

# Creating a Sustainable Planet

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

Materials

Food Loss

Waste



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



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



Store energy-saving actions saved the equivalent of **61,380.58** metric tons of CO<sub>2</sub>e in 2024



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

# Sustainable Goal Management Process Manaaement Metrics Proportion of EUI value decrease compared with the previous year Proportion of direct (Scope 1) and indirect (Scope 2) GHG emission intensity (carbon emission intensity per NT\$ million of revenue) reduction compared with the previous year (Note 4) Proportion of consumers bringing their own cups (Note 1) Number of stores adopting the Recycled Cups Renting Packaging

alternative purposes

store (base year 2019) (Note 2)

Service (Note 1) Proportion of other single-use plastic for private-label products and materials Total weight of food loss and waste discarded (with 2019 as base year) and Waste Total weight of all food loss and waste Management

Proportion of volume for waste removal reduction in each

Total weight of food loss and waste volumes used for

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# Management Policies

### Policies and Commitments

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

### Management Actions

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

Medium-and long-term Targets	2025 Targets	2024 Targets & Performance ↑↑ Ascending ✓ Achieve — Maintain
Reducing EUI by 0.5% compared to the previous year	Reducing EUI by 0.5% compared to the previous year	Reducing EUI by 0.5%  — compared to the previous year  EUI increased by 5.75% compared to the previous year
Reducing the proportion by 60% compared to 2020	Reducing the proportion by 1.5% compared to the previous year	Reducing the proportion by 1 % compared to the previous year  Increased by 1.76% compared to the previous year
24% by 2028	21%	19% •••••• 20.91%
Following regulations regarding single- use beverage cups	2,500 stores (30% by regulations)	2,300 stores •••••• 2,531 stores
10% of other single-use plastic by 2028, completely eliminating plastic shopping bags and plastic straws Completely eliminating other single-use plastic by 2050	18%	— 19% · · · · · · · · · ▶ 20.96%
4,461 metric tons by 2030 Reduction of 50% by 2030	5,365 metric tons with a 39.9% reduction compared to the base year	5,667 metric tons with a 3,216 metric tons with a 36.5% reduction 76% reduction compared to the base year to the base year
11,605 metric tons by 2030 Halving by 2030 (with 2019 as base year)	11,241 metric tons	— 11,353 metric tons ••••• 12,496 metric tons
7,144 metric tons by 2030	5,875 metric tons	5,686 metric tons ••••• 9,279 metric tons
45% of reduction by 2028	20%	A 25.63% decrease compared to the base year

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

(Note 2) Targets for the current year and 2025 for store waste reduction have been adjusted in line with current operations. Please refer to the description of Waste Generation and Process Flow Management section in <u>4.4 Food Waste and Waste Management</u>

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# 4.1 Environmental Management

## **Policies and Commitments**

To realize the vision of green operations, President Chain Store Corporation has formulated policies and plans about environment management, covering topics such as environment and energy management, net-zero carbon reduction management, packaging material management, waste and food waste management, water resource and biodiversity management as the guiding principles for the Group's actions on environmental issues. Short, medium and longterm targets have been set based on this foundation (see Sustainable Target Process Management) to incorporate the concept of environmental sustainability into all aspects of the value chain. 2021 was declared as the "Year One of Sustainability" for President Chain Store Corporation. We have incorporated different sustainability policies such as plastic reduction, carbon reduction, food waste reduction and sustainable procurement into our operations and business model in order to make green consumption a part of daily life.

Moreover, President Chain Store Corporation has set up the Integrated Services Center hotline (0800-008-711) and email (public@mail.7-11.com.tw) as convenient channels to further communications with stakeholders.



#### **Environmental Policy**

President Chain Store Corporation is dedicated to becoming the leading retailer, providing the most convenient lifestyle services and fulfilling its responsibilities as a corporate citizen. Following the "President Chain Store Corporation Corporate Sustainability Development Code of Practice," the company has established a cross-departmental Sustainable Development Committee under the authority of the Board of Directors to address environmental issues arising from business operations, and report regularly to the Board. The Environmental Group, operating under Sustainable Development Committee, is responsible for managing environmental issues and incorporating the perspectives of external stakeholders in formulating and implementing environmental policies. President Chain Store Corporation, together with its affiliates, subsidiaries, key suppliers, and other partners, is committed to the following:

- · Comply with environmental protection laws and regulations and prohibit any behavior that may harm the environment.
- · Continuously improve our environmental protection performance, as well as optimizing our surrounding environment.
- · Cherish the use of resources and increase recycling and reuse, sticking to the principle of "making the most of resources."
- Endeavor to reduce the amount of waste based on the concept of "pollution prevention."
- · With consideration to the environmental impact of our products and services in each phase of the life cycle from R&D, design, manufacturing, packaging to delivery, we will reduce resource consumption and increase the efficiency of resource use.
- · Build up an eco-friendly value chain step-by-step, take environmental aspects into the selection of suppliers and key business partners (including but not limited to joint venture partners, licensees, and outsourcing partners) within the decision-making and processes of new project development and corporate mergers and acquisitions.
- Support community development and manage sustainable relationships with local communities.
- · Promote environmental education and training, share environmental protection concepts with stakeholders like employees and customers in order to protect the environment together.
- · Set short- and medium-term environmental management goals to actively reduce the negative impact on the environment from the production process to the value chain of distribution and logistics.
- · In response to the Paris Agreement's global strategy of limiting global warming to within 1.5°C, we committed not funding climate-denial or lobbying against climate regulations, and achieving the net-zero emissions target for Taiwan's store operations by 2050.



### Energy Policy

As we strive to meet customer needs, we have made energy conservation and carbon reduction actions a core value of our business strategy. We use our stores as a base for energy conservation and carbon reduction by maximizing our advantage as a retail channel. We also exert our influence through the benefits of energy conservation. Our commitments:

- · Complying with the government's energy laws and regulations and continuing to make energy improvements.
- · Expanding stores with energy saving designs and developing and selling energy-efficient products.
- · Optimizing our energy use to achieve sustainable corporate development.

### Net-Zero Commitment and **Emissions Reduction Policy**

As a member of the global village, President Chain Store Corporation lays great emphasis on the use of energy and resources, as well as the environmental impact. To fulfill our corporate responsibilities, we will control and manage the current status of greenhouse gas emissions and promote energy-saving and carbon-reduction plans based on the result of the inventory. President Chain Store Corporation has committed to achieving net-zero for Scope 1 and 2 greenhouse gases within its operations by 2050.

### Communications and Incentives

President Chain Store Corporation shares ideas with store employees by integrating policy with practice through a variety of campaigns, online courses education and training, helping each employee incorporate environmental management in their daily routines. In 2024, a total of 20,102 employees completed the campaign and training course related to environmental topics, including employees of directly operated stores and franchisees. In order to increase the awareness of procurement personnel on sustainability issues, a session on trends in carbon reduction and sustainability in the retail industry was organized. In 2024, a total of 15,983 person-hours were involved in environmental-related courses and communications.

#### Environmental Topics Communication and Training Courses in 2024

Topics	Targets	Person-Hours
Plastic reduction online course	All employees/franchisees	16
In-store recycling and coffee grounds reuse	Store employees/franchisees	5,464
In-store energy-saving and carbon reduction measures	Store employees/franchisees	245
Coffee quality assurance and raw material management of regulations on the use of plastic straws, encourage the use or recycled cups	Store employees/franchisees	1,294
Trends in carbon reduction and sustainability in the retail industry	Procurement unit	39
Water conservation and water restriction course for the stores	All employees	8,925
Total person-hours		15,983
Participants		20,102

To encourage employees to actively manage energy use in stores, President Chain Store Corporation has formulated the "Energy Conservation Incentive Measures for Stores." The measures include the electricity fee management outcomes of newly opened and renovated stores, and take the power consumption management of existing stores and energy conservation improvements into employees, store and regional engineering performance appraisal items. Monetary rewards are given to those who discovered abnormal store electricity bills (Please refer to 4.3 Climate Change Mitigation and Adaptation).

In addition to internal training for employees, President Chain Store Corporation continues to launch various sustainable initiatives to integrate sustainable actions into consumer behavior. This includes taking the initiative to stop offering single-use cutlery in the stores, recycling waste batteries and electronics for cash back, double points for plastic reduction products and so on. In 2024, we continue to expand the OPEN iECO Recycled Cups Renting Service to include affiliated companies such as Starbucks and 21 Plus. In addition, we launched the Intelligent Automatic Recycling Machine service to exchange for monetary reward for recycling, as an attempt to increase the consumers' willingness to recycle PET bottles and batteries. President Chain store Corporation hopes to encourage consumers of all ages to support eco-friendly actions through the stores as well as online and offline channels, making sustainability part of everyone's everyday life.

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# Water Resource Management

Water supply and quality have a direct or indirect impact on the business model of chain stores regarding the products and services we can provide to the consumers. Especially in areas with tight water resources, how to reduce the operational impact on the local water resources is critical in overall operating value chain. All operating locations of President Chain Store Corporation use tap water. Besides for the freshly-prepared beverages, the overall water consumption is the most for store cleaning. For the moment, water-saving taps and toilets have been introduced in all stores. Some stores are also running a pilot program to use RO (reverse osmosis) residual water and collected rainwater for cleaning the stores.

After analyzing the correlation between operating activities and water consumption of stores, we deducted the water used for freshly-prepared beverages as the base for managing store water consumption. President Chain Store Corporation commits to reduce the water consumption per store by 1% compared with previous year and set the base year as 2019 (after deducting the water used to freshly-prepared beverages). By 2025, the water consumption should be reduced by 5% compared to the base year. In 2024, the total water withdraw of President Chain Store Corporation was 4,092,852.30 cubic meters, and the total water consumption was 143,591.52 cubic meters. The scope covers stores, head office, shopping centers and regional offices. Moreover, the average water consumption per store in 2024 was 499.35 cubic meters, an increase of 9.47% compared with the base year. In the future, we will continue to track the changes in water consumption as a reference for future target setting and water management.

Although the headquarters accounts for a relatively small amount of water consumption, we set an example by closely monitoring the annual water consumption as an internal management indicator, as well as reducing water consumption through water-saving actions. For example, in order to reduce the amount of water coming out of the taps in restrooms and coffee rooms, we installed water-saving devices at the urinals, adjusting the optimal water output of the toilets, reducing the frequency of sprinklers and so on.

# Biodiversity Management

In the current era of rapid globalization and urbanization, convenience stores have long been part of people's daily lives. President Chain Store Corporation clearly understands that in addition to the impact on nature, our value chain activities also have a high degree of impact on natural resources. Therefore, protecting biological diversity is the embodiment of our environmental responsibility, as well as the key to sustainable development. In 2022, President Chain Store Corporation passed the Biodiversity and No Deforestation Commitment, publicly promising all operating locations and its supply chain will follow the principles listed in the Biodiversity and No Deforestation Commitment.

