5

Good for the 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 loss and waste in our operations, as well as actively improving our ability to address climate change issues.

Sustainable Development Goals & Management Policies

SDG 2
Zero Hunger

In 2025, the"iLove Food" program reduced food waste by 20,472.50 metric tons.

SDG 12
Responsible Consumption and Production

The OPEN iECO® Recycled Cups Renting Service has been adopted by 2,528 stores with 21.75% of consumers bringing their own cups.

SDG 13
Climate Action

Store energy-saving actions saved the equivalent of 45,346.74 metric tons of CO_2e in 2025.

SDG 15
Life on Land

The procurement amount for certified raw materials for paper in 2025 was NT$ 768,419 thousand.

Corresponding Material Topic

- Food Waste and Waste Management
- Climate Change
- Packaging Material Management

Policies and Commitments

- Environmental policy
- GHG policy
- Energy policy
- Packaging material management
- Waste and food waste management

Management Actions

- Inventory and management of environmental information (greenhouse gas emissions, packaging material consumption, waste removal and food waste production 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, continuing to increase the percentage of green electricity
- Food waste management (reducing the scrap rate of fresh food, improving the management mechanism of the OEMs, improving the recovery rate of food waste, order-to-delivery system)
- Waste management (setting up a convenient eco-friendly recycling platform in stores, refurbishment and reuse of store equipment, waste reduction for all operating locations, managing waste flows with suppliers)

Sustainable Goal Management Process

Material Topic	Management Metrics	Medium- and long-term Targets	2026 Targets	2025 Targets & Performance		
Climate Change	Percentage reduction in store electricity use intensity (EUI) compared with the previous year	Store electricity use intensity (EUI) reduced by 0.5% compared with the previous year	Store electricity use intensity (EUI) reduced by 0.5% compared with the previous year	Store electricity use intensity (EUI) reduced by 0.5% compared with the previous year	Store electricity use intensity (EUI) reduced by 2.65% compared with the previous year	Exceeded
	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	Reduced by 60% compared to 2020	Reduced by 1.5% compared with the previous year	Reduced by 1.5% compared with the previous year	Reduced by 1.75% compared with the previous year	Exceeded
Packaging Material Management	Proportion of consumers bringing their own cups (Note 1)	24% by 2028	22%	21%	21.75%	Exceeded
	Number of stores adopting the Recycled Cups Renting Service (Note 1)	Following regulations regarding single-use beverage cups	2,530	2,500	2,528	Exceeded
	Proportion of other single-use plastic for private-label products and materials	10% of other single-use plastic by 2028, completely eliminating plastic shopping bags and plastic straws Completely eliminating other single-use plastic by 2050	17%	18%	16.25%	Exceeded
Food Waste and Waste Management	Total weight of food loss and waste discarded (with 2019 as base year)	4,461 metric tons by 2030 50% reduction by 2030	5,064 metric tons with a 43.24% reduction compared to the base year	5,366 metric tons with a 39.9% reduction compared to the base year	4,404 metric tons with a 76% reduction compared to the base year	Exceeded
	Total weight of all food loss and waste	11,605 metric tons by 2030 Halving by 2030 (with 2019 as base year)	11,282 metric tons	11,241 metric tons	14,430 metric tons	Not Achieved
	Total weight of food loss and waste volumes used for alternative purposes	7,144 metric tons by 2030	6,218 metric tons	5,875 metric tons	10,026 metric tons	Exceeded
	Proportion of volume for waste removal reduction in each store (base year 2019) (Note 2)	45% of reduction by 2028	25%	20%	22.22% of reduction from the base year	Exceeded

Note 1 : The online processing rate is the rate of giving consumers explanations online and successfully solving the problem afterwards. The case closing rate is the percentage of cases that cannot be effectively addressed online and require follow-up and settlement after being handled by the responsible unit.

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 5.4 Food Waste and Waste Management.

Exceeded　Achieved　— Not Achieved

5.1 Environmental Management

Policies and Commitments

President Chain Store Corporation promotes environmental management in accordance with its sustainability governance structure. The Company has established management policies covering issues such as environment and energy, net-zero carbon reduction, packaging materials, food loss and waste, water resources, and biodiversity, and has set short-, medium-, and long-term targets accordingly, integrating sustainability governance into operations and value chain processes. Since naming 2021 as "Year One of Sustainability," the Company has continued to enhance its management strategies for plastic reduction, carbon reduction, food loss and waste reduction, sustainable procurement, and biodiversity. It also strengthens stakeholder communication through the Joint Service Center hotline (0800-008-711) and email (public@mail.7-11.com.tw), in order to enhance information transparency and response efficiency.

