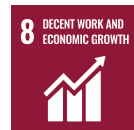


Commitment to Sustainable Production and Sales

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



Invested **NT\$141,342** thousand in food safety management



The number of stores exceeded **7,000** and reached 7,077 with the highest market share

Invested **NT\$180,571** thousand in research and development

OPEN POINT reaching **18** million members





iOPEN Mall attracted nearly **70,000** sellers
with over **5** million products



Certified sustainable procurement of raw materials accounts for **NT\$6,713** million ^(Note), taking up **29.21%**

ISO 45001 implemented for all suppliers of private-label food products with annual purchases exceeding **NT\$30** million

Sustainable Goal Management Process

Material Topic	Management Metrics	Medium- and long-term Targets	2025 Targets	2024 Targets& Performance	↑↑ Exceeded	✓ Achieved	— Not Achieved
 Sustainable Supply Chain Management	Number of significant suppliers with capability building programs implemented	25 suppliers by 2028	20 suppliers	 20 suppliers  25 suppliers			
	Proportion of significant suppliers that have received assistance in implementing corrective and improvement action plans	100% by 2028	90%	 85%  91.30%			
	Proportion or number of significant suppliers receiving written ESG assessments/on-site assessments	100% by 2028	110 suppliers	 100 suppliers  101 suppliers			
 Customer Health and Safety	Proportion of revenue from private-label products with voluntary nutrition labeling (Simple Fit+ Veggie Selection®) <small>(Note 1)</small>	12.5% by 2028	11%	 10%  11.46%			
	Proportion of revenue from products with reduced saturated fat, trans fat, sodium or sugar <small>(Note 1)</small>	3% by 2028	2.70%	 2%  2.57%			
	Proportion of revenue from fortified food products with increased nutritious ingredients <small>(Note 2)</small>	14% by 2028	12.5%	 12%  12.02%			
	Rate of major food safety risk violations <small>(Note 3)</small>	0% by 2028	0%	 0%  0.25%			
	Proportion of private-label products that are recalled <small>(Note 4)</small>	5% by 2028	15%	 15%  0.33%			
	The proportion of A+ and A level stores in the President Chain Store Corporation High-Quality service qualification <small>(Note 5)</small>	74% by 2028	71.00%	 70.00%  79.00%			
 Sustainable Procurement	Proportion of the cost of sustainably-certified raw materials	18% by 2030	16.00%	 15.10%  29.21%			
 Product Labeling and Marketing Communications	Number of incidents involving private-label products violating the regulations on product labeling or marketing communications	0 case by 2028	0 case	 0 case  0 case			

Management Policies

Policies and Commitments

- Product Safety Management Regulations
- Store Management Regulations
- Product Safety Information Collection and Inventory Tracking SOP
- Rules for Safety on Private-label Products
- Rules for Onsite Assessment of Private-label Product Manufacturers
- Raw Material Supplier and Raw Materials Management Rules
- Management Measures for On-site Audit of Suppliers of Food Safety Products in Stores
- [President Chain Store Corporation and President Chain Store Corporation's Subsidiaries' Code of Conduct for Suppliers](#)
- Food Product Manufacturer Risk Grading and Assessment Guide

Management Actions

- 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.
- Identify key suppliers and implement Supplier Management Measures, require suppliers to sign a code of conduct, and implement written sustainability assessments for key suppliers and on-site audits of specific categories of suppliers. Ensure supplier performance by identifying risks and implementing subsequent improvement plans, as well as actively fostering sustainable development of the supply chain through training and ESG workshops.
- The Sustainable Procurement Task Force incorporates the terms of supplier ethical corporate management and environmental sustainability into the contract, and continues to increase the proportion of sustainably certified raw material procurement.

(Note 1) The denominator is the revenue of private-label food products.

(Note 2) The denominator is the revenue of food products. Fortified food products refer to foods that are enhanced with beneficial nutrients such as dietary fiber, vitamins, minerals, phytochemicals, or other functional additives.

(Note 3) The numerator of the calculation of rate of major food safety risk violations is the number of stores and logistics centers where major food safety risk incidents occurred, and the denominator is the number of stores and logistics centers that were audited by the competent authority for food safety issues.

(Note 4) The denominator is all recalled product units, and the scope includes official letters and voluntary recalls (recalls for food safety issues not mandatory by the competent authority). Product recall information is based on reporting.