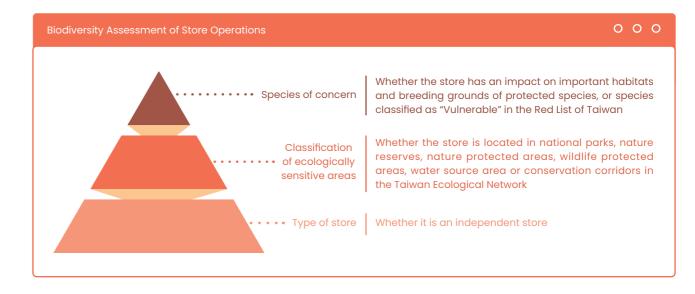
Items	Biodiversity
Scope	All operating locations and the supply chain
Target Year	Complete the process formulation and degree of quantifiable impact by 2025     Net Positive Impact by 2050
Execution Policies	Commitment to include a biodiversity assessment in the system
Principles	<ul> <li>Conducting a biodiversity risk assessment for the value chain by following the mitigation hierarchy, covering operating locations, supply chain and partners (manufacturers and franchisees), as well as selecting material issues based on risk levels, set measurable management goals, take mitigation actions, as well as publicly disclose relevant results and share them with stakeholders.</li> <li>Requirement for the value chain to commit to avoiding operating activities in areas with important biodiversity at home and abroad. The value chain includes operating locations, supply chain, and partners (manufacturers and franchisees).</li> <li>Commitment to play an active role in the value chain of President Chain Store Corporation, covering operating locations, supply chain and partners (manufacturers and franchisees). In addition to entrusting a third-party ecological consulting company to assist in reducing damage to ecological resources with correction, minimization, or compensation measures, the goal of no net loss (NNL) is set in priority areas.</li> <li>Commitment to actively engage in biodiversity discussions with stakeholders to ensure that President Chain Store Corporation and all stakeholders move towards the goal of achieving a net positive impact by 2050.</li> </ul>

Items	No Deforestation
Scope	All operating locations and the supply chain
Target Year	<ul> <li>Complete the process formulation and degree of quantifiable impact by 2025</li> <li>No Net Deforestation by 2035</li> <li>No Gross Deforestation by 2050</li> </ul>
Execution Policies	Commitment to include a no deforestation verification mechanism in the system
Principles	<ul> <li>Completion of inspections in order of levels and risks year by year with results published</li> <li>Commitment to follow the principle of no net deforestation for our operating locations, areas adjacent to scope of our operations, supply chain, partners (manufacturers and franchisees) and stakeholder activities.</li> <li>Commitment that the Company will play an active role, participate in afforestation activities, and follow the principle of zero net deforestation.</li> <li>Commitment that the Company's operating locations and supply chain will meet the principle of zero gross deforestation by the target year.</li> <li>Commitment to engage in biodiversity discussions with stakeholders.</li> </ul>

### + Biodiversity Assessment and Mitigation Actions +

In order to effectively implement biodiversity protection and mitigation actions, President Chain Store Corporation has formulated a biodiversity risk assessment process for its own operations and adjacent areas to own operations, also including biodiversity issues in its supplier risk assessment. In order to better understand the dependencies and impact of its own operations on biodiversity, we started working with an external environmental consulting firm in 2024. We have also sought assistance from a team of sustainability and biological experts from the National Pingtung University of Science and Technology based on the LEAP approach developed by the Taskforce on Nature-related Financial Disclosures (TNFD), to assess the dependencies and impact of its own operations on biodiversity for stores located around Kenting National Park.

In terms of nature-related dependencies, the operations of President Chain Store Corporation in Kenting are highly dependent on the rich natural environment and a large number of tourists. These ecological resources not only attract tourists and bring business opportunities but also help strengthen the Company's eco-friendly image. In terms of nature-related impacts, the establishment and operations of the stores may also have an impact on the local ecology, including the destruction of native habitats due to changes in land use, the interference of increased traffic on local species, and the potential threats of energy consumption, light pollution, and waste generation to the fragile ecosystem. In order to identify operating locations with different risk levels, President Chain Store Corporation divides operating locations into low, medium- and high-risk areas according to the risk classification definitions, as well as prioritizing medium- and high-risk operating locations for actions:



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### Biodiversity Risk Level Definitions and Action Plans

Level	Definition	Action Plan
A High-risk	The store is located in nature reserves, wildlife protected areas, important wildlife habitats, nature protected areas, national parks, national nature parks, conservation corridors in the Taiwan Ecological Network, involving important habitats for protected species or species classified as "Vulnerable" in the Red List of Taiwan	If the store is located in an area of high commercial value and may affect biodiversity, it is recommended to reduce its scale and invite ecological experts and the consulting firm to develop countermeasures, such as relocating or abandoning the plan of store expansion to reduce ecological impact. Level A means that there are species that are easily affected by convenience store operations in the area, making it necessary to conduct professional assessment of the negative ecological impact, positive community benefits and store space. If all three conditions are met, it will be upgraded to Level A+ (for example, opening a store considering ecological-friendly concepts)
B Medium-risk	The store is located in nature reserves, wildlife protected areas, important wildlife habitats, nature protected areas, national parks, national nature parks, conservation corridors in the Taiwan Ecological Network, without involving important habitats for protected species or species classified as "Vulnerable" in the Red List of Taiwan	Adopting environmental-friendly decor or actions, ecological education and promotion measures, as well as regularly holding relevant promotion or activities to enhance the environmental awareness of employees and customers
C Low-risk	Independent or street-side stores located in commercial areas or non-ecologically sensitive areas that are not in the aforementioned areas of concern with less impact on the environment	The store is allowed to open as usual

In 2024, 18 stores of President Chain Store Corporation were assessed and surveyed. The on-site survey covered 17 stores in national parks and 1 store near the park, 10 of which are located in the overlapping area of the "Taiwan Ecological Network" and the "conservation corridors of the Coastal Forests of the Hengchun Peninsula," as well as another 3 stores exposed to the conservation corridors. The area is rich in biodiversity, and the assessment found that each store needs to strengthen environmental management measures to reduce potential impacts on the ecosystem and facilitate sustainable operations.

Items	Number of Operating Sites	Area of Operating Sites (Hectares)
Total number of operational sites	7,303	152.29
Operating areas subjected to biodiversity impact assessments (Assessment)	18	0.35
Operating areas with high potential for biodiversity impact(Exposure)	18	0.35
Operating areas affecting biodiversity with implementation biodiversity impact managing and monitoring systems (Management Plans)	3	0.0000006

Based on the assessment results, President Chain Store Corporation selected the following three stores for inspection and management in 2024. These stores are all at a medium-risk level and are expected to launch follow-up action plans in the future.



### Fluanbi Cape store –

Located near the famous tourist attraction Eluanbi Park with a diverse ecosystem in the surrounding area



Close to the Sail Rock scenic spot, located in the ecologically sensitive area of terrestrial crabon the coastline

### Dolphin Bay store —

Although the store is located outside the national park, it is adjacent to the national park and the store has a large land availability in the hinterland, so it is included in the spot check to strengthen the comprehensive assessment of ecological risks

#### Main Findings of the Expert On-site Survey and Assessment

#### Nighttime light pollution

Some stores become the brightest light source at night, attracting photophilic organisms, which may interfere with the reproductive behavior of terrestrial crabs and marine organisms and increase the risk of roadkill by vehicles



Stores are often the brightest light

source in rural areas at night

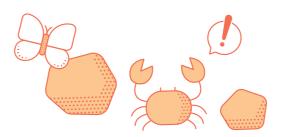
#### Environment around the store

Eluanbi Cape store as an example, waste and container houses are piled up in the surrounding open space, and the drains emit odors, posing a hygiene risk. Although these problems are ruled out as waste and sewage discharges generated by



Polluted area around the Eluanbi Cape

store operations or customers, if these environmental problems are not dealt with in a timely manner, they may cause long-term pollution to the local water quality and soil, thus causing negative public perception of the store.



#### Bird strikes on glass walls

Some stores have large glass walls, and birds may not be able to identify the walls due to sensory limitations, resulting in bird collisions and casualties



Large glass wall in the store

#### Terrestrial crabs and purple crow butterfly migration routes

The terrestrial crab larvae found outside the Sail Rock store show that the habitat of terrestrial crabs is closely connected to human living quarters. If local ecological protection measures are not strengthened, the species may be negatively affected in the long term. In addition, next to the Maanshan Nuclear Power Plant, Ma'an Mountain has been confirmed in recent years to be the southernmost breeding ground of the purple crow butterfly. The migration route of the purple crow butterfly is quite close to the Youyu store





Terrestrial crab habitat is close to





Terrestrial crab larvae

Terrestrial crab on the drivewo

President Chain Store Corporation also launched a purple crow butterfly ecological education program. The areas around the Nanwan and Youyu stores in Kenting are important wintering areas for purple crow butterflies. To raise public awareness of purple crow butterfly conservation, we placed table stickers in the stores. Scanning them will link to relevant information authorized by the Taiwan Purple Crow Ecological Preservation Association and Maolin National Scenic Area. We also placed purple butterfly images in the store. President Chain Store Corporation will continue to stay updated with biodiversity issues, protect the environment and operate in a sustainable manner





In the future, we will continue to evaluate and invest in other eco-friendly measures to care for more species, including reducing the intensity of light sources at night, adjusting the wavelength of light, and using curtains to reduce interference from photophilic organisms; using anti-collision window bird stickers or other visible signs to help birds identify glass walls and reduce collision incidents, optimizing environmental management for the stores and surrounding areas, sorting and recycling waste to reduce the impact on the ecological environment, reducing rainwater runoff with permeable bricks, promoting soil and water conservation to provide hiding space for small animals, as well as planting native plants to enhance biodiversity and landscaping. In the future, we will hold regular educational activities to enhance awareness of environmental protection for employees and customers.

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### + Biodiversity Mitigation Hierarchy +

We adopt mitigation hierarchy to reduce the impact on biodiversity, avoid opening new stores in ecologically sensitive areas, reducing the impact of existing store operations, as well as striving to regenerate, restore and transform to achieve harmonious coexistence with nature.

Avoid

President Chain Store Corporation introduces an ecological self-assessment mechanism in the process of opening new stores to assess whether the store is located in an ecologically sensitive area or an important habitat for protected species based on the store type and area classification, and pre-identify and avoid operations in high-risk areas (see <a href="https://example.com/high-risk">https://example.com/high-risk</a> areas (see <a href="https://example.com/high-risk-risk">https://example.com/high-risk</a> areas (see <a href="https://example.com/high-risk-risk">https://example.com/high-risk

Reduce

We regularly evaluate site conditions for existing stores. If they are located in high-risk areas, we will invite ecological experts to develop countermeasures and implement ecological compensation. If the impact cannot be avoided, we will consider relocation, downsizing or ceasing operations. Before opening new stores, an ecological impact assessment must be conducted to ensure that the native habitat is not destroyed, and the design or construction is adjusted accordingly to reduce the impact on ecology.

Regeneration

President Chain Store Corporation invests in the "Sustainable Farm" program to recycle coffee grounds and food waste from the stores, turn it into organic fertilizer for crops while promoting soil regeneration.

Restore

President Chain Store Corporation procures sustainable raw materials, such as FSC- and PEFC-certified paper packaging materials, coffee with rainforest certification, etc. to ensure our raw materials have limited impact on the environment as well as supporting the restoration of the ecosystem for the raw material (For detailed management measures, please refer to 3.4 Sustainable Procurement.)

Transition

President Chain Store Corporation continues to promote various transition programs to reduce the impact of operations on the ecosystem. To this end, it has launched the Veggie Selection® range of vegetarian products. In 2024, 16,424,723 Veggie Selection® products were sold. Compared with meat, vegetarian food produces lower overall greenhouse gas emissions, facilitates efficient use of land and water resources, as well as reducing the impact of the greenhouse effect on the environment. In addition, in order to raise the public's awareness of purple crow butterfly conservation, President Chain Store Corporation has produced environmental education materials related to purple crow butterfly conservation in its stores near purple crow butterfly habitats.

