

About this report

This is the eleventh corporate social responsibility (CSR) report issued by President Chain Store Corporation (PCSC) in accordance with the core options of the GRI standards (2016 edition) of Global Reporting Initiative. This annual report explains PCSC's viewpoints on CSR, actions taken, 2019 outcomes with regards to corporate governance, economics, environment, and society, as well as future plans. Importance and issue analyses (see chapter on stakeholder engagement) were also used to select material topics for PCSC in the hopes of creating the most benefit for all stakeholders through disclosure, communication, and feedback in order to accomplish our ultimate goal of becoming the greatest retail business.

Dates, scope, and data included in this report

This report details PCSC's CSR performance for the 2019 calendar year (January 1, 2019 to December 31, 2019) and some of the information herein includes CSR performance before 2019. This report focuses on PCSC, including business headquarters, retail locations, and the market. In addition, due to their relevance in the operations of this industry and the influence they have on major issues, four affiliate logistics companies, Uni-President Cold-Chain Corporation, Wisdom Distribution Service Corporation, Retail Support International, and President Logistics International Corporation, have been incorporated into this report, in areas including energy greenhouse gasses (Scope 3) as well as customer health and safety. Future reports are expected to include data from other affiliated companies in order to exemplify the information integrity of PCSC's value chain. The financial data in this report partially incorporate public information attested by a certified public accountant and are all expressed in New Taiwan Dollars. Other data stem from internal audits and statistics. Data on greenhouse gases were calculated using the most recent carbon emission coefficients reported by Taiwan's Environmental Protection Administration and Bureau of Energy.

Report certification

SGS Taiwan was entrusted with the task of verifying if the information in this report meets the requirements of the AA1000 Type Two High Level. For the specific Subject Matter Information, we engaged PricewaterhouseCoopers (PwC) Taiwan in limited assurance to verify this report in accordance with the Republic of China Standard on Assurance Engagements Bulletin No. 1 Assurance Engagement Other than Audits or Reviews of Historical Financial Information. Please refer appendices for SGS Assurance Statement and the Limited Assurance Report issued by the Accountant. The third-party independent verification report was released after being submitted to the Board of Director's CSR Committee for review.

Release date

PCSC regularly releases annual CSR reports and discloses them on the company website at www.7-11.com.tw.

Current version issued June 2020

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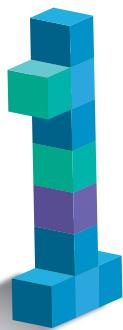
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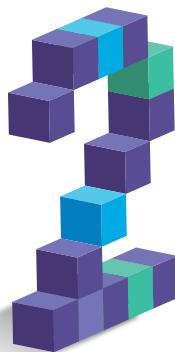
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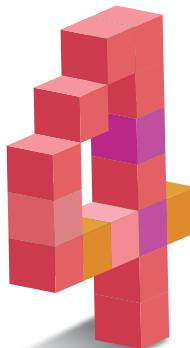
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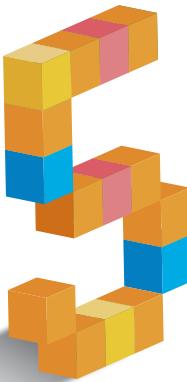
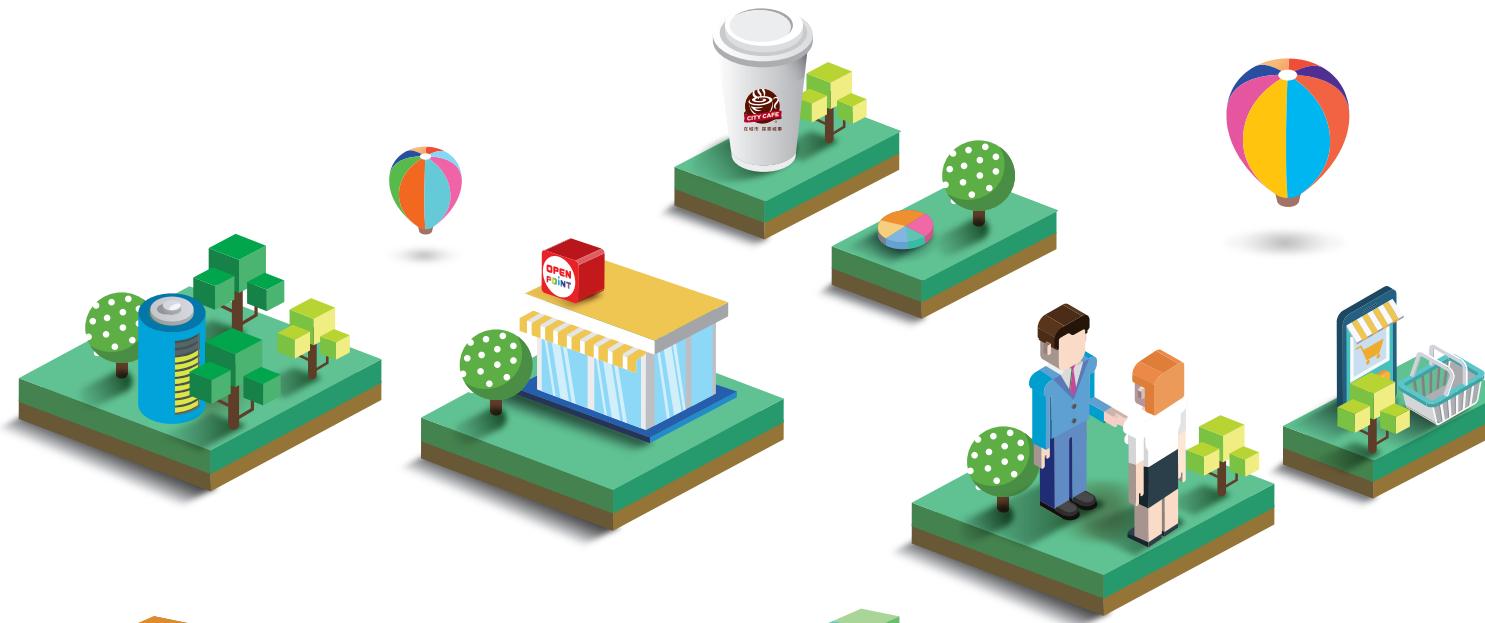
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Message from the CEO



