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Circular Supply Chain

Through the implementation of various supplier management and assessment mechanisms, we continue to enhance our supply chain audit processes to ensure product quality, food safety, and compliance with relevant labeling regulations. At the same time, we strengthen supply chain management resilience and reduce operational and ESG risks through supplier assessments, international food safety certification requirements, and third-party audits. We also continue to promote sustainable procurement by increasing the adoption of sustainably certified raw materials and sustainable products. Through education and training, workshops, and guidance measures, we encourage suppliers to address sustainability issues such as labor rights and interests, human rights, the circular economy, environmental protection, and carbon reduction, working together to build a more resilient supply chain with sustainable value.

Sustainable Goal Management Process

Material Topic	Management Metrics	Medium- and Long-term Targets	2026 Targets	2025 Targets & Performance	
 Sustainable Supply Chain Management	Proportion of significant suppliers supported with development measures	40% by 2028	30%	New target..... 31.91%	New target
	Proportion or number of significant suppliers receiving desk ESG assessments/ on-site assessments	100% by 2028	110 suppliers	110 suppliers..... 102 suppliers	—
 Sustainable Procurement	Proportion of sustainably certified raw material procurement amount	32% by 2030	30%	29.5% 30.14%	↑
	Revenue share of cage-free eggs ^(Note)	6% by 2028	5.5%	0.00107% 4.4%	↑
	Proportion of wood/paper materials using recycled/certified materials	45% by 2028	35%	30% 60.28% of the weight was recycled/certified	↑

Note: The significant difference between the 2025 target and performance was mainly due to an adjustment in the calculation basis for the denominator: the target was set based on the Company's estimated total revenue, while performance was calculated based on actual revenue share from eggs. The numerators were estimated revenue and actual revenue from cage-free eggs, respectively. The short-, medium-, and long-term targets and 2025 performance are calculated using the same method.

Sustainable Development Goals & Management Policies

SDG 12
Responsible Consumption and Production

- ▶ Certified sustainable procurement of raw materials reached **7,720 million**, accounting for **30.14%**
- ▶ **100%** of private-label food suppliers with annual procurement amounts of NT\$30 million or above introduced ISO 45001

SDG 17
Partnerships for the Goals

- ▶ Local suppliers accounted for **74%** of total agricultural product procurement volume
- ▶ Local agricultural product procurement amounted to **NT\$8.958 billion**, accounting for **68%** of total procurement value

▶ Corresponding Material Topics

- Sustainable Supply Chain Management
- Sustainable Procurement

▶ Policies and Commitments

- Rules for Safety on Private-label Products
- Rules for Onsite Assessment of Private-label Product Manufacturers
- Raw Material Supplier and Raw Materials Management Rules
- Management Measures for On-site Audit of Suppliers of Food Safety Products in Stores
- [President Chain Store Corporation and President Chain Store Corporation's Subsidiaries' Code of Conduct for Suppliers](#)
- Food Product Manufacturer Risk Grading and Assessment Guide

▶ Management Actions

- Identify significant suppliers and implement Supplier Management Measures, require suppliers to sign a code of conduct, and implement desk sustainability assessments for significant suppliers and on-site assessment of specific categories of suppliers. Ensure supplier performance by identifying risks and implementing subsequent improvement plans, as well as actively building the capacity of sustainable development of the supply chain through training and ESG workshops.
- The Sustainable Procurement and Biodiversity Task Force incorporates the terms of supplier ethical corporate management and environmental sustainability into the contract, and continue to increase the proportion of sustainably-certified raw material procurement

· Supplier Training ·

President Chain Store Corporation's Marketing Department communicates regularly each year with significant suppliers of raw materials for its private-label products on the concepts of sustainable procurement and traceability management, as well as asking them to provide us with raw materials that meet President Chain Store Corporation's sustainable procurement standards. In addition to the signing of contracts, President Chain Store Corporation actively conducts supplier training and capacity building programs by providing suppliers with ESG forums, guidance for management system incorporation such as ISO 45001, introduction of certified sustainable raw materials, examples of peers with excellent ESG performance for benchmarking, as well as working with suppliers on promoting ESG services with key technologies. For details on supplier training and capacity building programs, please refer to our [sustainable development website](#).