# 4.2 Packaging Material Management

## Policies and Commitments

As plastic is one of the most common choices among packaging materials in retail industry with its durability and low costs, it is often adopted by supermarkets, convenience stores and hypermarkets that are closely related to everyday lives, with an impact from consumer habits and choices. To respond to the trend in plastic reduction and stakeholders' concerns about packaging materials, President Chain Store Corporation continues to stay updated with the Global Plastics Treaty. Although there was no progress after the fourth round of negotiations in 2024, President Chain Store Corporation has prepared in advance with the Plastic Reduction Task Force taking charge of management, as well as proactively taking actions to ensure that the use of plastic is gradually reduced in cooperation with consumers and suppliers in accordance with the Ministry of Environment's plastic reduction regulations. A comprehensive management policy for the packaging and packaging materials of its private-label products, with the goal of reducing the use of virgin plastic by 30% compared to 2019 by 2030, and converting 50% of its private-label product packaging and materials to environmentally friendly materials. President Chain Store Corporation has also taken more active plastic reduction management actions, combining its private-label products and services, logistics, e-commerce and other operations strategies, in order to achieve the vision of completely eliminating other single-use plastic in its operations by 2050. For detailed plastic reduction milestones and progress in reaching the target in 2024, please see the Sustainable Goal Management Process.



The procurement of eco-friendly, certified packaging materials and lightweight packaging should be prioritized in consideration of environmental and ecology protection, while achieving sustainable operations. A target for packaging reduction for private-label products has also been set.



To reduce the amount of plastic at the source with the target of reducing the proportion of single-use plastic to under 10% by 2028

- The stores no longer actively offer customers straws or provide net carriers for free. Net carriers reduced plastic consumption by 19.33 metric tons in 2024, resulting in a 14.55% reduction compared to the previous year.
- Ice makers were introduced to reduce the amount of plastic packaging used for ice cubes. A total of 3,952 ice makers were
  adopted to reduce 106.3 million plastic bags were reduced in 2024, the equivalent of 212.5 metric tons of plastic reduction.



President Chain Store Corporation worked with President Packaging Ind. Corp., an affiliated company, to establish and develop circular cup renting services to transit from manufacturing single-use containers to developing reusable containers:

- Introduced the "OPEN IECO Recycled Cups Renting Service" in compliance with regulations. 2,531 stores adopted the service in 2024, exceeding our target of 2,300 stores. 20.91% of consumers brought their own cups, exceeding the annual target of 19.00%
- We also encourage the consumers to use reusable packaging materials (or containers). A reward is also given for
  consumers who use their own reusable cups for freshly-prepared beverages. President Chain Store Corporation responded
  to the regulation in advance, bringing own reusable cup according to the regulations of the Ministry of Environment will entitle
  the customers to a discount of NT\$5. Moreover, on the first of each month, bringing own reusable cup for "CITY" brand freshlyprepared beverages will entitle them to an NT\$7 discount.



FSC-certified packaging materials were adopted by paper cups used in the stores in 2024, and cup holders were made with 100% of recycled paper.



President Chain Store Corporation has set up Plastic Reduction Task Force as an internal cross-functional team to consolidate the Company's efforts in plastic reduction. By combining the power of internal employees and external suppliers, Plastic Reduction Task Force promotes packaging plastic reduction strategies, targets, and action plans, while holding regular meetings to ensure the progress of each actions. The task force took about NT\$2.5 million each year in manpower and testing resources, such as task force operations, R&D, testing costs in manpower and raw materials. The Plastic Reduction Task Force also stays on top of information on external competitiveness and the industry with the assistance of consulting company.

### + Plastic Reduction Task Force & Missions +

Plastic Reduction Task Force	Missions
Coffee Division	Reduce the packaging of freshly-prepared beverages, and introduce incentive scheme for reusable cups service, encouraging consumers bring their own cups and use the reusable cups
Fresh Food Division	Reduce the weight of plastic used in fresh food packaging and increase the percentage of paper containers
Product Division	Communicate with suppliers in the value chain, and introduce products with lightweight plastic containers
Operations Division	In-store recycling mechanism optimization and store employees' awareness of plastic reduction build. Introduce Intelligent Automatic Recycling Machine service
Procurement Division	Procurement of store supplies, weight reduction for cutlery, development and introduction of alternative materials. Optimization of packaging weight reduction
Public Affairs Division	Internal and external communications, raising awareness for consumers
Huamn Resources Division	Internal education and training to increase the awareness of plastic reduction
Administrative Service Division	Internal plastic reduction action planning
Collection Service Division	Reduce paper used in collection services, reducing packaging weight for My Ship deliveries, and introducing eco-friendly materials
Marketing Division	Collaboration and communications with private-label suppliers, development of alternative materials and optimization of packaging weight reduction

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# Statistics of Packaging Material Consumption

### + Plastic Packaging Materials +

To enhance the efficiency of packaging material management, President Chain Store Corporation has redefined the classification of plastic packaging materials. Plastic consumption in each stage is inventoried for own brand products and services according to "use," "material" and "source." The performance and goal achievement is reviewed every quarter with corresponding plastic reduction action plans formulated.

Plastic Classfication		Description
Usage	Reusable plastic	Packaging that can be refilled or reused for the same purpose without ancillary products. They can circulate on the market to make the packaging refillable
	Single-use plastic	Plastic packaging that is single-use or for short-term use. Not reusable
	Recyclable plastic	Recyclable plastics as defined by the Ministry of Environment
Material	Compostable/ decomposable plastic	Compostable and technically recyclable plastic packaging has been developed
Material	Plastic with recycled content	Plastic products containing plastic that is recycled for reuse
	Other plastic	Plastics that cannot be recycled, composted/decomposed or reused
	Virgin fossil-based plastic	Plastic produced directly using natural gas or crude oil and do not contain any recycled content
Source	Virgin renewable plastic	Made from plant sources such as soy, corn, potato and wood fiber, does not contain any recycled materials
	Post-consumer recycled plastic	Material recovered from materials generated by households or commercial, industrial and institutional facilities as the end user of a product, which can no longer be used for its intended purpose

(Note 1) Even if the garbage bags in the stores and plastic straws are made of recycled materials, they are still considered as single-use.

(Note 2) The Ministry of Environment defines recyclable plastics as PET, PVC, PE, PP, PS, unexpansible PS and others. If the material itself is recyclable without having obtained the recycling label from the EPA, or if it cannot be properly recycled in the current waste disposal system, it is not considered as recyclable.

(Note 3) According to the definition of the Ellen MacArthur Foundation, virgin materials are limited materials, such as iron ore mined from the ground. Recycled materials are materials that are continuously replenished at a rate equal to or greater than that of consumption, such as cotton, hemp, corn, wood, wool, leather, agricultural byproducts, nitrogen, carbon dioxide and sea salt.

In 2024, the total amount of plastic packaging materials consumed by President Chain Store Corporation was 11,760.67 metric tons, an increase of 4.7% from 2023. The overall increase in plastic packaging material consumption is mainly due to the continued growth of store operations, which has an impact on the amount of packaging materials used. President Chain Store Corporation has publicly announced reduction target by aiming at reducing the proportion of other single-use plastic to less than 19% in 2024, less than 10% in 2028, and completely eliminated in 2050. In 2024, other single use plastic accounted for 20.96% of the total plastic consumption. Although the plastic reduction target was not met this year, we continue to monitor the consumption and implement corrective action plans to reduce other single-use plastic in order to achieve the goal of complete elimination by 2050. Considering the Ministry of Environment's regulations of gradually restricting the use of biodegradable materials in cutlery, President Chain Store Corporation has completely replaced PLA boxes for tea eggs with recyclable PET material since 2024, reducing the proportion of "compostable/"

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decomposable plastic" by 100%. We have also continued to increase the use of "recyclable plastic" with a 5.36% increase compared to 2023. In addition, the use of "plastic with recycled content" has increased by 43.09% compared to 2023. Besides continuing to use 100% recycled plastic for store garbage bags, President Chain Store Corporation also launched "100% recycled PE shopping bags" in September 2024, as well as continuing to increase the use of food containers made with recycled plastic (Recycled PET, rPET). Specific items including mashed potato fresh vegetable egg salad, Japanese Inarizushi and tuna/meat floss double rolls, etc. adopt packaging containing 30% recycled plastic. For detailed management measures, please refer to the "Plastic Reduction Management Action" section.

Changes in Packaging Material Consumption for President Chain Store Corporation's private-label products from 2023 to 2024

Plastic Classification		Weight(M	Differences	
		2023	2024	between the Two Years
Total Weight of Plastic		11,232.32	11,760.67	4.70%
Usage	Reusable plastic	22.62	19.33	-14.55%
usuge	Single-use plastic	11,209.70	11,741.34	4.74%
	Recyclable plastic	8,803.82	9,276.04	5.36%
Material	Compostable/decomposable plastic	93.24	-	-100.00%
	Other plastic	2,335.26	2,484.63	6.40%
	Virgin fossil-based plastic	10,685.42	1,111.54	3.99%
Source	Virgin renewable plastic	93.24	-	-100.00%
	Post-consumer recycled plastic (Plastic with recycled content)	453.65	649.12	43.09%

(Note 1) The plastic milk containers for business use were recalculated from 2021 to 2024. The statistical data before 2023 was estimated based on bags (15 milk containers per bag). The number of milk containers used and the unit weight was recalculated in 2024, and the data of the previous three years will be traced back to correct relevant disclosures from 2021 to 2023.

### + Non-plastic Packaging Materials +

President Chain Store Corporation strives to reduce the consumption of plastic packaging materials for private-label products and services, as well as looking to incorporate non-plastic packaging materials with sustainability certification. In line with President Chain Store Corporation's Sustainable Procurement Policy, the targets for private-label products packaging by paper materials with sustainability certification have been set for 2030 and 2050 to reach 70% and 100%, respectively. We also continue to work towards getting sustainably-certified materials for paper bowls and cup sleeves used in the stores. In 2024, the consumption of non-plastic packaging materials (including paper/wood, metal) increased by approximately 10.72% compared the previous year, mainly due to the increase in coffee sales and not offering single-use plastic carrier net, leading to an increase of paper cup holders. Our cup holders are made of recycled paper to reduce the impact on the environment. An increase in metal packaging materials are mainly due to the increase in freshly-prepared beverages leading to an increase in the outer packaging of coffee beans and fresh tea leaves.