(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.

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.

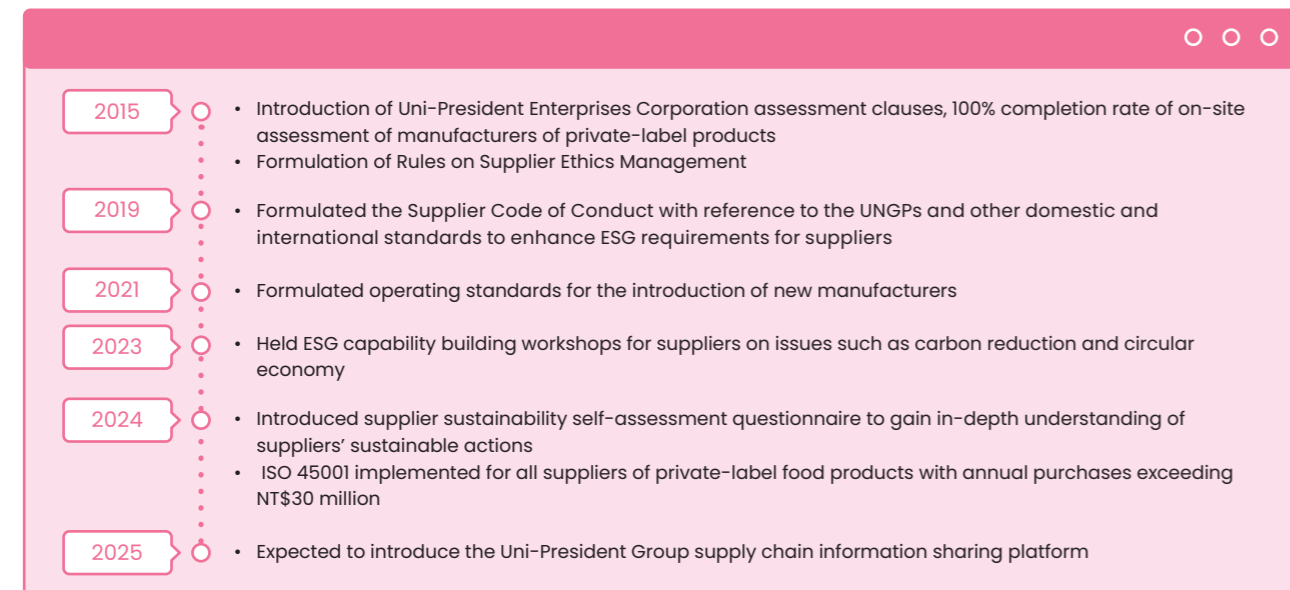
(Note) The scope of inspected stores and the pass rate includes all inspected retail stores in 2024, and stores that close by the end of the year are not excluded.

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.

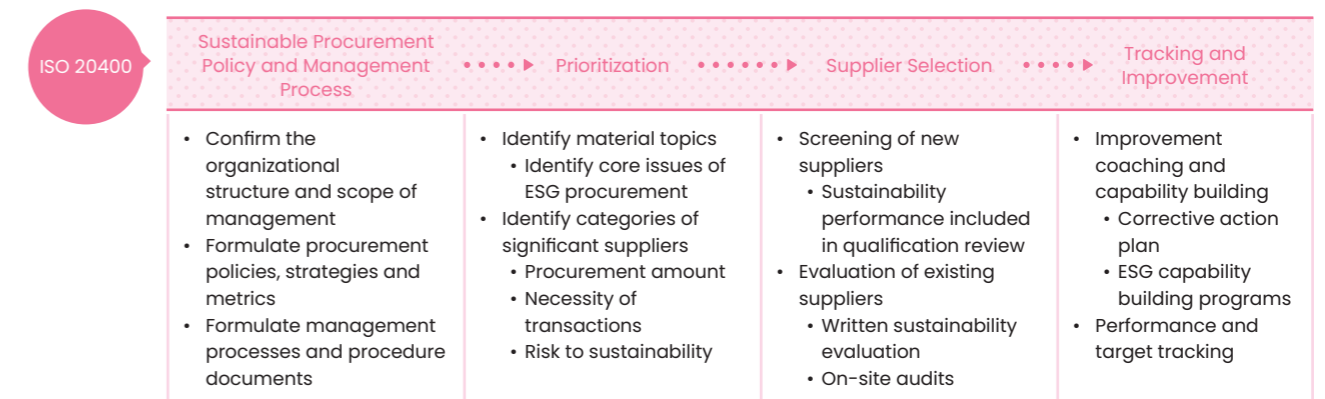


Supplier Management Structure

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.

