

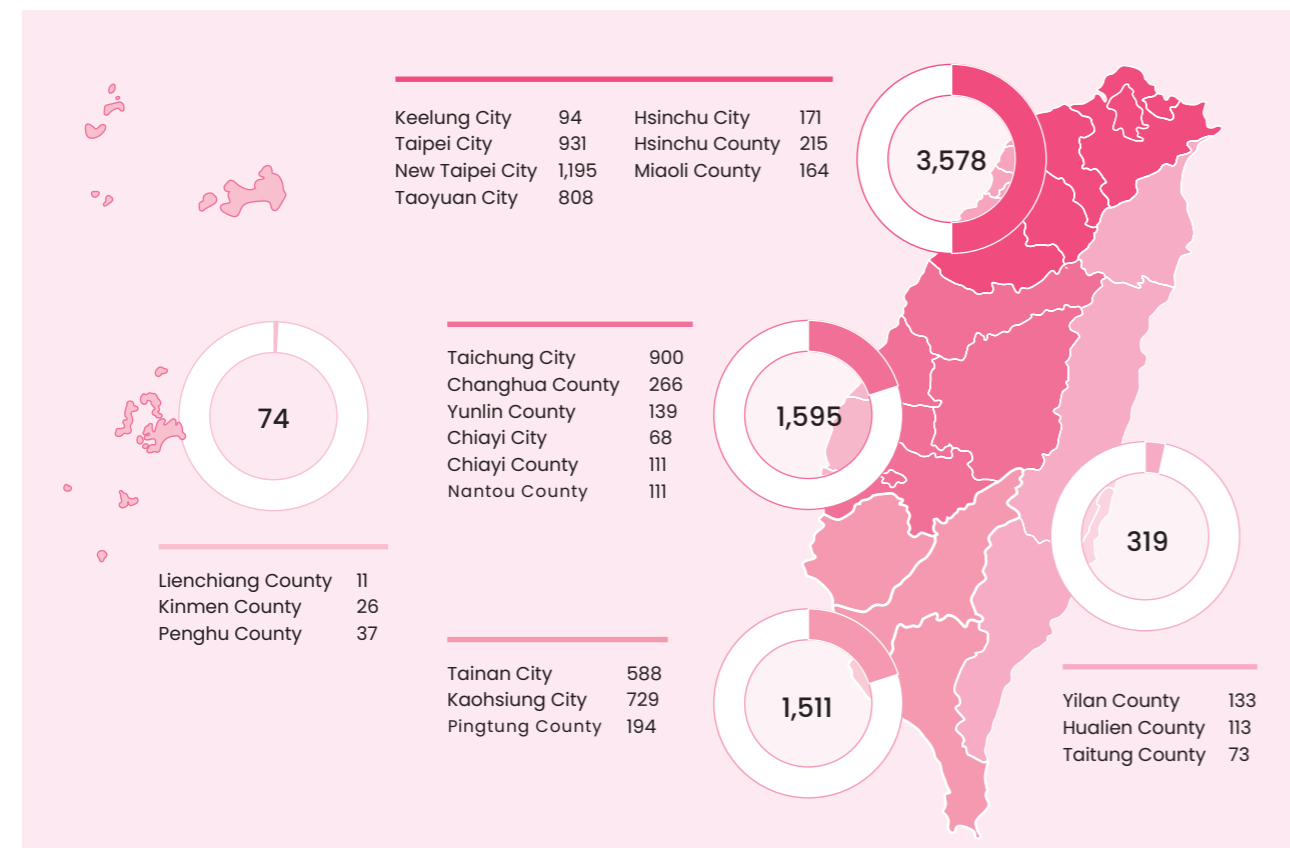


## 3.1 Product and Service Innovation

President Chain Store Corporation's goal is to provide a variety of innovative and quality products that exceed customers' expectations. To this end, it integrates internal resources to promote product and service innovation. We launched a total of 8,779 products and 1,853 services in 2024. In 2024, private-label products accounted for 25% of total revenue. By continuing to provide consumers with more high-quality products and convenient services, President Chain Store Corporation will become a good partner in people's daily life.

### Store Locations

President Chain Store Corporation focuses on providing customer services characterized by convenience and peace of mind with stores in Northern, Central, Southern parts of Taiwan as well as outlying islands. The Stores All over Taiwan project was launched in 2019 by inventorying districts out of the total of 368 towns and villages with gaps in services where making purchases remained inconvenient. As of 2024, we have a total of 7,077 stores, 218 more compared to 2023. With more than 7,000 stores connecting 368 towns and districts (with the exception of Wuqiu) to each location that needs services, we have reached a new milestone of **"24/7 Services from Our Stores All over Taiwan."** It is our hope that we can continue to expand the scope of services offered by President Chain Store Corporation, so we can meet the needs of customers in a timely manner with a variety of convenient and quality services and to become the service platform that customers depend on in their fast-paced lives.