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### Statistics of Packaging Material Consumption in Each Life Cycle Stage for Private-label Products and Services in 2024

Plastic ■ Paper/wood ▲ Metal(composite materal)						
	e Cycle Stage of abel Products and Services	Manufacturing and Production	Supplier/Manufacturer	Logistics Delivery to Stores	Store Sales and Services	
Packaging Material		Fresh food packaging Freshly-prepared beverage supplies Cutlery	Fresh food sealing film	Delivery cartons	Shopping bags and garbage bags     Cutlery and sauce packaging     Delivery and e-commercial packaging     Buffer materials and tape     Cup sealing films	Weight (Metric
		Packaging for coffee beans Packaging for tea leaves	Box packaging Paper container for fresh food Coffee cup holders and cup sleeves Paper bags for reheated food Packaging for disposable chopsticks	• Shipping film	Cartons from online shopping center and distribution services Delivery boxes Fresh food cartons Paper bowls and store supplies	Tons)
C	lassification		Classification Weight (Metric Tons)			
Usage	Reusable plastic	0.00	0.00	0.00	19.33	11 760 67
Usage (Plastic)	Reusable plastic Single-use plastic	0.00 7,601.64	0.00 0.00	0.00 23.80	19.33 4,115.89	11,760.67
						11,760.67
	Single-use plastic	7,601.64	0.00	23.80	4,115.89	11,760.67
(Plastic)  Material	Single-use plastic  Recyclable plastic  Compostable/ decomposable	7,601.64 6,923.29	0.00	23.80	4,115.89 2,352.74	
(Plastic)  Material	Single-use plastic  Recyclable plastic  Compostable/ decomposable plastic	7,601.64 6,923.29 0.00	0.00 0.00 0.00	23.80 0.00	4,115.89 2,352.74 0.00	
(Plastic)  Material (Plastic)  Source	Single-use plastic  Recyclable plastic  Compostable/ decomposable plastic  Other plastic  Virgin fossil-	7,601.64 6,923.29 0.00 678.35	0.00 0.00 0.00	23.80 0.00 0.00 23.80	4,115.89 2,352.74 0.00 1,782.48	11,760.67
(Plastic)  Material (Plastic)	Single-use plastic  Recyclable plastic  Compostable/ decomposable plastic  Other plastic  Virgin fossil- based plastic  Virgin renewable	7,601.64 6,923.29 0.00 678.35 7,601.64	0.00 0.00 0.00 0.00 0.00	23.80 0.00 0.00 23.80 23.80	4,115.89 2,352.74 0.00 1,782.48 3,486.10	
(Plastic)  Material (Plastic)  Source	Single-use plastic  Recyclable plastic  Compostable/ decomposable plastic  Other plastic  Virgin fossil- based plastic  Virgin renewable plastic  Post-consumer recycled plastic (Plastic with	7,601.64 6,923.29 0.00 678.35 7,601.64	0.00 0.00 0.00 0.00 0.00	23.80 0.00 0.00 23.80 23.80 0.00	4,115.89 2,352.74 0.00 1,782.48 3,486.10 0.00	11,760.67

(Note 1) The scope of statistics includes the packaging of private-label products of President Chain Store Corporation and the items sold and serviced in the store (in addition to the outer packaging of the items, the materials used for the items and the packaging used for logistics and distribution are also included). The statistics of plastic and non-plastic packaging materials cover 100% of private-label products.

(Note 2) The inventory of paper/wood includes the statistics of general cartons, paper containers with coating, as well as materials for cutlery packaging and content for store supplies.

# Plastic Reduction Management Actions

President Chain Store Corporation has engaged in three aspects to reduce plastic, including "reduction at the source," "innovative packaging" and "encouraging customers to bring their own containers" since 2019. The Plastic Reduction Task Force was set up in 2020 to integrate strategies related to plastic reduction. We have started with the reduction of single-use plastics in private-label products and services, redesigned product packaging to reduce plastic consumption, introduced certified paper materials and recycled plastics, as well as reducing single-use containers by offering discounts and rewards. In addition, President Chain Store Corporation integrated Group resources to set up the "OPEN IECO Recycled Cups Renting Service" in 2022. By the end of 2024, a total of 2,531 stores have been incorporated with the hope of providing convenient services while working towards environmental protection.

### 2019

· Take action for plastic reduction

### 2021

- Launch of lightweight and environmentally-friendly shopping bags
- Redesign of the lighter packaging of fresh food such as rice served with meat on top, cold noodles, hot dog buns, etc.
- All garbage bags used in stores are made of 100% recycled materials
- "Unlabeled mineral water" was launched in collaboration with Uni-President Enterprises Corporation
- Launch of circular packaging used for e-commerce in collaboration with the social enterprise PackAge+
- The reward for bringing your own cup on the 1st of every month increased from NT\$3 to NT\$5
- Recycled PET bottles and empty milk bottles to be made into handmade drink carriers and newsboy bags by Story Wear

### 2023

- Ice makers have been expanded to 2,457 stores
- OPEN IECO Recycled Cups Renting Service introduced to over 1,000 stores
- Packaging for two salads was replaced with certified rPET

#### 2020

- Set up the "Plastic Reduction Task Force" to formulate and manage plastic reduction actions
- Publicly announced its long-term plastic reduction goal to "completely eliminate other single-use plastics by 2050"
- Launched the "Packaging Material Weight Reduction Project" to promote lightweight fresh food packaging
- Launch the "Cups for Rent Project" in collaboration with the social enterprise Good to Go
- Pilot program for recycling PET bottles with the "Automatic Recycling Machine"

### 2022

- Redesign sandwich packaging in 2022 to reduce plastic consumption by approximately 12.5% on average
- Produce planting bags were replaced by kraft paper bags, reducing approximately 0.96 metric tons of plastic
- Fresh food packaging such as tea egg bags, Oden bowl lids and disposable cutlery were resigned to be lightweight
- Ice makers were introduced into 750 stores to reduce the consumption of packaged ice cubes
- "Intelligent Automatic Recycling Machine" introduced to recycled PET bottles and batteries in the stores
- Integrate group resources to introduce OPEN iECO Recycled Cups Renting Service to 500 stores

#### 2024

- 3,952 ice makers and 2,945 film sealing machines were introduced into stores
- The "Internal Plastic Recycling System" program reduces the use of virgin plastic and creates a traceable internal recycling system
- Develop the OPEN IECO Recycled Cups Renting Service with other companies in the Group. It has been adopted by 2,531 stores
- Launch the 100% recycled PE plastic shopping bags

### + Single-use Plastic Reduction +

### Plastic Reduction for Product Packaging

President Chain Store Corporation are committed to reducing the burden on the earth from product packaging. Since 2019, President Chain Store Corporation has been working on reducing the environmental impact by expanding the use of recycled plastics and continuous promotion of the packaging weight reduction initiative. President Chain Store Corporation launched the "100% recycled PE shopping bag" in September 2024. The shopping bag is made of 95%

recycled plastic and 5% recycled plastic from empty milk containers. From September 2024 to the end of the year, a total of about 713,000 environmentally friendly shopping bags were sold, which is estimated to reduce the consumption of 202.2 metric tons of plastic. We expect to sell 5.3 million shopping bags each month, in the future which can reduce the use of about 50.0 metric tons of virgin plastic every month. We also plan to launch the "100% recycled PE shopping bag (extra-large bag)" in 2025 and expect to sell 1.3 million bags a month, which can reduce the use of about 24.4 metric tons of new materials each month to reduce the use of single-use plastic. President Chain Store Corporation is also actively working with suppliers to find the solution of reducing plastic in fresh food packaging. We continue to expand the use of paper lunch boxes, reducing about 91.37 metric tons of plastic in 2024.





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In addition, President Chain Store Corporation plans to cooperate with affiliated companies in the "Internal Plastic Recycling System" initiative in 2025 by continuing to develop new materials and technologies to maximize the effectiveness of plastic packaging reduction. PET bottles recycled by consumers at the "Intelligent Automatic Recycling Machine" in stores are converted into recycled plastic (rPET) food containers together with logistics and recycling services, as well as partners that recycle plastic raw materials and manufacture fresh food containers to be used in fresh food packaging containers, such as replacing salad box lids with recycled plastic sealing film. In 2024, a total of 78.47 metric tons of plastic was reduced as a result, creating a traceable internal recycling system and upgrading recycling services.



Plastic Reduction for Store Services

To further reduce plastic consumption in the stores, President Chain Store Corporation actively followed regulations from the Ministry of Environment in 2023 to ensure the stores comply with the rule of not actively offering disposable cutlery, as well as adopting more lightweight packaging for cutlery. In 2024, the total consumption of single-use spoons and forks was reduced by 6.26% compared to 2023. In addition, President Chain store Corporation started introducing ice makers in the





stores in 2022 to reduce packaging materials used for ice cubes in freshly-prepared beverages. In 2024, the ice makers were introduced to a total of 3,952 stores, reducing a total of 106.3 million plastic packaging bags and reducing single-use plastic by 212.5 metric tons. We will continue to move towards the goal of introducing ice makers to all stores in the future. In addition, starting from 2023, film sealing machines were gradually introduced in stores to reduce the consumption of single-use cup lids. A total of 2,945 film sealing machines were adopted by the stores in 2024, reducing 27.29 million single-use cup lids and 68.78 metric tons of plastic.

Reducing Disposable Containers – Bring Your Own Cups and Reusable Cups

President Chain Store Corporation encourages consumers to contribute to environmental protection by offering discounts for bringing their own cups and providing cups for rent. Since 2022, the Company integrated the Group to develop the "OPEN iECO Recycled Cups Renting Service." In 2024, President Chain Store Corporation has introduced the service to 2,531 stores, accounting for 35% of the total number of stores nationwide and exceeding the regulatory requirements, providing the largest recycled cup renting service for a single channel.

We provide a user-friendly service for cup rental. In 2024, President Chain Store Corporation integrated the resources of the entire Group, including affiliated logistics companies and cleaning plant, to become the first enterprise that was passed the "Good Service Guidelines for Recycled (Renting) Cups" with six major specifications, including materials and labels, borrowing and returning, cleaning, inspection, environmental protection concept communication and good service logo. The cleaning process complies with the food safety and sanitation regulations. The cleaning plant follows the Food and Drug Administration's "Guidelines for Tableware Cleaning Practices" to test each batch with a simple reagent for fat, starch, protein and detergent residues. If necessary, pathogenic microorganisms will also be tested. At least once every six months, outsourced testing (for fat, starch, protein, detergent residues and pathogenic microorganisms) is conducted in line with the Ministry of Health and Welfare's announcement or recommended testing methods to ensure reusable cups are hygienic and clean. In addition to borrowing and returning recycled cups at the stores, consumers can also borrow and return them at other affiliate companies such as Starbucks and 21 Plus to expand the scope of service of borrowing from A store and returning to B store, allowing consumers even more user-friendly access to the service. The "OPEN IECO Recycled Cups Renting Service" is tied to the member barcode in the OPENPOINT app. An amount prepaid while renting. If the cup is not returned in time, the prepaid amount will be automatically deducted to ensure the consumers return the cups, making the recycled cup service sustainable. The Company also exceeds the requirements of the Ministry of Environment's regulations for specific stores to adopt the "OPEN iECO recycled cup lids" to expand the recycled cup services and ensure the service is a sustainable recycling service.

#### Recycled Cup Rental Service and Management Proces

Recycled Cup	OPEN POINT integration	Store cup returning service	Integrated logistics service	Professional cleaning plant
Both the cup and lid are recyclable     Recycled cup is insulated with no need for heat insulation cup sleeve	The OPEN POINT membership platform allows consumers to borrow and return cups with ease  The OPEN POINT membership platform allows consumers to borrow and return cups with ease	Cup return machines are introduced to President Chain Store Corporation and Starbucks store to facilitate recycling Cups can be returned to the counters to collect the cups in a designated bucket	Affiliated logistics companies work with the stores for reverse logistics     Used recycled cups are shipped to cleaning plants to maintain a clean and hygienic service	High-performing cleaning plant is entrusted to clean the recycled cups     Some stores that do not work with the logistics system adopt automatic cleaning machines to clean the cups in-store



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Through the optimization of the "OPEN iECO Recycled Cup Renting System" and the NT\$5 discount for bringing their own cups, President Chain Store Corporation has achieved outstanding results in reducing the use of single-use containers. Through the efforts of various promotional activities, a total of 102.4 million cups were sold by 2024, reducing the use of plastic by about 112.72 metric tons. However, in the process of investing in the recycled cup service system, we have observed that consumers tend to bring their own cups. Therefore, while maintaining compliance with regulatory standards, President Chain Store Corporation has adjusted its 2025 target to 21% of consumers bringing their own cups. While continuing to improve the results of reducing plastic in beverage sales, we also respond to special holidays such as Earth Day, World Environment Day, DJBICI and other specific periods to work with stores on expanding promotions for bringing their own cups and recycled cups. E-learning is provided for staff on recycled cup service to increase utilization of the recycled cup service.

