, President Chain Store Corporation will examine their existing internal regulations and the scope of commitment. Additionally, they will be required to commit to certain important items.If communication fails but it is still necessary to purchase from the supplier, the supplier will be asked to sign an "Affidavit on Ethical Corporate Management."

+ Quality Assurance Standards +

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