Supplier Type	Measures
All suppliers	Product Quality Guarantee Agreement
Private-label brand product manufacturers	Rules for Onsite Assessment of Manufacturers for Private-label products
Suppliers of raw materials through direct transactions	Raw Material Supplier and Raw Materials Management Rules
Suppliers of store food safety supplies ^(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.

Supplier Screening and Identification

+ Supplier Categories and Grading +

As a member of the retail industry that is close to the various consumer needs, President Chain Store Corporation engages with a large variety of suppliers. We divide suppliers into six categories based on the types of products and services they provide, including food products, non-food products, packaging materials, store maintenance and operations, logistics and others, as well as identifying sustainable themes that require attention for each category. Suppliers can be divided into “suppliers in Tier-1” and “non-Tier-1 suppliers” based on types of transaction. Tier-1 suppliers are defined as suppliers that President Chain Store Corporation directly trades with, and non-Tier-1 suppliers are the opposite.

In order to distinguish the level of priority for supplier management, we adjusted the definition in 2024 based on the annual procurement amount, transaction necessity and ESG risks, as well as taking the specific risks regarding countries, industries or products into consideration to identify significant suppliers, so as to enhance control of significant suppliers. The detailed definitions are as follows.

Definition of significant suppliers (if any of the following applies)	
Procurement Amount	Top 80% suppliers in terms of annual procurement amount
Necessity of Transactions	<ul style="list-style-type: none">Long-term partnersAffiliated companiesOligopoly or monopoly
ESG Risks	<ul style="list-style-type: none">Environmental risks (such as violations of environmental regulations)Social risks (such as occupational safety and human rights incidents)Governance risks (such as violations of business ethics)
	<ul style="list-style-type: none">Risks by country (such as the impact of local regulations on cross-border procurement of raw materials)Industry risks (such as food safety)Product risks (such as the use of resources such as packaging materials)

President Chain Store Corporation had a total of 114 significant suppliers in 2024, including 110 significant suppliers in Tier-1, 4 significant non-Tier-1 suppliers, as well as a total of 958 Tier-1 suppliers. The procurement amount of significant suppliers in Tier-1 accounts for 84.74% of the procurement amount of all Tier-1 suppliers. In addition to significant suppliers, President Chain Store Corporation also extends its management to four specific types of suppliers, including manufacturers of private-label products, suppliers of raw materials through direct transactions, suppliers of egg products and store supplies. Please refer to the table below for the supplier categories.

Categories of Significant Suppliers	Number	Categories of Suppliers under Special Management	Number
Food products	77	Manufacturers of private-label products	33
Non-food products	9	Suppliers of raw materials through direct transactions	15
Packaging materials	11	Suppliers of egg products	3
Store maintenance and operations	10	Suppliers of store supplies	13
Logistics	3		
Others	4		

(Note) There are 63 suppliers under special management, one of which is both a supplier of raw materials through direct transactions and a supplier of egg products.

+ New Supplier Screening and Assessment +

We set our standards based on the relevant legal conditions, quality certification, management systems, and traceability of materials of new suppliers. We also include sustainability indexes such as Environment, Social and Governance in the assessment system to evaluate and stay on top of supplier quality. For the moment, new suppliers are required to sign a self-assessment statement. The threshold for passing the assessment is 80 points, including 15 points of mandatory ESG items. If the ESG-related documents and manufacturer assessment do not meet the minimum requirements and fail to improve within the specified time, the supplier fails to meet the requirements and will be disqualified. To encourage suppliers to invest in ESG management actions, new suppliers with better ESG performance and concrete proof will be given priority, along with preferential processing fees, discounts, etc. to favor cooperation with high-quality manufacturers.

A total of 24 new suppliers and manufacturers were introduced in 2024, all of which have passed the evaluation of this system. To ensure the rights and interests of consumers and the safety of product use, we continue to improve and raise the qualification standard for new overseas suppliers of food packaging materials for store supplies to 75 points by 2025, fulfilling our responsibilities of supplier selection and management.