#### Online shopping packaging reduction and recycling materials

Regulations require that the weight of average online shopping packaging is reduced by at least 30% in 2025. President Chain Store Corporation started the initiative to reduce the weight of online shopping packaging material in 2022, making MyShip mailing bag packaging lighter and introducing the development and use of degradable material mailing bags. In 2024, the mailing bags reduced plastic consumption by about 8.34 metric tons compared to the previous year, and the proportion of degradable material mailing bags reached 16.64%. In addition to reducing the weight of the mailing bags themselves, President Chain Store Corporation also replaces virgin plastic with recycled plastic. MyShip mailing bags increased the proportion of recycled plastic by 50% with a total of 21.61 metric tons of plastic reduced. In addition, ibon has developed a mailing service label machine. The mailing receipts have adhesive backing and can be directly pasted, reducing the amount of dedicated mailing bags, reducing plastic consumption by 12.90 metric tons in 2024, as well as unnecessary paper and plastic use.

# 4.3 Climate Change Mitigation and Adaptation

Facing the global challenges brought about by climate change, President Chain Store Corporation actively responds and adapts to the impact of climate change, not only embodying our environmental responsibilities but also ensuring the key to sustainable development. To this end, we respond to domestic and foreign climate initiatives, commit to abiding by the principles of the Paris Agreement to limit global temperature rise to a maximum of 1.5°C above preindustrial levels, as well as declaring our support for the Ministry of Environment's Pathway to Net-Zero Emissions in 2050. To this end, we follow the PDCA cycle to formulate a net-zero transition plan for President Chain Store Corporation and developed a comprehensive climate governance structure, so as to gradually make our pathway to net-zero emissions a reality and exert a positive influence.



### + Climate-related Monitoring Mechanisms and Actions +

President Chain Store Corporation's governance structure of climate change issues has the Board of Directors as the highest governing body, with the Sustainable Development Committee underneath supervising and reviewing climate-related issues. The Sustainable Development Committee is responsible for developing and implementing various sustainable development strategies, as well as managing the Company's climate transition actions and target performance.

In response to the development in climate change issues, President Chain Store Corporation set up a Carbon Reduction Task Force in 2021 as a dedicated unit for climate-related issues. The task force is chaired by a member of the Sustainable Development Committee and sets up task groups based on the business scope of each department to ensure cross-departmental collaboration and promotion. The core responsibilities of the Carbon Reduction Task Force include conducting preliminary assessments of major climate change risks and opportunities, incorporating the assessment results into comprehensive discussions, and further formulating response strategies. In the meantime, the Carbon Reduction Task Force has four major projects to execute, including formulating the blueprint strategy, procuring and developing low-carbon products and services, introducing energy-saving and carbon reduction measures and equipment, and promoting energy-saving solutions for logistics. Each project team formulates implementation strategies, medium- and long-term targets, as well as action plans based on its own responsibilities, and tracks progress through monthly meetings to ensure the smooth promotion of various plans (for details of the overall structure of the Committee, see 1.2 Sustainable Development Committee).



**Board of Director** 

Sustainable Development Committee



Carbon Reduction Task Force

The Board of Directors serves as the Company's highest regulatory and governance body in terms of climate governance and sustainable development, responsible for supervising, reviewing and guiding the Company on climate issues, ensuring the effective advancement of sustainable development goals, and evaluating various plans and results.

The Sustainable Development Committee is a special committee under the Board of Directors that oversees and reviews President Chain Store Corporation's climate-related efforts, including risk assessment, carbon reduction performance progress, budget review, and participation in promotion of external climate actions and initiatives. Two meetings are held each year to monitor and evaluate performance on climate-related issues, as well as ensuring the effective advancement of various goals.

As the task force responsible for climate change-related issues under the Sustainable Development Committee, the Carbon Reduction Task Force integrates the progress and plans of various climate-related efforts of President Chain Store Corporation and submits them to the Committee.

- Annual budget and capital expenditure review related to sustainable development and climate change
- Supervise the main axis and development directions of Company's sustainable development blueprint
- Monitor the achievement of major sustainable development performance metrics
- Supervise the results of climate risks and opportunities identified for the company
- Oversee the implementation results of Comapny's climate transition plan
- Review and guide climate-related performance reward plans for employees and senior executives

- · Regulatory strategy setting and budgeting
- Overseeing transition programs and innovation management
- Supervising risk management and scenario analysis
- · Target monitoring and performance evaluation
- External cooperation and policy participation
- Financial planning and sustainable investment
- Development and implementation of Climate Transition Strategy
- Target setting and progress monitoring
- Employee motivation and policy participation
- Risk management and supply chain cooperation

## + Climate-related Management Incentive Mechanism and Results +

President Chain Store Corporation supports the Paris Agreement and actively responds to the government's Pathway to Net-Zero Emissions by 2050, promising to achieve net zero targets for Scope 1 and Scope 2 of greenhouse gas inventory in its own operations by 2050. In order to improve carbon reduction efficiency, President Chain Store Corporation has set up a "Climate Change Incentive Program." According to the results of ISO14064-1 greenhouse gas inventory each year, if the emission intensity (metric tons of CO<sub>2</sub>e/million NT\$ revenue) decreases compared with the previous year and meets the Company's annual carbon reduction target, a monetary incentive will be granted. The incentive recipients include members of the senior management team and related units of the Carbon Reduction Task Force.

In addition, in order to encourage employees for actively managing store energy use, President Chain Store Corporation has formulated the "Store Energy Saving Incentive Program," which include the base electricity fee management results of new and renovated stores, as well as the electricity consumption management and energy saving improvements of existing stores into the individual, store and regional performance assessment. Monetary incentives are granted to those who find abnormalities in store electricity bills. There are two incentives methods in the President Chain Store Corporation's Store Energy Saving Incentive Program. A total of NT\$14,762 in bonuses was issued after recovering abnormal electricity charges in stores in 2024. From 2022 to 2024, a total of NT\$64,246 in bonuses were issued after recovering abnormal electricity charges in stores.

### President Chain Store Corporation Energy Saving Incentive Program



Energy saving performance incentive

Engineering employees in each district are responsible for minimizing the electricity consumption and costs of their stores. In each quarter's engineering evaluation, the top three districts will be awarded a group bonus of NT\$1,000 each.



Incentive for recovering abnorma

If engineering employees can successfully trace and recover overpaid electricity fees due to meter misreading, they can receive a bonus of up to 5% of the total refund.

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## Assessment for Climate-related Risks and Opportunities

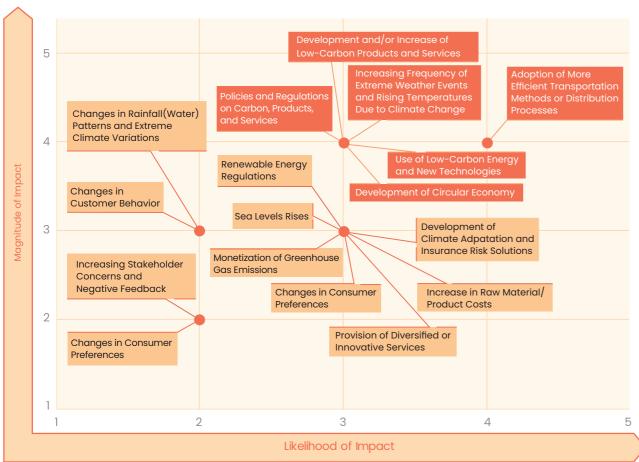
In terms of climate-related topics management, 17 climate-related risks and opportunities were identified in 2023 through the process below. Six major issues were further identified based on the Carbon Reduction Task Force's assessment principles for substantive financial and strategic impacts. The "likelihood of occurrence" and "level of impact" of the climate issue are considered during the assessment, with the time range clearly defined as short-term (0-3 years), medium-term (3-5 years) and long-term (5 years and above). The scope of assessment also covers the upstream, own operations, and downstream of the value chain. As climate topics continue to evolve, the identification of related risks and opportunities also needs to be adjusted in a timely manner. Therefore, a comprehensive review will be conducted every two years to ensure the countermeasures keep pace with the times and strengthen corporate resilience and sustainable development. For details of the climate risks and opportunities assessment process and implementation, please refer to the "President Chain Store Corporation Climate-related Disclosures Report."

In order to understand the impact of climate change issues on the operations of President Chain Store Corporation, scenario analysis and financial impact quantification are conducted for 6 major climate risks and opportunities. As there have been no major changes in President Chain Store Corporation's business model and operating strategy in recent years, the assessment results of major climate-related risks and opportunities of the previous year will continue to be adopted in 2024, and a reassessment is expected to be conducted in 2025 to stay updated with the financial impact of physical risks and transitional risks.

#### Assessment for Climate-related Risks and Opportunities



### Climate-related Risk and Opportunities Matrix



### Results of Impact Assessment of Major Climate-related Risks and Opportunities

### + Description of Impact from Major Climate-related Risks +

ı	Risk	Description	Timeline	Impact on Value Chain	Impact Assessment on Operations and Finances
Transitional risk	Low carbon energy and new technologies	In response to the global trend towards net- zero emissions, the Ministry of Environment's Climate Change Response Act, and the development of policies and regulations such as electricity price increases, companies are gradually shifting towards the use of low-carbon energy. President Chain Store Corporation primarily rely on electricity used in stores. However, the transition to low- carbon energy is constrained by the business model and operational framework unique to convenience stores. The initial investment required may involve significant costs, potentially posing risks to operations.	Long- term	Own operations	Electricity tariff might increase in the future, and may raise operating expenses.     Investing in renewable energy and purchasing clean energy will increase operating expenses.
Physical risk	The number of extreme weather events and temperature continue to increase with climate change	With the temperature continuing to rise and extreme weather events such as droughts, floods, typhoons or landslides occurring more frequently, the probability of damage to President Chain Store Corporation's equipment and road disruptions will increase, causing interruptions in product transportation and supply.	Long- term	Upstream, own operations, downstream	Implementing measures in response to extreme weather events will lead to increased operating costs. Capital expenditures will also increase due to damage to store equipment and increased power demand with an impact on the revenue.
Transitional risk	Policy and regulation requirements on carbon, products and services	<ul> <li>Considering that the Ministry of Environment amended the Climate Change Response Act, it is expected that carbon price will be charged for large carbon emitters in 2025. Although the act has not been extended to the residential and commercial sectors at this stage, with the government's net-zero emission policy, President Chain Store Corporation has a high probability of being included in the regulations in near future.</li> <li>In response to the global trend of plastic reduction and Taiwan's regulations on plastic restriction (such as banning single-use straws, providing discounts for bringing your own cups, stores obliged to gradually increase the proportion of recycled cups, etc.). Currently, we have seen an impact from plastic reduction regulations as well as proactively taking actions to comply with regulatory requirements.</li> </ul>	Mid- term	Own operations	If President Chain Store     Corporation fails to     comply with regulatory     requirements, fines or     fees might be imposed     by the government,     leading to increased     operating costs.      Recycled cup services     provided by President     Chain Store Corporation     require capital.     expenditures such as     system development     and cup procurement.     Investment in cleaning,     logistics, transportation     and manpower is     required to run the     services, resulting in     increased management     costs.