To this end, it provides customers with cash flow, logistics and information flow services with digital tools such as the 7-ELEVEN online shopping site, ibon, OPENPOINT app and MyShip. This allows consumers to make the most of President Chain Store Corporation as the base and service center for everything in life. The strategy that incorporates e-commerce and store transactions has been adopted to develop innovative services and trending products, connecting the OPEN POINT ecosystem to make the most of the membership economy and actively becoming a platform of life services in the eye of consumers. In 2024, the proportion of customers using online services and sales platforms reached 11.59% of the total number of transactions, and online revenue accounted for 6.2% of individual revenue.

### OPENPOINT Ecosystem

President Chain Store Corporation has adopted the three strategies of membership, points and payment since 2020 to revolutionize business with smart technologies. Innovative services such as "points for mobile payment," "points for cash in different channels," "points for bill collection/packages from e-commerce platforms," "APP raising funds and points," as well as "point collection during trips overseas" have been launched to break the single-channel membership model in the retail industry, establishing a cross-brand and cross-channel OPENPOINT ecosystem. So far, it has served more than 18 million members. In 2023, membership services were expanded overseas for the first time. In 2024, President Chain Store Corporation worked with 7-ELEVEN in the Philippines to launch a cross-border two-way point collection system, creating economic benefits for members and driving the number of active members to exceed 12 million. In the meantime, it combines the consumption data collected by POS machines in the stores as well as behavior and footprint in the app to gain insight of the profiles, consumption preferences and lifestyle of OPENPOINT members. We have further engaged in data projects such as attribute labeling and member grouping, applying labels to the NES model (new, existing and sleeping customers) and precision marketing, effectively increasing the proportion of member consumption and per capita contribution. The revenue from members in 2024 increased more than 10% compared to 2023.

The OPENPOINT ecosystem has won multiple awards from Taiwan and abroad since 2023, including the Golden Award of Taiwan Sustainability Action Awards in SDG8 Decent Work and Economic Growth, the Harvard Business Review Digital Transformation Revolution Award - Business Model Transformation Award for the Large Enterprise Category and Special ESG Award, and First Prize of the National Brand Yushan Award for Most Popular Brand. President Chain Store Corporation plans to further develop in areas such as food, clothing, housing, transport, education and entertainment to provide consumers with more diverse and convenient membership service experience as a "lifestyle service platform" that exceeds customer expectations.

### Innovative Products and Service

Based on the core concept of a comprehensive lifestyle, President Chain Store Corporation continues to uphold the principle of providing consumers with products and consumer experience that are value for money. To this end, we continue to improve the technical R&D of software and facilities, as well as further combining a number of innovative products and services to maintain its competitiveness in sustainability. In 2024, President Chain Store Corporation invested NT\$180,571,000 in R&D to create a variety of new products and service models. Not only does President Chain Store Corporation actively build a smart retail landscape, it has launched one X-STORE, namely future convenience store each year, for a total of 6 stores as of now. In 2024, the second grab-and-go unmanned store named "X-STORE 8" opened its doors. In the meantime, we continue to apply and promote "FUN vending machines" to break the barrier of time and space when providing service, as well as expanding out-of-store business opportunities. We actively collaborate with e-commerce platforms and diversify our operations through providing the most dense and fast delivery and collection service local network, including pioneering the "7-ELEVEN MyShip Messenger Checkout System" in partnership with Meta to allow both the buyer and seller to conclude the deal with more peace of mind and convenience. The "Secure Package Pickup" service has also been launched for the same purpose. In terms of digital development, the iOPEN Mall e-commerce platform has been made available to provide the most complete and convenient services for buyers and sellers alike. In the meantime, digital services such as iPre-order (convenience store in the e-commerce) and iDiscount (group buying) have been put in place to meet customers' Online merge Offline (OMO) needs for everyday consumption.

#### + Smart Retail +

##### FUN Vending Machines

Facing the two major problems of an aging population and a low birthrate, there is no limit for saving manpower in the future. To this end, President Chain Store Corporation has been proactively creating a retail market with forward-looking technologies. Since 2018, it has led the industry in promoting an experimental field for smart retail, enhancing customer interactions with technologies. The "FUN Vending Machines" have been created based on the concepts of eExplore, eExperience and eExcellent to strategically fill retail gaps and establish a presence in underserved shopping areas. Four types of FUN Vending Machines have been introduced, including 4°C, 18°C, CITY CAFE and freshly-made hot boxed meals, as well as creating a variety of business models based on needs of the business district. In 2024, the number of service locations and machines increased to over 1,900, attracting more than 61 million people to try the smart, convenient and diverse digital consumption experiences. In order to seize IP sales opportunities, President Chain Store Corporation developed the "Mystery Box FUN Vending Machine" in 2024. Consumers can choose the IP products they want to buy, such as Pokémon cards, TOMICA cars, Disney mystery boxes, etc. on the machine. In addition to providing different shopping options, we have created a smart lifestyle service platform that allows customers to buy nearby and pay safely.