In addition, in April 2025, President Chain Store Corporation worked with the Commonwealth Sustainability League to hold the "Sustainable Value Chain ESG Enhancement Action" workshop. In addition to explaining Commonwealth Magazine's Commonwealth Sustainable Citizenship Award and relevant assessment criteria to suppliers, the Company invited suppliers to participate in ESG assessments, using this long-term program to advance supplier sustainability performance. Experts were also invited to explain important supply chain sustainability topics such as GHG inventory and circular economy case studies, in order to build suppliers' sustainability capacity.



The targets and performance of President Chain Store Corporation's implementation of development measures for unique significant suppliers this year are as follows:

Performance & Targets		Value	Unit
2025 Performance	Number of unique significant suppliers supported with development measures ^(Note 1)	75	Number of suppliers
	Proportion of unique significant suppliers supported with development measures ^(Note 2)	31.91	%
2026 Targets	Proportion of unique significant suppliers supported with development measures	30	%

Note 1: Development measures include corrective / improvement plans, capacity building programs, and other activities that help suppliers enhance ESG performance.

Note 2: The numerator is the number of unique significant suppliers participating in development measures, and the denominator is the number of unique significant suppliers.

4.2 Sustainable Procurement

To stay updated with international trends and maximize President Chain Store Corporation's external impact in sustainability, we set up a Sustainable Procurement Task Force in 2021 to prioritize the purchase of equipment with eco-friendly or energy-saving labels. We set and review the annual procurement amount and actively increase the percentage of raw materials with sustainability certifications to enhance the benefits of sustainability for the overall supply chain in terms of environmental protection, animal welfare, energy saving and carbon reduction. The manufacturers that produce private-label products choose PB joint-purchase materials to stay in line with the principle of prioritizing the procurement of

agricultural products that value environmental protection, animal welfare and traceability based on the [Responsible Sourcing Policy for Priority Raw Materials](#). We also help raw material suppliers develop the philosophy of sustainable operations to ensure effective management of the source of private-label products. This policy identifies priority raw materials, currently including seafood, wood/paper, beef, and dairy products, with reference to international trends in the food retail industry and the level of market concern, and establishes sustainable procurement principles and requirements accordingly. Other raw materials are subject to the Company's Supplier Code of Conduct, general procurement standards, and relevant quality and safety management requirements. The scope of this policy will be reviewed regularly based on regulatory requirements, management practices, and international trends.

Green Procurement and Sustainable Raw Materials

· Green Procurement ·

President Chain Store Corporation actively manages equipment, consumables and building materials by promoting green procurement. Green building materials are chosen for store renovations, and equipment and consumables that have obtained energy labels, environmental labels or certifications, or have actual environmental protection benefits are purchased for use in stores with the hopes of reducing the consumption of natural resources and negative impact on the environment while maintaining smooth operations and service quality. The total amount for green procurement in 2025 reached NT\$2.593 billion, accounting for 22.43% of the total annual procurement amount of President Chain Store Corporation and reaching the 18% annual target. The target for 2026 has been increased to 20%.

Categories of Green Procurement		Items for Procurement	Amount (NT\$ thousand)
Energy Star	Meets the requirements of the United States' Energy Star product energy efficiency	LCD screens, laser printers	124,365
RoHS	Verifying that electrical and electronic products comply with the EU's RoHS Directive (Restriction of Hazardous Substances Directive)	Uninterruptible power supplies, coffee machines, ST, Switch, WAP, POS cash registers/back-office computers	1,164,498
Energy-saving Label	Air Conditioner Efficiency Label - Cooling Seasonal Performance Factor (CSPF) Level 1	Inverter air conditioners, circulation fans, LED lamps	272,956
	Energy Label, Bureau of Energy, Ministry of Economic Affairs		
Green Building Material Label	Obtaining the Green Building Material Label of the Taiwan Architecture & Building Center or adopting patented eco-friendly construction methods	Green building materials	66,964
Actual environmental protection benefits	- Plastic replacement - Customized equipment that has been tested by President Chain Store Corporation and proven to have energy-saving benefits	Eco-friendly packaging materials used in stores: PLA coffee cups, ice cream/slushy cups, PLA/paper straws, energy-saving devices	195,585
FSC, PEFC certification	The manufacturing process of wood products is in compliance with FSC and PEFC requirements for sustainable operations	Coffee cups, paper bags, stirrers, disposable chopsticks for boxed meals, Paper Star copy paper	768,419
Total amount of green procurement			2,592,787

In 2025, the total procurement amount of paper food packaging materials such as paper cups, paper bags, paper boxes, paper bowls, cup sleeve/cup carrier, etc. produced by FSC™/PEFC™ certified manufacturers used in the stores accounted for 96.88% of the procurement amount of paper packaging materials such as paper cups, paper bags, paper boxes, paper bowls, cup sleeve/cup carrier, etc. that year.