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### + Description of Impact from Major Climate-related Opportunities +

Opp	oortunity	Description	Time- line	Impact on Value Chain	Impact Assessment on Operations and Finances
Resource efficiency	Adopting more efficient shipping methods or distribution processes	Choosing energy-efficient vehicles and optimizing routes to reduce transportation or distribution costs.	Short- term	Upstream and down- stream	Adopting efficient transportation or distribution processes will reduce fuel and labor costs, thereby reducing operating costs. However, this may also increase costs for vehicle replacement and R&D.
Products and services	Develop and/ or increase low-carbon products and services	Consumers' increasing awareness of climate change has increased demands and opportunities for low-carbon products and services.	Short- term	Own operations and down- stream	Providing low-carbon products and services to increase consumers' willingness to purchase, thereby increasing revenue.  Developing low-carbon products and services requires additional R&D and management costs.
Resource efficiency	Incorporation of circular economy	Introducing a circular economy not only lowers operational risks and attracts consumers who value sustainability but also enhances brand image and brings new business opportunities.  Introducing recycled packaging materials to reduce the use of single-use packaging generated by Company's own operations, such as introducing a recycled cup system to reduce the use of single-use paper cups and cup lids.  Promote recycling and refuse with incentive mechanisms, such as encouraging consumers to recycle PET bottles with Intelligent Automatic Recycling machines. Consumers are more willing to spend at President Chain Store Corporation with the incentive while increasing recycling.  Reduce or reuse food waste generated by convenience store operations, such as offering iLove Food discounts on fresh food that is about to expire to encourage consumers to buy. Coffee grounds and scrapped fresh food is turned into organic fertilizer for crops.	Short- term	Own operations	Recycled Cups Service Recycled cups service reduces the use of single-use paper cups for freshly-prepared beverages and operating costs from material procurement. The discount given to recycled cups service encourages consumers to purchase, bringing revenue from freshly-prepared beverages to the stores.  Intelligent Automatic Recycling machines Reward money for recycling PET bottles in Intelligent Automatic Recycling machines encourage consumers to spend in the stores, increasing revenue. Recycling rPET bottles into products for sale to increase revenue.  iLove Food and Sustainable Farm Promoting iLove Food to reduce the weight of food waste to be removed, reducing costs for transportation and product scraps.

# + Major Climate-related Risks and Opportunities Scenario Analysis and + Quantitative Assessment Results

In order to identify the actual financial impact of climate-related risks and opportunities on President Chain Store Corporation, we first classified various issues and assessed their main impact on the Company. We then further introduced scenario analysis to assess the impact of risks and opportunities in various scenarios and their financial impact, ensuring that we formulate appropriate response strategies to enhance operational resilience and sustainable development capabilities. For the results of scenario analysis and financial impact assessment of various risks and opportunities, please refer to the "President Chain Store Corporation Climate-related Disclosures Report." Additionally, this report exclusively addresses the risks and opportunities for the year 2024, assessing the impact on the financial performance. It serves as the basis for tracking the financial impact of risks and opportunities, with the aim of continuously enhancing climate resilience management and improving corporate sustainable competitiveness.

Due to the impact of Typhoon Krathon in 2024, regular operations of certain stores were affected in response to the typhoon warning, which in turn caused a certain degree of financial impact. According to the statistics, the financial impact was estimated to be approximately NT\$14.73 million due to suspended operations in the stores.

Tymo of Dio	sk and Opportunity	Main Impact on Operations	Assumptions of the Cooperin	Davameter
Physical Risk	The number of extreme weather events and temperature continue to increase with climate change	Main Impact on Operations  Operating locations will not be able to operate due to heavy rain, causing damage to the store's equipment and products.	1. Maintaining the current 1°C increase in mid-century according to the IPCC AR6 assessment. 2. 2°C increase in mid-century according to the IPCC AR6 assessment. 3. 4°C increase in mid-century according to the IPCC AR6 assessment. 4°C increase in mid-century according to the IPCC AR6 assessment.	Parameter  Flood Risk Levels for All Regions Across Taiwan Under Three Scenarios.
	with climate change	Rising average temperatures affect sales of seasonal goods.	According to the 2024 Scientific Report on Climate Change, summer will last nearly 7 months at the end of the 21st century under the SSP5-8.5 scenario.	Estimated number of days in summer and winter in 2030.
Transitional Risk	Low carbon energy and new technologies	Considering that the Climate Change Response Act has been amended, the expanding operations might lead to the carbon pricing policy having an impact on operating expenses in the future.	Assuming that President Chain Store Corporation is subject to carbon pricing regulations in 2030 and must pay a fee, the rate is between the carbon price required to achieve the net zero scenario in 2050 and the NDC scenario.	1. Under the net-zero scenario in 2050, the carbon price in 2030 is NT\$3,075/tCO <sub>2</sub> e. 2. Under the NDC scenario, the carbon price in 2030 is NT\$723/tCO <sub>2</sub> e.
	Policies and regulatory requirements for carbon, products and services	With the continued promotion of carbon pricing policies and the trend of rising electricity tariffs in the future, the development of low-carbon energy and technologies will have a significant impact on finances.	Based on the continued increase in low-carbon energy demand and power generation costs, we assume that Taiwan's electricity prices will continue to rise by 2030.	Based on the regression analysis of electricity price increase from 2016 to 2023, the electricity price in 2030 is estimated to be NT\$3.57/kWh.
	Use of more efficient modes of transport or distribution processes	If the efficiency of development and investment in transportation is improved, the operating costs may be reduced.	The Ministry of Environment's reduction plan for the transportation sector lays emphasis on the improvement of energy efficiency of the transportation system and vehicles.	Subsidy parameters for investment in the "Second Phase (2021 to 2025) of the Greenhouse Gas Reduction Plan".
Opportunities	Development and/ or expansion of low- carbon goods and services	Low-carbon product development may increase revenue.	Consumers' rising awareness of sustainable consumption makes providing low-carbon products an important direction for industrial transformation.	Internal sales forecast based on the historical sales of low- carbon products of President Chain Store Corporation's private- label products.
	Development of circular economy	Building a circular economy operating model may bring new business opportunities and increase revenue.	Respond to regulatory trends at home and abroad, more and more consumers are becoming more aware of sustainable development and are beginning to pay attention to issues related to plastic reduction and food loss and waste in the retail industry.	Cost-benefit assessment of plastic reduction and food loss and waste reduction programs. The cost is mainly management and maintenance costs, and does not include the costs for setting up the machines.

President Chain Store Corporation identifies climate-related risks and opportunities in the entire value chain, and conducts quantitative assessments of the impact of related risks and opportunities on finance or future development based on President Chain Store Corporation's own operating conditions. However, we realize that the risks and opportunities faced by each stage of the value chain are different, so we incorporate the concepts of mitigation and adaptation into the planning of major climate risks and opportunities, integrating them into two main axes of netzero transition and climate adaptation. We also plan and implement various transition and adaptation strategies from different stages of the supply chain.

Climo	ate change		Net-zero transition		Olimeta Adentation
	se strateğies	Fnergy transition	(i) Industrial Transition	🛆 Lifestyle Transition	Climate Adaptation
	Upstream	Setting energy efficiency specifications for store equipment procurement.	Request logistics-related companies to optimize logistics routes, procure new high-efficiency logistics vehicles, and implement energy-saving and carbon reduction measures in logistics centers, achieving a total energy saving of 590.78 GJ in 2024.      Purchase sustainably sourced and certified raw materials such as FSC.	Managing food waste at the manufacturers to reduce wasting raw materials.  Musing rPET for more food containers and shopping bags. Converting food waste into organic fertilizer through sustainable farming practices to be used for contract agricultural products.  Launched the "Coffee grounds Circular Economy" program to recycle coffee grounds into performance fabrics and shoe materials.	Understanding the quality and supply of each raw material, actively developing diverse and alternative material sources to ensure smooth operations of the supply chain.
Value Chain Action Plan	Own	Introducing the energy management system. Introducing energy-saving and carbon reduction measures in the stores with a total of 447,307.84 GJ saved in 2024. Coaching for stores with high electricity bills. Introducing energy-saving measures in the head office building.	Selling low-carbon products such as Veggie Selection, low-carbon rice and fresh boxed meal with paper packaging.     The "Internal Plastic Recycling System" program reduces the use of virgin plastic and creates a traceable internal recycling system.	Reducing fresh food scraps in the stores with iLove Food to increase revenue. Increasing consumers' willingness to spent at the stores and further increasing revenue through incentive mechanism for circular economy services, including recycled cups service and efficient PET bottle recycling machines. Launched shopping bags made with 100% recycled PE.	Formulating "Construction Specifications for Flood Control Gates and Dwarf Walls in the Stores Located in Low-lying Areas". Setting up the "Weather Information Distribution System" to immediately notify the stores of the weather and issue flood warnings, so as to reduce the risks caused by flooding. Formulating emergency response procedures for risks, standardizing the logistics and distribution contingency mechanisms, and purchasing property insurance against natural disasters for the stores to reduce the financial impact of losses. In response to the rising temperature, President Chain Store Corporation actively introducing energy-saving measures in the stores and headquarters to optimize energy efficiency.
	Down-stream	Encouraging consumers     Sharing knowledge on a Funfest to communicate     Participating in the Miniscity. The lamps were repreduction and befores.     Participating in the Minibuilding energy conservated "Nearly-Zero Building" laparticipating in the Miniprograms and actively.	is to recycle PET bottles through in carbon reduction, plastic reduction is President Chain Store Corporat stry of Economic Affairs' "Micro-colaced with LEDs. The external ver submitting to the Environmental Prestry of Interior's "Store Energy Corvation and carbon reduction policabel issued by the Ministry of Interior	uction" & "Guidelines for Best Practic ons.	ines and incentive mechanisms. Tetc. through Good Neighbor onsumers. Ighting tests at 4 stores in Taipei rify the amount of carbon line with relevant guidelines. To support the government's convenience store to receive the

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### + Store and Logistics Energy Conservation and Carbon Reduction Actions +

In order to effectively improve the energy efficiency of stores, President Chain Store Corporation has formulated basic requirements for equipment and store environment management for new stores by incorporating energy-saving measures such as heat insulation, energy-saving signboards, lamp reduction, reduction of window area, frequency conversion system and LED lamps, and indoor lighting management, as well as introducing the energy-saving windbreak room depending on the stores. Existing stores actively evaluate the feasibility of introducing various energysaving measures and gradually replace high-efficiency equipment.

In 2024, President Chain Store Corporation stores successfully saved 124,252,177 kWh of electricity through the energysaving program, the equivalent of 61,380.58 metric tons of CO<sub>2</sub>e indirect emissions. In addition to the replacement of energy-saving equipment, all store employees have been trained to conduct regular inspections on air-conditioning, circulation fans, lighting, refrigerators and freezers, signboard windows and other equipment in accordance with the "Self-Inspections on Store Energy-Saving" to ensure that the equipment can maintain efficiency. We also cooperate with the government and relevant academic institutions to improve the energy efficiency of our stores.