## 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

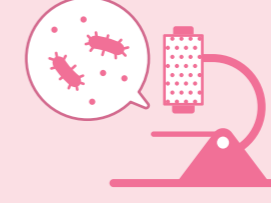
Product safety is the cornerstone of President Chain Store Corporation operations. To this end, it follows the internal “Private-label Product Policy” to stay on top of the value chain of products, from raw materials, logistics to stores with management mechanisms and continuous tracking. In the meantime, 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.



## + 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 <sup>(Note)</sup> 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 <sup>(Note)</sup>, 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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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%<sup>(Note)</sup>. 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.

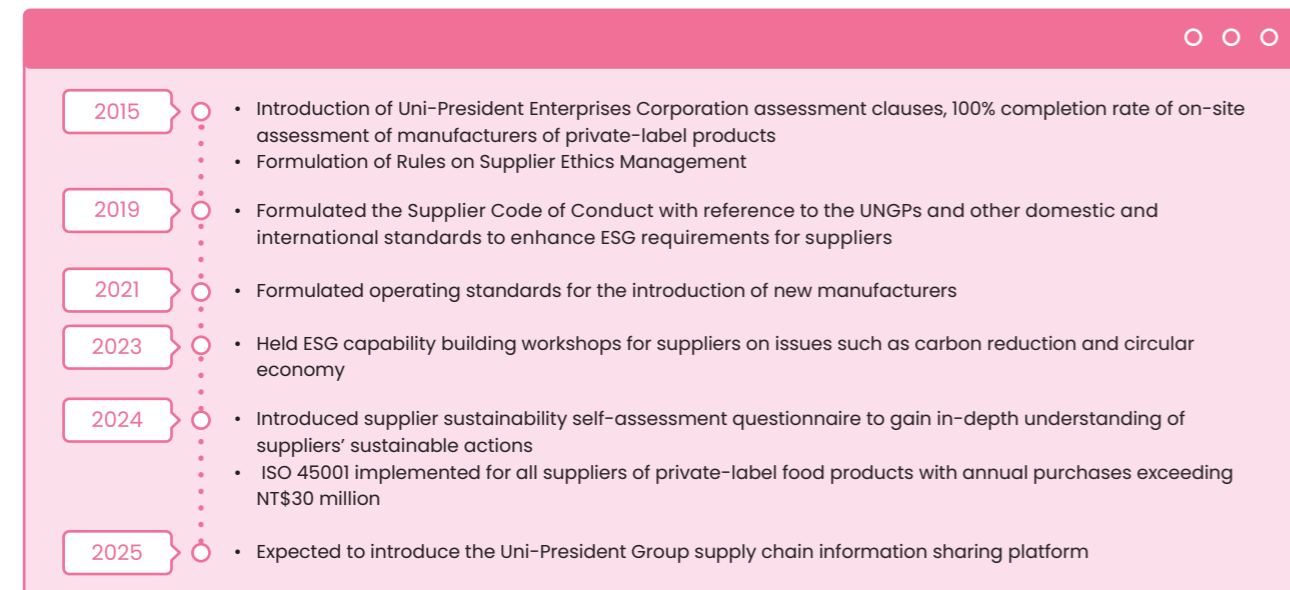
(Note) The scope of inspected stores and the pass rate includes all inspected retail stores in 2024, and stores that close by the end of the year are not excluded.

