

President Chain Store Corporation Sustainable Supply Chain Policy

Sustainable procurement is an international trend, as well as a concrete action for businesses to demonstrate positive external influence. President Chain Store Corporation has observed issues with the depletion of global resources and forced labor in some developing countries. Therefore, the Company has made sustainable procurement and increasing resource sustainability as its key areas for ESG development. To this end, it has formulated a sustainable procurement policy for private-label products and raw materials, as well as incorporating criteria such as humanitarianism, circularity and environmental protection in the supplier selection system. Raw materials and suppliers with sustainable certification or are in line with the principles of sustainability and carbon reduction are prioritized, with special attention on animal welfare, organic vegetables and traceability. Raw material suppliers are coached to develop the concept of sustainable operations to provide consumers with more choices that support sustainability in their everyday life.

The Company promises the following:

1. President Chain Store Corporation's manufacturers for private-label products use raw materials that are jointly procured to prioritize procurement of raw materials that comply with the principles of animal protection, animal welfare and traceable produce, as well as coaching raw material suppliers to develop awareness of sustainable operations that ensures effective management of the source of private-label products.
2. Gradually ensure produce comply with the Company's specific procurement standards, covering agreement signing, the criteria for introduction, traceability registration, testing and compliance with the Act Governing Food Safety and Sanitation and regulations regarding agriculture to make standard specifications, sustainable agriculture and food safety a reality.
3. The Company prioritizes and gradually adopts raw materials from suppliers with traceability certificates, as well as complying with domestic animal welfare regulations and humanitarian breeding. For example, using fresh eggs that comply with national animal welfare guidelines for rice balls, sandwiches and boxed meals.
4. Ingredients for the private-label brand are expected to respect the principle of animal welfare, including freedom from want of nutrition (hunger and thirst), freedom from disease and harm, freedom from physical and psychological discomfort, freedom from fear and stress, and freedom to express normal behavior.
5. Suppliers are inspected and coached regularly in line with the rules to ensure the use of β -adrenergic receptor agonists, antibiotics and growth hormone complies with regulatory requirements. The Company promises to prioritize the procurement of animal raw materials for which growth hormone and preventive antibiotics are not used during the breeding process.
6. We commit to not using animals that have been genetically-modified or cloned.

7. Continue to sell organic vegetables in suitable shopping districts and stores to provide consumers with diverse options for promoting environmental education. Continue to educate the employees and customers about environmental protection to take joint actions towards protecting the environment.
8. President Chain Store Corporation manages equipment, consumables and construction materials through actively promoting green procurement, chooses green construction materials for store renovation and procures equipment and consumables for the stores with energy label, green mark or certification, or those that have been proven with actual eco-friendly benefits.
9. Under the Sustainable Development Committee, the Sustainable Procurement Task Force is responsible for drafting a plan for sustainable procurement. The Company's Board of Directors is the highest governing body for its sustainable development policy. To this end, it supervises the Sustainable Supply Chain Plan and promotes the policies, systems or relevant management guidelines and concrete plans towards the development of a sustainable supply chain that have passed the Board of Directors' resolution through the Sustainable Procurement Task Force.

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