### Store Energy-saving and Carbon Reduction Measures and Strategies



- · Inverter system: Introducing refrigerators, air conditioners and freezers to improve energy efficiency with an inverter system.
- · Store building insulation: Taking advantage of each store's geographical environment and architectural design concepts to reduce solar exposure.
- LED lamps: The introduction of LED lamps saves 43% energy compared to T5 lamps.
- · Store lighting management: Changing the configuration of store lamps to reduce the total number of lamps.
- \* Signboard energy saving: Reducing unnecessary lamps through the intelligent lighting system and the improvement of signboard materials and designs.
- · Reducing the window area in the stores: Maintaining energy efficiency by reducing the window area of the store.
- · Improving the heat exchange environment: Preventing cold air from leaking by introducing energy-saving windbreak rooms and improving the efficiency of air conditioning.

President Chain Store Corporation's commitment to energy conservation and carbon reduction extends beyond its operations. In order to take advantage of opportunities brought by the climate and low-carbon transition, we also actively influence long-term affiliated logistics partners to gradually invest in corresponding management plans or actions. Various energy-saving and carbon-reduction methods have been adopted to improve energy efficiency and reduce environmental impact, as well as continuously adapting operations strategies to respond to the needs of lowcarbon operations and increasing the positive benefits brought about by addressing climate change issues in a timely manner.

### Logistics Energy-saving and Carbon Reduction Measures and Strategies



- Introduction of new environmental-friendly logistics vehicles: President Chain store Corporation's affiliated logistics companies plan to phase out 222 phase 4 and phase 5 logistics vehicles from 2024 to 2026, and purchase 279 phase 6 logistics vehicles.
- Same-time delivery of frozen and refrigerated goods: Since from 2021, President Chain Store Corporation's affiliated logistics companies has transform single-temperature layer logistics vehicles into logistics vehicles with two layers of different temperature settings (refrigerated and frozen) to improve loading efficiency.
- · Distribution automation: Incorporating automatic distribution equipment to the internal operating environment and equipment of the logistics center, such as efficient automatically guided electric trailers, electronic picking and sorting systems, labor-saving lifting tailgates into vehicles, etc. Not only does this significantly reduce the personnel costs of logistics distribution, but also reduces the workload of personnel picking goods.
- Energy saving and carbon reduction measures for logistics centers: Introducing carbon reduction measures to affiliated logistics companies to continuously improve the energy consumption of daily operations.

	Store Energy-saving Actions		Quantity in 2024	Energy Saved (kWh)	GJ Energy Saved (GJ)	Greenhouse Gas Emission Reduction (Metric Tons of CO <sub>2</sub> e)	Contribution to Energy-Saving Project Results
		Inverter air- conditioning	2,746	56,686,222	204,070.40	28,002.99	45.62%
Invert	er system	Third-generation combination refrigerator	4,528	53,665,382	193,195.38	26,510.70	43.19%
		New enery-saving freezer	125	505,192	1,818.69	249.56	0.41%
lamp LED la	uction in number, amps and	Arcade lighting energy-saving upgrade	16,243	2,294,591	8,260.53	1,133.53	1.85%
	or lighting agement	Lighting upgrade in stores	63,532	9,068,394	32,646.22	4,479.79	7.30%
Fner	av savina	Energy-saving improvement of horizontal signboard	5,785	762,522	2,745.08	376.69	0.61%
Energy saving for signboards		Turning off signboards during specific hours in the early morning	1,500	640,800	2,306.88	316.56	0.52%
Improve heat exchange environment		Energy-saving windbreak room	87	629,074	2,264.67	310.76	0.51%
Т	otal		94,546	124,252,177	447,307.84	61,380.58	100%

(Note 1) Since the grid emission coefficient for 2024 had not been published at the time of the greenhouse gas verification, the coefficient of 0.494 kg CO<sub>2</sub>e/kWh announced in 2023 was adopted as the greenhouse gas emission parameter to calculate the amount of carbon reduction.

(Note 2) The energy saved from the store energy saving action plan is calculated based on the measured value before and after the improvement of a single equipment for lighting equipment, and the energy saving of non-lighting equipment is estimated by the average cost saving benefit of dynamic tests done in the stores. The annual energy saving is estimated by multiplying the energy saving of each program by the number of equipment replacements per month.

<u>[</u>	Logistics Energy-saving Action		Energy-saving Action	Amount of Energy Saved (kwh)	Amount of Energy Saved (GJ)	Greenhouse Gas Emission Reduction (Metric Tons of CO <sub>2</sub> e)
		UPCC	Replacement of 9 inverter air conditioners	9,551.00	34.38	4.72
		tail Support ternational	Replacement of air conditioners (in the office, Cosmed work area, warehouse meeting room)	39,988.14	143.96	19.75
	Wisdom Distribution (EMS) Service Corp. motor		An energy monitoring and management system (EMS) was installed, three old chiller pump motors were replaced, and inverter controllers were installed on the pumps in 6 zones	114,566.00	412.44	56.60
		Total		164,105.14	590.78	81.07

(Note 1) UPCC and Retail Support International replaced old air-conditioning equipment and calculated the energy saved based on the difference in energy consumption before and after the replacement and decommissioning of the air-conditioning equipment. The formula for calculating energy consumption is the number of equipment (unit) \* hours of use \* use rate \* number of months.

(Note 2) Wisdom Distribution Service Corp. installed an energy monitoring management system (EMS) and replaced old motors with new ones. The energy saving data was calculated by monitoring the energy consumption of the new motors by the EMS system and the product of the operating power and operating hours of the 6 original fixed-frequency motors before the replacement. The energy consumption data monitored by the EMS system has been verified by the public sector.

(Note 3) Since the grid emission coefficient for 2024 had not been published at the time of the greenhouse gas verification, the coefficient of 0.494 kg CO<sub>2</sub>e/kWh announced in 2023 was adopted as the greenhouse gas emission parameter to calculate the amount of carbon reduction.

# Key Performance Metrics and Targets

#### + Greenhouse Gas Emissions +

President Chain Store Corporation's main business locations include stores such as retail stores and shopping centers, as well as administrative facilities such as head office, regional offices and training centers around Taiwan and on

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outlying islands. We have conducted greenhouse gas inventory in line with ISO 14064-1:2006 since 2017, as well as adopting the updated version of ISO 14064-1:2018 in 2020. We have passed independent third-party certification to ensure the data complies with international standards. Moreover, we have continued to expand the scope of sites on inspection. The scope of the greenhouse gas inspections in 2024 covered 7,261 bases, with the coverage rate of 99.42% for the greenhouse gas inspection boundary.

#### Operating Locations with ISO 14064-1:2018 Certification in 2024

Stores (convenience stores and shopping centers)	Offices and training center	7,261 operating locations in total
7,249	12	, , , , o , o , o , o , o , o , o , o ,

(Note ) The 7,229 stores inventoried in 2024 include the 155 stores that have moved or closed in 2024.

#### Greenhouse Gas Emissions in 2024

Type of Emissions	Description	Volume (Metric Tons of CO <sub>2</sub> e)
Direct Emissions (Scope 1)	Refrigerant, marsh gas, company vehicles, CO <sub>2</sub> for beer on tap	25,562.65
Indirect Emissions (Scope 2)	Electricity consumed by stores, the headquarters, shopping centers and regional offices, training center	564,564.64
Indirect Emissions (Scope 3)	Including emissions from product procurement, upstream electricity emissions, upstream transportation, waste disposal, business travel, employee commuting, and waste disposal of products sold	5,781,597.27

Total Greenhouse Gas Emissions

6,371,724.56

- (Note 1) Greenhouse gas inventory adopts the ISO 14064-1:2018 methodology. The organization boundary is set using operational control. The greenhouse gas emission coefficient refers to USEEIO, Electricity Emission Coefficient set by the Bureau of Energy of the Ministry of Economic Affairs, the Ministry of Environment's Emission Coefficient Management Table 6.0.4 and the the Ministry of Environment's Product Carbon Footprint Information Network. GWP adopts AR6 values.
- (Note 2) The calculation method for indirect emissions from outsourced power is locate-based. Since the grid emission coefficient for 2024 had not been published at the time of the greenhouse gas verification, the coefficient of 0.494 kg CO<sub>2</sub>e/kWh announced in 2023 was adopted as the greenhouse gas emission parameter to calculate the amount of carbon reduction.
- (Note 3) The types of greenhouse gas covered by the inventory include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).
- (Note 4) The carbon dioxide emissions from biological sources are zero.

### + Direct Emissions +

The main source of direct emissions from President Chain Store Corporation is the refrigerant leaked from store freezing, refrigeration and air-conditioning equipment. The emissions are calculated based on the refrigerant refill of the equipment warranty system for the refrigerant equipment failure maintenance. The result accounted for 92.27% of the direct emissions, with the proportion of refrigerant not containing ozone-depleting refrigerant as 100%.

### + Indirect Emissions +

The 2024 indirect emissions survey was evaluated in accordance with the principle of materiality. Significant indirect greenhouse gas emission sources include indirect greenhouse gas emissions from purchased electricity, upstream emissions, cargo distribution and waste treatment. Among them, the emission of purchased electricity is the main source of indirect greenhouse gas emissions.

The greenhouse gas inventory shows total purchased electricity used by all the inventoried operating locations in 2024 was 1,142,843.4 MWh, resulting in indirect greenhouse gas emissions of 564,564.64 metric tons of  $CO_2e$ , an increase of 9.9% compared to 2023 emissions. The amount of purchased electricity increased by 10.10% compared to 2023, mainly due to 249 new stores and additional freezers, electronic displays, and ice makers in response to changes in the customers' shopping habits during COVID-19 pandemic. President Chain Store Corporation will continue to promote energy saving in stores and offices, carbon reduction in logistics and transportation, as well as evaluating the expansion of photovoltaics or the purchase of renewable energy so as to gradually achieve the reduction target for 2025.

Indire	ct Emission Source	Indirect Emissions (Metric Tons of CO <sub>2</sub> e)	Percentage of Indirect Emissions (%)
Electricity	Emissions from purchased electricity <sup>(Note 1)</sup>	564,564.64	8.90%
Purchased products	Upstream emissions of purchased fuel	111,238.68	1.75%
ruichasea products	Emissions from purchased products	5,583,270.89	87.98%
Emissions from upstream transportation and distribution of goods	Diesel used for transportation from the logistics center to the stores	61,393.06	0.97%
Emissions from solid and liquid waste disposal	Waste disposal in the stores	16,456.22	0.26%
Emissions from business trips	Emissions from transportation during employee business trips	1,274.92	0.02%
Emissions from employee commute	Emissions from transportation during employee commutes	6,690.97	0.11%
Emissions from end-of-life stage of products	Disposal of packaging materials	1,272.54	0.02%

(Note 1) 100% of purchased electricity comes from electric grid.

### + Energy Use +

In 2024, the total electricity consumption of all the inspected locations reached 1,142,843.4 MWh, with the total energy consumption of 4,114,384.59 GJ energy consumption. Purchased electricity accounts for 99.95%. 0% of renewable energy was consumed in 2024. Due to the operational characteristics of convenience stores, the energy consumed includes not only the fuel used by company vehicles and electricity for operating bases, but also a significant proportion from upstream transportation. In 2024, the transportation of goods from logistics centers to stores primarily consumed diesel, totaling 18,485,902.82 liters, equivalent to 649,698.15 GJ of energy consumption. We are also gradually integrating renewable energy into store designs. President Chain Store Corporation has implemented photovoltaic systems in the Yawan store and will continue to enhance the development and use of renewable energy in the future.