Supplier Assessment System

President Chain Store Corporation follows the aforementioned rules to undertake periodic evaluations of suppliers of private-label products, suppliers of raw materials by direct transaction, and suppliers of egg products, drafting different assessment criteria based on the characteristics and risks of each category of suppliers. 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.

2024 Targets and Performance	Value	Unit
Target number of significant suppliers receiving desk assessment/on-site audit (second party)	100	Number of suppliers
Number of significant suppliers receiving desk assessment/on-site audit (second party) ^(Note)	101	Number of suppliers
Ratio of significant suppliers receiving desk assessment/on-site audit to all significant suppliers	88.60	%
Significant suppliers assessed to have significant actual/potential negative impact	69	Number of suppliers
Ratio of significant suppliers assessed to have significant actual/potential negative impact who agree to implement corrective/improvement action plans	91.30	%
Number of significant suppliers terminated due to significant actual/potential negative impact	0	Number of suppliers
Target ratio of significant suppliers assisted in implementing corrective/improvement action plans	85	%
Number of significant suppliers assisted in implementing corrective/improvement plans	63	Number of suppliers
Ratio of significant suppliers assessed to have significant actual/potential negative impact that participate in corrective action plans	91.30	%

(Note) The data here is calculated by adding up the number of significant suppliers that have completed the supplier sustainability assessment questionnaire and received on-site audits.

In 2024, President Chain Store Corporation reached the target of “100% completion of audits for PB ^(Note 1) joint procurement, direct suppliers, and egg producers and the target of “100% completion 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 President Chain Store Corporation, such as i-select collection of frozen foods and snacks, etc.

+ Desk Assessment +

Assessment Items

To gain a deeper understanding of the sustainable development of significant suppliers, President Chain Store Corporation handed out a supplier sustainability assessment questionnaire in 2024, referencing sustainable rating and items for auditing such as the Dow Jones Sustainability Index (DJSI) and amfori Business Social Compliance Initiative (amfori BCSI), and including ESG aspects in the scope of assessment for significant suppliers. It is hoped that the power of President Chain Store Corporation’s supply chain can be combined to foster sustainable development through the assessment of sustainability metrics. The following table describes the common ESG assessment items for various categories of suppliers. In addition to the following common questions, the assessment also includes other related sustainability themes for the six major supplier categories.

Factors for Consideration for Significant Suppliers

The following three factors are taken into consideration (take the union)

1 Procurement amount

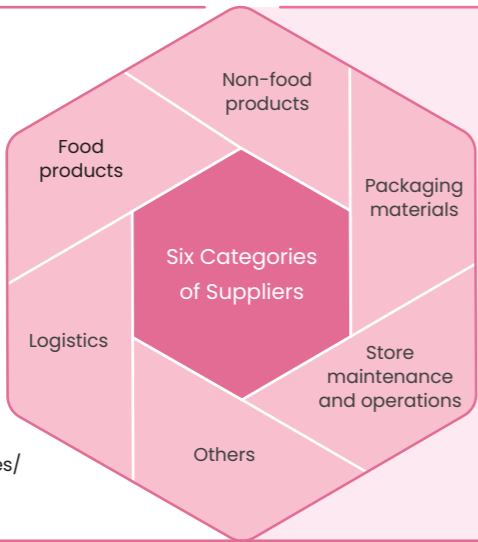
- Top 80% suppliers in terms of annual procurement amount

2 Necessity of transactions

- Long-term partners
- Affiliated company
- Oligopoly or monopoly

3 ESG aspects

- Environment/Social/Governance risks
- Risks regarding countries/industries/products



Supplier Assessment Questionnaire (SAQ)

Assess significant suppliers’ management for the following topics (adjusted in line with the characteristics of the industry)

- E**

 - GHG Emissions
 - Energy Management
 - Waste & Hazardous Materials Management
 - Ecological Impacts
 - Water & Wastewater Management
 - Air Quality
- S**

 - Human Rights & Community Relations
 - Labor Practices
 - Employee Health & Safety
 - Product Quality & Safety
 - Customer Welfare
 - Selling Practices & Product Labeling
 - Data Security
- G**

 - Materials Sourcing & Efficiency
 - Business Ethics
 - Competitive Behaviour
 - Product Design & Lifecycle Management
 - Supply Chain Management
 - Critical Incident Risk Management
 - Physical Impacts of Climate Change
 - Management of the Legal & Regulatory Environment

