

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.

+ Sustainable Raw Materials +

President Chain Store Corporation prioritizes the procurement of raw materials with environmental protection, animal welfare, energy-saving or carbon reduction labels, food safety certification, as well as working with suppliers to provide customers with more sustainable choices. Joint-purchase raw materials are mostly used for private-label products with sustainability certification, including boxed meals, cold noodles, sandwiches, coffee and freshly brewed tea. In 2024, the procurement amount for sustainably procured raw materials reached NT\$6,713 million ^(Note), reaching 29.21%. Moreover, coffee with rainforest certifications is sold in the stores, and FSC certification has been introduced to the iseLect refrigerated beverage packaging materials. Revenue from the two aforementioned types of products reached NT\$366.68 million.

(Note) This includes the amount for sustainable procurement with international and local certifications. In addition to the relevant category certifications listed in the table below, processed products derived from them are included (for example, directly processed products of raw materials such as fried pork ribs, roasted beef, or processed condiments using soy from certified sources are included in the calculation).

Category	Certification	Certification/Label
Soy	U.S. Soy Sustainability Assurance Protocol	
Coffee beans	Rainforest Alliance incl. UTZ	
Vegetables and Rice	TGAP	
Aquaculture	Global Animal Partnership (G.A.P.)、BRCGS (BRC Global Standard for Food Safety)	
Beef	AAWCS (The Australian Livestock Processing Industry Animal Welfare Certification System)	
Wild fish	MSC (Marine Stewardship Council)	
Poultry	Global Animal Partnership (G.A.P.), Taiwan Animal Welfare System, PAACO (Professional Animal Auditor Certification Organization)	
Pork	IAWS (Interporc Animal Welfare Spain)、BRCGS (BRC Global Standard for Food Safety)、IFS (International Featured Standards)	
Dairy product	ISO 14067 and carbon reduction label	

Category	Certification	Certification/Label
Packaging materials	FSC、PEFC	

(Note) For detailed procurement amount ratio of each category, please refer to the [Sustainable Procurement page](#) of the official website.

President Chain Store Corporation supports local agriculture, fishery, vegetables and fruits with three strategies of “stable procurement,” “sustainability” and “planned support.” We believe that supporting local products not only reduce carbon footprint to realize environmental sustainability, but also brings economic benefits to local farmers as a way to help the society. In 2024, all private-label products use local rice, including Tainan 11 rice, Taiken 9, long grain sweet rice certified with a “Taiwan Rice Label.” We also work with the Agriculture and Food Agency, Council of Agriculture, Executive Yuan to ensure the supply of high-quality fresh vegetable and fruit by cooperating with production and marketing groups through the traceability system and organic certification. We further integrated online and offline sales platforms to expand cooperation with farmers’ associations, fishermen’s associations and small farmers to launch localized brands or seasonal products. President Chain Store Corporation also launched the Youth Deep Roots Program together with the Good Neighbor Foundation to turn the stores into a platform for young local entrepreneurs by helping them put great products on the shelves.

In 2024, President Chain Store Corporation procured and used a total of 119,000 metric tons of special agricultural products worth NT\$12.085 billion, including rice, chicken, pork, eggs, vegetables and fruits. The percentage of agricultural products procured by suppliers in Taiwan accounted for 79% of the total at NT\$8.261 billion, which was 68% of the overall procurement amount. In the future, we will continue to increase the proportion of local procurement, actively cooperate with stakeholders, and maximize our sustainability impact as a retail business by providing consumers with more benign choices that are friendly to the environment and society.

Area	Procurement quantity (metric tons)	Percentage of suppliers by area (%)	Procurement amount (NT\$100 million)	Proportion of procurement amount (%)
Locally sourced agricultural products (Taiwan)	93,914	79%	82.61	68%
Non-locally sourced agricultural products (foreign origin)	24,956	21%	38.24	32%
Total	118,870	100%	120.85	100%