### 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.

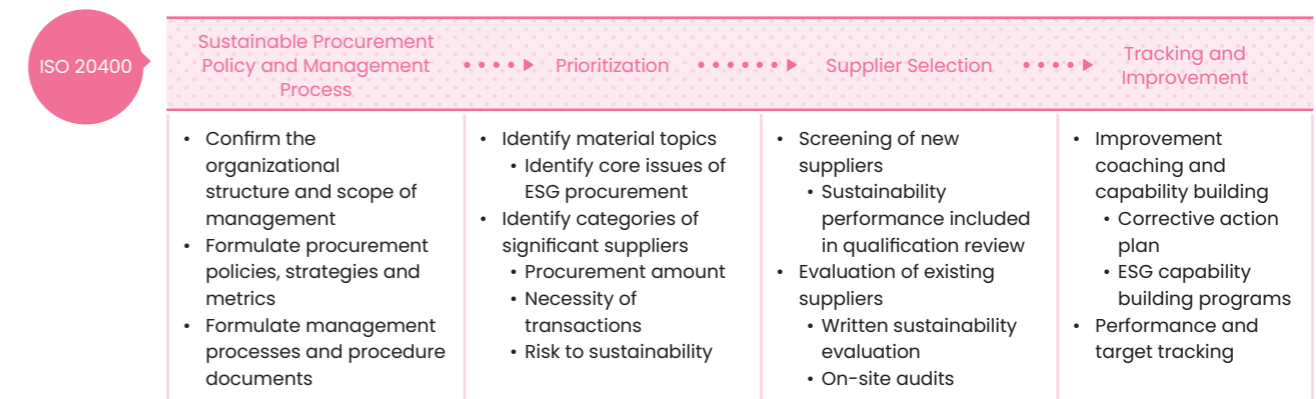


### Supplier Management Structure

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"><li>All suppliers are required to sign, with 100% signing in 2024.</li><li>E: Providing products that conform to environmental protection and food safety laws and regulations to reduce their impact on the environment and health.</li><li>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.</li><li>G: Not being involved in inappropriate gains or conflicts of interest through bribery, corruption, monopoly, or the giving of gifts.</li></ul>
Agreement of the Ethical Corporate Management and the Corporate Social Responsibility	<ul style="list-style-type: none"><li>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.</li><li>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."</li></ul>

#### + 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 <sup>(Note)</sup>	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"><li>Long-term partners</li><li>Affiliated companies</li><li>Oligopoly or monopoly</li></ul>
ESG Risks	<ul style="list-style-type: none"><li>Environmental risks (such as violations of environmental regulations)</li><li>Social risks (such as occupational safety and human rights incidents)</li><li>Governance risks (such as violations of business ethics)</li></ul>
	<ul style="list-style-type: none"><li>Risks by country (such as the impact of local regulations on cross-border procurement of raw materials)</li><li>Industry risks (such as food safety)</li><li>Product risks (such as the use of resources such as packaging materials)</li></ul>

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) <sup>(Note)</sup>	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 <sup>(Note 1)</sup> joint procurement, direct suppliers, and egg producers and the target of “100% completion of PB/PL <sup>(Note 2)</sup> 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

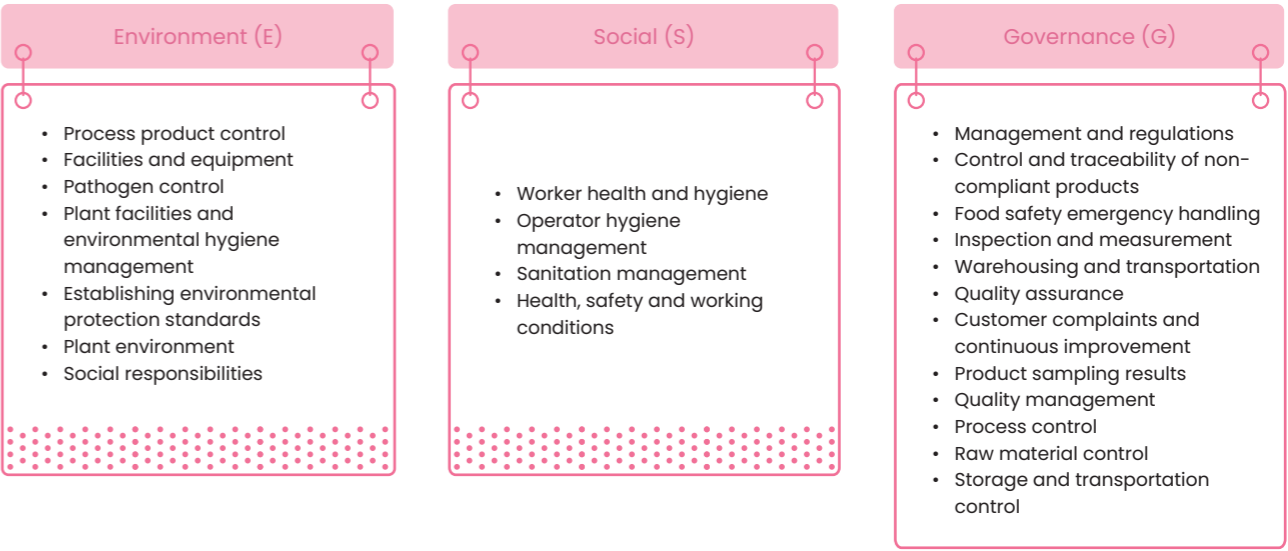
As the assessment was a trial run for the first time, 70 out of 114 significant suppliers were assessed. Supply chain management will be enhanced in the future through increased supplier communications. This questionnaire adopts a weighted scoring method, assigning different weights to each issue in 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 <sup>(Note)</sup>.

(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 <sup>(Note 1)</sup> (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products). 100% <sup>(Note 3)</sup> of those suppliers were audited <sup>(Note 2)</sup>. 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 <sup>(Note 1)</sup>, with 100% <sup>(Note 2)</sup> 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.

+ 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 <sup>(Note)</sup>, 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%