114 significant suppliers

70 significant suppliers took part in the assessment

6 high-risk suppliers

3 high-risk issues

Result of Assessment

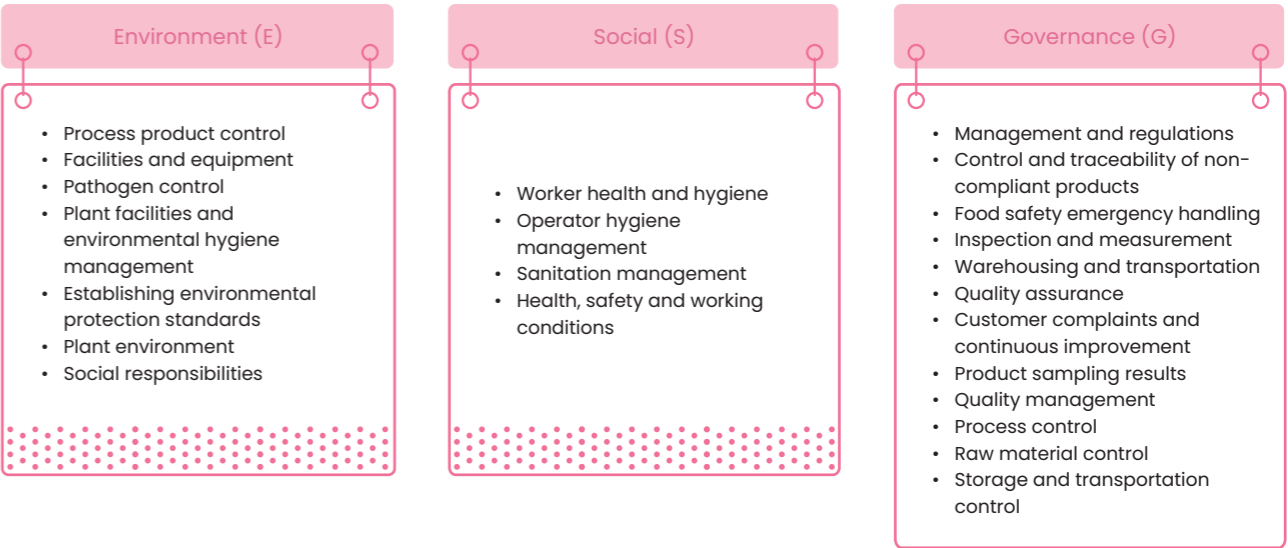
As the assessment was a trial run for the first time, 70 out of 114 significant suppliers were assessed. Supply chain management will be enhanced in the future through increased supplier communications. This questionnaire adopts a weighted scoring method, assigning different weights to each issue in line with the importance of the supplier’s industry before calculating the comprehensive score and classifying the supplier risk accordingly. The risk level of suppliers can be divided into high, medium and low, and the criterion for high risk is a comprehensive score below 50 points (Note). In this assessment, 6 high-risk manufacturers were identified, and workshops are expected to be organized in the second quarter of 2025 to guide and improve their sustainable actions. In addition, a review of the suppliers’ responses shows that most suppliers have insufficient understanding of issues such as greenhouse gas management, ecological impact, material procurement and efficiency, human rights and community relations, or have not yet taken countermeasures. President Chain Store Corporation identified the top three sustainable risk themes based on the assessment, including greenhouse gas management, sustainable procurement management and labor rights management. In the future, measures such as holding supplier greenhouse gas inventory training, helping suppliers adopt certified sustainable raw materials, and organizing occupational safety and health lectures and training will be taken.

(Note) This is the trial scoring standard for this year. The subsequent scoring standard will be adjusted based on the overall situation of the answers in the current year.

+ On-site Assessments +

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, social, and governance (ESG) are all included in the assessment, comprising management systems, environmental sanitation, process and quality assurance. The aforementioned items for inspection ensure that product safety and organizational operations are well-managed. Assessment items for different suppliers are as follows:



Passing 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:

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

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

In compliance with “Product Quality Guarantee Agreement,” “Supplier Assessment Agreement” or “Supplier Assessment Consent,” those who fail the assessment and fail to improve within the specified time will be given a penalty or excluded ^(Note).