ı	Energy-consuming Equipment	Source of Energy	Unit of Consumption	Consumption	Energy Consumption (GJ)	Percentage of Energy Use (%)	
	Gas used for company cars	Gas	Thousand liters	64.21	2,095.43	0.05%	
	Gas used for company cars	Diesel	Thousand liters	1.83	64.34	0.00%	
	ectricity consumed by operating locations	Purchased electricity	kWh	114,284.34	4,112,224.81	99.95%	

4,114,384.59 100.00% **Total Energy Consumption** 

### + Energy Efficiency Indicators and Targets +

Since most stores are open around the clock, their electricity consumption pattern is different from that of the headquarters, regional offices and training center. To effectively monitor the electricity consumption of stores and gradually improve their energy efficiency, we set up an EUI and reduction targets for stores as well as tracking the progress each month.

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The electricity intensity reduction target for stores in 2024 was 822.3 kWh/m<sup>2</sup>, a decrease of 0.5% compared to 2023. The actual energy intensity of our stores was 874 kWh/m<sup>2</sup> in 2024, showing an 5.75% increase from 2023. We have not reached our energy intensity reduction target this year. In response to the diversification of retail channels and the rapid growth of frozen and refrigerated food in 2024, more energy-consuming equipment was adopted by the stores than previous years to support our business expansion. This growth is mainly driven by increasing performance, and equipment configuration will be adjusted in the future depending on business development. In the meantime, we continue to stay updated with equipment energy efficiency and promote energy-saving solutions to improve energy efficiency.

			E	:UI <sup>(Note)</sup>				
Year	2017	2018	2019	2020	2021	2022	2023	2024
EUI	1,008	962	947	919	891	833	826	874
Percentage of Decrease	-0.30%	-4.56%	-1.56%	-2.96%	-3.05%	-6.46%	-0.81%	5.75%

(Note) The EUI of stores is calculated as the electricity consumption per ping (approximately 3.3 square meters) based on the data provided by Taiwan Power Company each month. The EUI for stores in areas without any data from Taiwan Power Company is estimated on the same basis. The two are added to produce the total electricity consumption that month, which is then divided by total floor area before adding up the EUI value of 12 months

### + Greenhouse Gas Emission Intensity Metrics and Targets +

As President Chain Store Corporation's main source of greenhouse gas emissions comes from electricity consumption in stores, the emission is closely related to the size of the stores, equipment configuration and operating model, which is ultimately reflected in the overall operating income. Therefore, we calculated the emission intensity per NT\$ million in revenue as reference for the carbon reduction target for the intensity of greenhouse gas emissions. In order to further optimize management effectiveness, we reviewed the previous target setting methodology in 2024 to extend the diversion of greenhouse gas emission targets for own operations and value chain management, as well as strengthening relevant management strategies to ensure that carbon reduction actions are more precise and optimize resource allocation. For our own operations, the Scope 1 and Scope 2 greenhouse gas emission intensity of the 2020 greenhouse gas inventory of 2.99 metric tons CO<sub>2</sub>e/million in revenue was adopted as the baseline to set a medium- and long-term reduction target of 60% by 2035. In 2024, the greenhouse gas emission intensity was 2.80 metric tons CO<sub>2</sub>e/million in revenue, an increase of 1.76% over the previous year. Due to the impact of business growth, the greenhouse gas emission intensity for this year did not reach the target. In the future, we will continue to search and implement feasible carbon reduction measures to improve energy efficiency and operational optimization to achieve long-term carbon reduction targets. In order to strengthen our own operational carbon reduction management, President Chain Store Corporation introduced an internal carbon pricing mechanism in 2024, prioritizing the management of Scope 2 greenhouse gas emissions based on shadow price. According to the carbon price announced by the Ministry of Environment in 2024, the internal carbon price has been set at NT\$300/ metric ton CO<sub>2</sub>e. Internal carbon pricing is mainly used to manage Scope 2 emissions related to purchased electricity. It is hoped that internal carbon pricing will encourage energy saving and carbon reduction actions to improve energy efficiency. Starting from 2024, President Chain Store Corporation took internal carbon pricing into consideration for major investment and procurement, as well as conducting cost-benefit analysis, such as evaluating the payback period of equipment investment and making a comprehensive comparison of the total cost after adding internal carbon pricing. To ensure that investment projects follow carbon reduction management targets, the subsequent plan is including internal carbon pricing in management reports to track changes in greenhouse gas emissions. The implementation of internal carbon pricing also helps us consider climate issues in our business strategies with an impact on key financial planning. In addition, although President Chain Store Corporation has not yet been included as a target under the government's regulations, the implementation of internal carbon pricing can also cope with potential financial impacts brought about by future regulations in advance.

In terms of value chain management, we are actively optimizing the inventory items and practices of Scope 3. In the future, we plan to introduce Science-based Targets (SBT) to strengthen carbon management of the entire value chain, and update mid- and long-term reduction targets, so that President Chain Store Corporation can exert the influence of the industry and promote the achievement of net-zero goal.

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# 4.4 Food Waste and Waste Management

## Food Waste and Waste Management Strategy

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

### + Food Loss and Waste Management Strategy +

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

### + Waste Management Strategy +

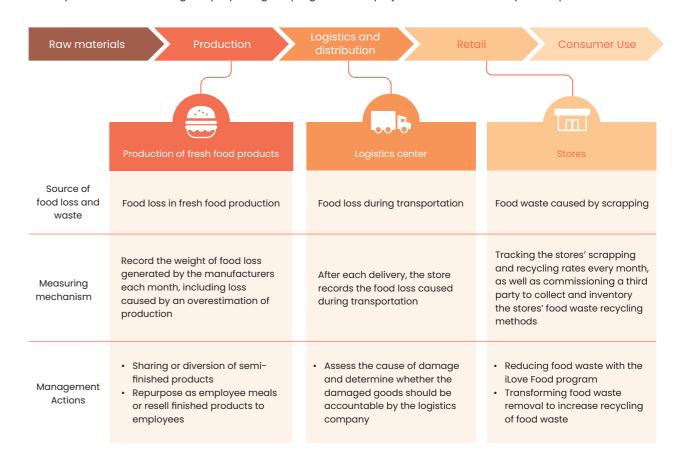
The waste produced by President Chain Store Corporation is mainly domestic waste, which belongs to the general waste and general industrial waste as categorized by the Ministry of Environment with no hazardous industrial waste. The generation of bulk waste is closely related to store operations, including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

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

## Food Loss and Waste Generation and Process Flow Management

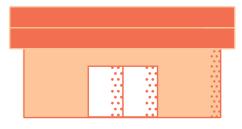
According to the UN Food and Agriculture Organization (FAO), over 40% of the food produced in the world is discarded or wasted, and 2.5 billion metric tons of food was never purchased, with food loss and waste costing the global economy more than \$1 trillion each year. Statistics from the Ministry of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

President Chain Store Corporation is closely intertwined with people's food and consumption on a daily basis. To this end, it has taken the responsibility in reducing food waste from the overall supply chain from three stages including "production," "logistics and distribution" and "retail," monitoring and recording food loss and waste that may occur at each stage of operations for better management, shouldering the responsibilities and obligations of the retail industry on the issue of food waste. In 2021, the Food Waste Reduction Task Force was set up under the Sustainability Development Committee, regularly reporting the progress of the project to the Sustainability Development Committee.











#### Production: Food Loss and Waste from the Production of Fresh Food Products

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

President Chain Store Corporation reduces food loss and waste from production process through three major changes. First of all, production is now initiated upon order receipt instead of estimation to better control the production volume. The second reducing the loss and waste of raw materials through the centralized production of various items. Last but not least, two adjustment of raw material estimates are performed prior to production to avoid excessive material in stock caused by weather changes or order fluctuations. The surplus after production is provided as employee meals. Finished and semi-finished products are also resold to employees to reduce food waste. In 2024, the production losses (amount of food waste per NT\$ million of revenue) decreased by 47.58% compared to the base period of 2019.



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

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



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

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

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

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### + Food Loss and Waste Management Performance +

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

#### Food Loss and Waste Management Performance



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

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

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

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

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### Reusing and Reducing Food Loss and Waste

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

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

### + Coffee Grounds Recycling Program Promotes Circularity +

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

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

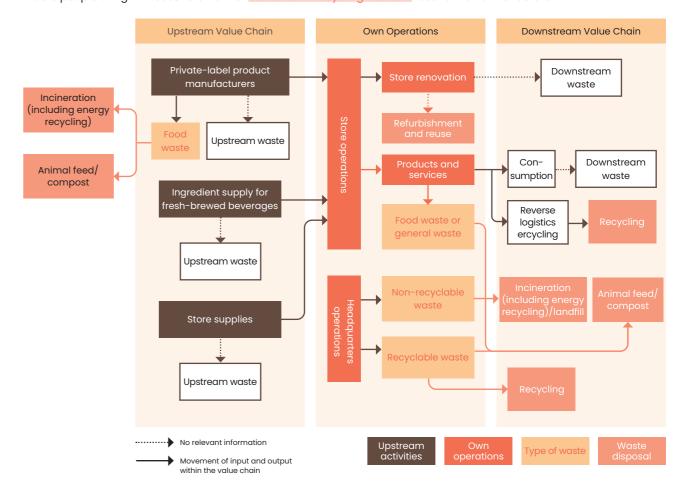
In continuous search of a sustainable circular economy solution, President Chain Store Corporation launched the "Sustainable Farm" circular program in 2023. With "being friendly to the earth with a cup of coffee" as its starting point, President Chain Store Corporation systematically recycles expired,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

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

## **Waste Generation and Process Flow Management**

### + Waste Generation Flow +

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



### + Waste Management Performance +

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

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

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

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

recyclable waste from the stores.

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

(Note 1) Waste disposal data at the headquarters building and the stores that outsource waste management was collected from the outsourced cleaning companies. The proportion of waste incineration and landfill at other stores and operating bases was considered as 88.04% based on 2024's National General Waste Disposal published by the Ministry of Environment

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



### + Waste Reduction in Headquarters +

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

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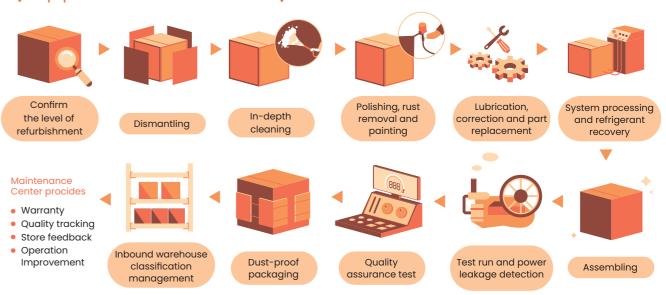
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### + Store Equipment Reuse +

In order to provide the most convenient products and services, President Chain Store Corporation relies on a large number and variety of machines. As the wear and tear as well as out-of-service machines cause a great burden on the environment, we have made good use of our flexible dispatch system and a great number of stores to set up the Equipment Refurbishment Center. The recycling system works on existing equipment from renovated and shut down stores, such as air conditioners, refrigerators, oden cooking machines, microwave ovens and so on. It is returned and put to use after inspecting, cleaning and repairing to reduce waste of resources and waste generation, while also saving on equipment procurement costs. In 2024, 34 types of equipment were refurbished and put to use, with the total number of 2,803 machines and saving a total amount of equipment procurement costs of NT\$93,712,458.

### + Equipment Refurbishment Process +



### + Convenient Recycling Platform +

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

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

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