Chairman **Lo, Chih-Hsien**

President Chain Store Corporation (PCSC) has continued to work on sustainable operations by incorporating our core CSR philosophy into our operation objectives with our three core CSR values, "a happy enterprise", "a harmonious society", and "a sustainable planet", and our Five Implementation Principles to realize our Corporate Social Responsibilities. Since adopting UN Sustainable Development Goals in 2016 to be our principles of business, we have identified which goal of SDGs each year that PCSC can realize and set KPIs to track and review our performance. In 2018, PCSC established the cross-functional PCSC Corporate Social Responsibility Committee (CSR Committee) under the Board of Directors to oversee the implementation and management of CSR.

In 2019, the global economy was turbulent and businesses continued to face significant challenges. PCSC remained committed to sustainability, sparing no efforts in the areas of corporate governance, social engagement, and environmental protection. As a result of our determination, in 2019, PCSC was listed on the Dow Jones Sustainability World Index and Dow Jones Emerging Markets Index for the first time and was selected by the MSCI Global Sustainability Indexes and FTSE4Good Emerging Markets Index, keeping pace with international benchmark companies. In terms of corporate governance, PCSC was ranked in the top 5% in the Taiwan Corporate Governance

Evaluation System for the 5 consecutive years in a row and received the Corporate Sustainability Award by TCSA for 3 consecutive years in a row, the only listed company in the convenience store industry to receive the gold medal for the service industry.

In 2019, PCSC continued to grow, increasing to expand more than 5,600 7-ELEVEN stores and creating nearly 40,000 jobs. We supported SDGs "Decent Work and Economic Growth" and PCSC continued to serve as a creative, convenient, safe, welcoming community center, offering consumers innovative and convenient products and services. PCSC worked with all subsidiaries to achieve consolidated revenue of NT\$256.06 billion and net profits of NT\$12.11 billion in 2019.

Regarding store operations, in addition to continuing to provide larger, more featured stores as well as lifestyle stores launched to satisfy the various needs of business areas in which they are located. PCSC also introduced a new customers model and unveiled the future of convenience stores with our X-STORE and Big7 lifestyle store, the first store in Taiwan employing state-of-the-art technology to serve customers. In addition to physical products, PCSC has leveraged the intensive store network and comprehensive logistics system and equipment to enhance digital platform and applications services. In 2019, PCSC introduced "My Ship", a digital supporting platform integrating three major services which are cash, materials (logistics), and information flow to provide C2C vendors a sound, secure transaction platform. In response to recent trends of consumption and to strengthen customer loyalty, PCSC offers a variety of payment options by which OPEN POINT can be collected through diversified channels. With more than 6.5 million members, PCSC continues to build a convenient and comprehensive digital platform for customers.

PCSC also continues to be committed to product safety and innovation. In 2019, we invested NT\$148,511,000 in food safety management and product research and development. From production to store, we set up an internal monitoring mechanism and quality testing laboratory to serve as a rigorous



President **Huang, Jui-Tien**

three groups of young people to develop local industries with funds, resource-matching, and consulting. For example, "Fish Bar," a documentary produced by young people returning to Hualien to revitalize local business won seven awards for excellence at its first participation at the 4th Taipei Golden Eagle Micro-Movie Festival held in 2020.

In response to global extreme weather and environmental degradation, we have continued to take action, such as procuring environmentally certified and energy-saving products, reducing energy use intensity, and cutting paper use. In addition, since 2019, PCSC has actively intensified our plastic reduction policies by introducing gradually to use sip lids and environmentally-friendly straws in 7-ELEVEN stores across Taiwan and our other subsidiaries to reduce our use of plastics. As a result, we received an award for excellence at the 2019 Taipei Energy Conservation Leadership Awards for our efforts.