• Sustainable Raw Materials •

President Chain Store Corporation prioritizes the procurement of raw materials with environmental protection, animal welfare, energy-saving or carbon reduction labels, food safety certification, as well as working with suppliers to provide customers with more sustainable choices. Joint-purchase raw materials are mostly used for private-label products with sustainability certification, including boxed meals, rice balls, cold noodles, sandwiches, coffee and freshly brewed tea. In 2025, the procurement amount for sustainably certified raw materials reached NT\$7,720 million ^(Note), reaching 30.14%. Many products with third-party certifications are also sold in the stores, including Health Food Certification, the AA Anti Additive Clean Label, Carbon Footprint Label, Traceable Agricultural Products (TAP), Rainforest Alliance Certification, and FSC certification. Revenue from the aforementioned products reached NT\$30,156.71 million.

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

Category	Certification	Certification/Label
Soy	U.S. Soy Sustainability Assurance Protocol	
Coffee beans	Rainforest Alliance incl. UTZ	
Vegetables and rice	TGAP	
Aquaculture	ASC (Aquaculture Stewardship Council)	
Beef	AAWCS (The Australian Livestock Processing Industry Animal Welfare Certification System) 、NAMI (North American Meat Institute)	
Wild fish	MSC (Marine Stewardship Council)	
Poultry	PAACO (Professional Animal Auditor Certification Organization) 、Humane Animal Husbandry Certification	

Category	Certification	Certification/Label
Pork	IAWS (Interporc Animal Welfare Spain) 、Humane Animal Slaughter System 、NAMI (North American Meat Institute)	
Dairy products	ISO 14067 Greenhouse gases — Carbon footprint of products 、Cared for Cows Standard 、Foqus planet programme 、Animal Welfare Policy	
Packaging materials	FSC 、PEFC	

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

Local Procurement

President Chain Store Corporation supports local agriculture, fishery, vegetables and fruits with three strategies of "stable procurement," "sustainability" and "planned support." We believe that supporting local products not only reduces carbon footprint to realize environmental sustainability, but also brings economic benefits to local farmers as a way to help the society. In 2025, all private-label products use local rice, including Tainan 11 rice, Taiken 9, long grain sweet rice certified with a "Taiwan Rice Label." We also work with the Agriculture and Food Agency, Ministry of Agriculture, Executive Yuan to ensure the supply of high-quality fresh vegetable and fruit by cooperating with production and marketing groups through the traceability system and organic certification. We further integrated online and offline sales platforms to expand cooperation with farmers' associations, fishermen's associations and small farmers to launch localized brands or seasonal products. President Chain Store Corporation also launched the Youth Deep Roots Program together with the Good Neighbor Foundation to turn the stores into a platform for young local entrepreneurs by helping them put great products on the shelves.

In 2025, President Chain Store Corporation procured and used a total of 124,000 metric tons of special agricultural products worth NT\$13.225 billion, including rice, chicken, pork, eggs, vegetables and fruits. The percentage of agricultural products procured by suppliers in Taiwan accounted for 74% of the total at NT\$8.958 billion, which was 68% of the overall procurement amount. In the future, we will continue to increase the proportion of local procurement, actively cooperate with stakeholders, and maximize our sustainability impact as a retail business by providing consumers with more benign choices that are friendly to the environment and society.

Area	Procurement quantity (tonnes)	Percentage of suppliers by area (%)	Procurement amount (NT\$100 million)	Proportion of procurement amount (%)
Locally sourced agricultural products (local)	91,852	74%	89.58	68%
Non-locally sourced agricultural products (foreign origin)	31,957	26%	42.67	32%
Total	123,809	100%	132.25	100%