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

President Chain Store Corporation views suppliers producing own brand products with grades of C or below and non-food manufacturers with grades of D or below as “suppliers with high sustainability risks.” A total of 63 suppliers were assessed in 2024. No supplier was considered having high sustainability risks.

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. President Chain Store Corporation formulated the “Food Product Manufacturer Risk Grading and Assessment Guide” to serve as a basis for assessing the risk levels of domestic food product manufacturer. We also completed the risk grading for private-label brand food product manufacturers in 2023 as reference for determining on-site assessment frequency in 2024.

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

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

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

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

2. Non-food Manufacturer

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

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

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

Assessment Results

In 2024, there were a total of 50 suppliers of private-label food products with whom President Chain Store Corporation had a cooperative relationship ^(Note 1) (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products). 100% ^(Note 3) of those suppliers were audited ^(Note 2). A total of 155 audits were performed on the 50 suppliers (see P.77) with 155 passing, and the compliance rate of 100%.

(Note 1) Defined as
(1) Suppliers that passed the assessment prior to 2024 and passed internal submission.
(2) New factories which passed the assessment prior to 2024.
(3) Those eligible to halt assessment in 2024 are also included.
(Note 2) Assessment items are those listed in the “Assessment Criteria.”
(Note 3) Two factories of own label products, two factories of direct raw materials suppliers and one supplier of egg products ended their transactions and cooperation with President Chain Store Corporation based on the result of the last supplier assessments. In addition, the assessment frequency as stated in the Raw Material Supplier through Direct Transactions and Raw Materials Management Rules is between 3-18 months. Therefore, audits were not necessary in 2024 according to the corresponding rules.

In 2024, there were 13 suppliers of single-use products ^(Note 1), with 100% ^(Note 2) audited. A total of 16 audits on supplier assessment were performed according to the items on P. 77, resulting in 16 passing audit results and a passing rate is 100%.

(Note 1) Refers to domestic suppliers of single-use paper cups, bowls and similar items which come into contact with food and are provided to the consumers.
(Note 2) One supplier has stopped transactions with President Chain Store Corporation before the month of the assessment with their application of halting the evaluation approved. As a result, those entities were not required to be audited according to our rules in 2024.

Green procurement category classification	Number of Suppliers	Percentage of Audits Completed	Number of Audits	Number of Passing Results	Passing Rate
Suppliers of private-label brand food products with whom President Chain Store Corporation had a cooperative relationship (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products)	50	100%	155	155	100%
Domestic suppliers of in-store single-use products	13	100%	16	16	100%

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 2024, suppliers of private-label products (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 50 companies. If calculating using the number of the plants, there were a total of 99 manufacturing sites, among those 51 were manufacturers of private-label food products within Taiwan. Of these, 51 manufactures 100% obtained international food safety management system ISO22000 certification.

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

2024 ISO 22000 Certification

Type of supplier	Number of suppliers for private-label food products	Number of domestic manufacturers of private-label food products	Number of ISO22000:2018 obtained by domestic suppliers for private-label food products	
			Number	Percentage
Suppliers for private-label food products	50	51	51	100%

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

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

Supplier Development and Empowerment

In order to effectively reduce ESG risks for supply chain as a whole and raise suppliers' awareness of sustainability issues, President Chain Store Corporation has set a long-term goal of increasing the proportion of suppliers with access to the campaign on the importance of sustainability. In 2024, we communicated with tier-1 suppliers to understand the feasibility of implementing the ESG risk assessment, as well as further coaching private-label suppliers to obtain third-party certification, achieving the annual target of 100% introduction of ISO 45001 for suppliers of private-label food products with a procurement value exceeding NT\$30 million. Moreover, we compiled promotional materials on sustainability trends and importance to raise awareness of the importance of sustainability to non tier-1 suppliers.

+ Supplier Training +

President Chain Store Corporation's Marketing Department communicates regularly each year with significant suppliers of raw materials for its private-label products on the concepts of sustainable procurement and traceability management, as well as asking them to provide us with raw materials that meet President Chain Store Corporation's sustainable procurement standards. In addition to the signing of contracts, President Chain Store Corporation actively conducts supplier training and capability building programs by providing suppliers with ESG forums, guidance for management system incorporation such as ISO 45001, introduction of certified sustainable raw materials, examples of peers with excellent ESG performance for benchmarking, as well as working with suppliers on promoting ESG services with key technologies. For details on supplier training and capability building programs, please refer to our [sustainable development website](#).