The forecast of the global economy will still be full of uncertainty in 2020. Nevertheless, PCSC will maintain integrity and honesty in our business operations and improve the Company's seven key building elements for business: people, stores, products, systems, logistics, policies, and culture. PCSC has evolved from a "convenience store that provides basic necessities" to "a service platform that consumers depend on and that surpasses their expectations" and which offers customers an environment characterized by experience, entertainment, and education.

PCSC is "determined to become the most outstanding retailer by offering convenient services and being a good corporate citizen". We strive to make life more convenient for our customers, ensure steady profitability for our franchisees, create a fair and friendly working environment for our employees, and increase value for our shareholders. Our ultimate objective is to ensure our franchisees, employees, shareholders, and society all satisfied.



2019 Honors and Recognition

2019 年道瓊永續指數 (DJSI)

PCSC was listed on the Dow Jones Sustainability World Index and Emerging Markets Index for the first time.

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

公司治理評鑑前 5%

PCSC once again ranked in the top 5% in the Taiwan Corporate Governance Evaluation System, the only listed company in the retail industry to do so for the fifth year running.

PCSC was selected again by FTSE4Good Emerging Markets Index

PCSC was selected again by MSCI Global Sustainability Indexes, MSCI Global SRI Indexes

PCSC was again presented the Corporate Citizen Award by CommonWealth Magazine.



臺北市年勞動安全優良單位獎

In 2019, PCSC was the first company in the retail industry presented the Labor Safety Unit Award by the Taipei Government.

TCSA 台灣企業永續獎

PCSC received the Corporate Sustainability Award from TCSA for the third year in a row and was the only convenience store retailer in the service industry in Taiwan to receive the gold medal.



台北金鵬微電影獎

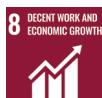
The PCSC Good Neighbor Foundation's Deep Roots Project for Young People presented "Fish Bar" and "Always By Your Side" documentaries received eight awards in the 4th Taipei Golden Eagle Micro-Movie Festival in 2020.



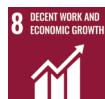
2019 Highlights

CH 02 About PCSC

Total number of PCSC stores reached **5,655** in 2019



In 2019, PCSC invested **NT\$250,655,000** into research and development



PCSC achieved consolidated revenue of **NT\$256,058,888** and net profits after taxes of **NT\$12,112,109** in 2019

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour intensive sectors.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.

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CH 03 Sustainable Products and Services



NT\$148,511,000 in accumulated investment in food safety management

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.



Taiwanese suppliers represented **68%** of total procurement

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value.

8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

85% of non tier-one suppliers signed code of conduct agreements



The product system warning language alerting that alcohol and tobacco cannot be sold to customers under 18 years of age is **100%** online

3.4 Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate.

100% of our privately-owned brand product and food suppliers and stores were evaluated and passed the single-use item standards for domestic suppliers

98.8% of stores being graded A or B in the Service Excellence Rating

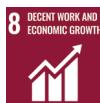
As of 2019, **6.5** million people registered OPEN POINT membership

CH 04 Happy and Friendly Workplace



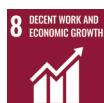
Among employees with extremely abnormal health examination results during mobile health examinations, **100%** received intervention by health professionals in 2019

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.



In 2019, PCSC headquarters and stores employed **3.08** times more disabled individuals than required by law

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.



0 case of serious occupational incidents. The frequency-severity indicator for 2019 was **0.21**, which according to the Ministry of Labor's Occupational Health and Safety Administration, was below the retail industry average of **0.35** for the past three years in Taiwan (average for 2016-2018)

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



Employees received an average of **38.57** hours of training, the highest since 2013

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

CH 05 The Best of Neighbors



Organizing **17,960** Good Neighbor Funfests event attracting over 360,000 participants

(Note: The corresponding performance was the healthy and environmentally-friendly lifestyles theme at Good Neighbor Funfests)

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.



Raising NT\$**190,000,000** in spare change and pledged donation of goods

(Note: The corresponding performance was health promotion activities and services)

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.



Raising NT\$**190,000,000** in spare change and pledged donation of goods

(Note: The corresponding performance was meal delivery services and pledged donation goods)

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.



In 2019, PCSC provided funds, matchmaking resources, consulting, and guidance to assist **two** groups of young people develop local industries

11.a. Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

CH 06 A Green Leader and Good Neighbor



Electricity intensity of stores reduced by **1.45%** than 2018; Electricity intensity of the headquarter reduced by **2.4%** than 2018

7.3 By 2030, double the global rate of improvement in energy efficiency.



Number of refurbishment and reuse machines in 2019 reached **1,525**.

12.5 By 2030, substantially reduce the production of waste through prevention, reduction, recycling, and reuse.



Environmental label and energy saving products accounted for **14.08%** of the annual purchase

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.