President Chain Store Corporation worked with Cathay United in 2024 to organize the "Carbon Reduction and Circular Economy Exploration Workshop," joining hands with 12 raw material and food processing companies in the supply chain to discuss the practical analysis and case study of low-carbon transformation and circular economy. 100% of the workshop participants believe that investing in circular economy will help with low-carbon transformation, and that recycling will bring new opportunities for enterprises to "reduce carbon/waste," "enhance competitiveness" and "operate sustainably." The workshop also helped supply chain manufacturers review the current status of their own business operations and reflect on the transition opportunities that can be integrated into circular economy in the current production process, divided into three aspects of raw

materials and by-products, water and packaging. The collaboration will carry on with sustainable supply chain workshops for fresh food manufacturers, helping to negotiate mergers and explore feasible sustainable supplier project opportunities, promoting circular economy transformation of the supply chain. Yuland Biological Agriculture was also invited to share cases of promoting circular economy in the current supply chain, providing examples of sustainable supply chain cooperation for fresh food manufacturers, assisting with negotiating mergers and exploring feasible sustainable supplier project opportunities to facilitate circular economy transformation of the supply chain.



The targets and performance of President Chain Store Corporation's implementation of capability building programs for significant suppliers this year are as follows:

2024 Target and Performance	Value	Unit
Target number of significant suppliers with capability building programs implemented	20	Number of supplier
Number of significant suppliers with capability building programs implemented	25	Number of supplier
Proportion of suppliers participating in capability building programs	21.93	%

3.4 Sustainable Procurement

To stay updated with international trends and maximize President Chain Store Corporation's external impact in sustainability, we set up a Sustainable Procurement Task Force in 2021 to prioritize the purchase of equipment with eco-friendly or energy-saving labels. We set and review the annual procurement amount and actively increase the percentage of raw materials with sustainability certifications to enhance the benefits of sustainability for the overall supply chain in terms of environmental protection, animal welfare, energy saving and carbon reduction. The manufacturers that produce private-label products choose PB joint-purchase materials to stay in line with the principle of prioritizing the procurement of agricultural products that value environmental protection, animal welfare and traceability. We also help raw material suppliers develop the philosophy of sustainable operations to ensure effective management of the source of private-label products.

Green Procurement and Sustainable Raw Materials

+ Green Procurement +

President Chain Store Corporation actively manages equipment, consumables and building materials by promoting green procurement. Green building materials are chosen for store renovations, and equipment and consumables that have obtained energy labels, environmental labels or certifications, or have actual environmental protection benefits are purchased for use in stores. The scope of green procurement was expanded in 2024 to adopt solely coffee cups with FSC forest management certification as a leader in the industry. The amount of procurement reached NT\$617,979 thousand with a growth nearly doubled compared to 2023, with the hopes of reducing the consumption of natural resources and negative impact on the environment while maintaining smooth operations and service quality. The total amount for green procurement in 2024 reached NT\$2.782 billion, accounting for 20.73% of the total annual procurement amount of President Chain Store Corporation and reaching the 15% annual target. The target for 2025 has been increased to 18%.

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	106,974
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	1,327,267
Energy-saving Label	Air Conditioner Efficiency Label - Cooling Seasonal Performance Factor (CSPF) Level 1 Energy Label, Bureau of Energy, Ministry of Economic Affairs	Inverter air conditioners, circulation fans, LED lamps	501,566
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	87,372
With environmental protection benefits	Customized equipment that has been tested by President Chain Store Corporation and proven to have energy-saving benefits	Eco-friendly packaging materials used in stores: PLA coffee cups, ice cream/slushy cups, PLA/paper straws, energy-saving devices	141,300
FSC, PEFC certification	The manufacturing process of wood products is in compliance with FSC and PEFC requirements for sustainable operations	Coffee cups, paper bags, stirrers, disposable chopsticks for boxed meals, Paper Star copy paper	617,979

Total amount of green procurement 2,782,458

In 2024, the total procurement amount of paper food packaging materials such as paper cups, paper bags, paper boxes, paper bowls, etc. produced by FSC™/PEFC™ certified manufacturers used in the stores accounted for 92.94% of the procurement amount of paper packaging materials such as paper cups, paper bags, paper boxes, paper bowls, etc. that year.