In accordance with the "President Chain Store Corporation Corporate Sustainability Development Code of Practice" , the Sustainable Development Committee under the Board of Directors and its Environmental Task Forces coordinate relevant issues and report regularly to the Board of Directors. The Company also follows the "President Chain Store Corporation Environmental Policy" to ensure regulatory compliance in environmental management measures, clearly define governance responsibilities, and encourage the Company, its affiliated enterprises, and key suppliers to jointly implement environmental regulations, improve resource efficiency, reduce operational impacts, and support environmental education. In the meantime, the Company responds to the 1.5° C climate target of the Paris Agreement and is committed to achieving net-zero emissions in Taiwan store operations by 2050.

In addition, President Chain Store Corporation regards energy conservation and carbon reduction as core items of operational management. In accordance with energy regulations, the Company promotes energy-saving design, improves energy efficiency in stores, and develops sustainable products and services to strengthen the resilience of sustainable operations. The Company also promotes carbon reduction measures based on GHG inventory results, and has publicly committed to achieving net-zero emissions for Scope 1 and Scope 2 by 2050, in line with regulatory trends and international climate governance requirements, fulfilling its corporate responsibility for environmental sustainability.

· Environmental Management System Verification ·

The environmental management processes of President Chain Store Corporation's operating sites are established based on the framework of the international standard ISO 14001, ensuring that environmental management from headquarters to stores complies with the Company's Environmental Policy and relevant regulations. In 2025, the headquarters building continued to obtain ISO 50001 Energy Management System verification and also obtained ISO 14001 Environmental Management System (EMS) verification, setting a benchmark for the Company's environmental management processes. Since 2025, President Chain Store Corporation has further launched an internal audit process for store environmental management, actively managing the energy and resources used at operating sites. The Operation Planning Department coordinates the distribution of store self-assessment checklists, which are completed by each store and returned to headquarters. Relevant units then manage stores based on the self-assessment results. The self-assessment questionnaire covers issues such as store food loss and waste management and flow, implementation of environmental issue communications, equipment inspection and maintenance, and water quality testing. In 2025, internal audit management was completed for 1,043 operating sites. In addition, headquarters also commissions district consultants to conduct planned store visits and inspections. These inspections cover six major environmental management themes. After inspection, store personnel and franchisees sign to confirm the results, which are also reviewed and signed off by the district manager.

Environmental Management Verification and Internal Audit Coverage in 2025

Environmental Management	2025	Proportion
Obtained International ISO 14001 Environmental Management System Verification	1	0.01%
Number of sites obtained other Third-Party Verification (ISO 50001)	3	0.04%
Number of sites completing internal audits	1,043	13.97%
Total number of sites	7,468	14.02%

Communication and Training

Through various campaigns, online courses, and education and training, President Chain Store Corporation connects policies with practice and conveys them to store partners, embedding environmental management into the daily work of every partner. In 2025, a total of 25,870 participants completed environmental-related communications and courses. Participants included all employees, directly operated store employees, and franchisees.

Environmental Topics Communication and Training Courses in 2025

Topics	Target	Person-Hours
Plastic reduction online course	All employees / Franchisees	1,477
In-store recycling and coffee grounds reuse	Store employees / Franchisees	4
In-store energy-saving and carbon reduction measures	Store employees / Franchisees	220
Trends in carbon reduction and sustainability in the retail industry	Store employees / Franchisees	651
Total person-hours		2,352
Participants		25,870

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, reducing the impact of the Company's own operations on local water resources is an important part of President Chain Store Corporation's overall operating value chain. The Company's water use policy is based on the management principles of its Environmental Management System and is covered under "President Chain Store Corporation's Environmental Policy", which emphasizes making the best use of resources, improving resource recycling and reuse, and being mindful of resources. All operating sites of President Chain Store Corporation use tap water. Apart from water used for freshly prepared beverages, the majority of overall water use is for cleaning the stores. At present, water-saving faucets and water-saving toilets have been introduced for water-using equipment in stores. In addition, pilot measures for RO reverse osmosis water reuse and rainwater collection have been carried out at stores, with reclaimed water reused for store cleaning.

In 2025, the total water withdrawal of President Chain Store Corporation was 3,779,783.43 cubic meters, and the total water consumption was 153,534.92 cubic meters. The scope includes stores, headquarters, shopping malls, and regional offices. The average water consumption per store was 476.89 cubic meters, representing an increase of 4.55% compared to the base year. After analyzing the correlation between operating activities and water consumption in stores, water used for freshly prepared beverages was excluded as the basis for managing store water consumption. President Chain Store Corporation commits to using 2019 as the base year and, after excluding water used for freshly prepared beverages, reducing actual water consumption per store by 1% annually compared with the base year. By 2025, water consumption per store is expected to be reduced by 5% compared to the base year. Nevertheless, actual water consumption per store in 2025 increased by 3.68% compared to the base year. The company will continue to monitor changes in water consumption to inform future target setting and water management, with a goal for 2026 to maintain a 5% reduction per store compared to the base year. Concurrent with these efforts, proactive water-saving measures have been adopted. These include the installation of water-saving devices in restroom taps and pantries at headquarters, equipping urinals with water-saving devices, adjusting the optimal water output of toilets, and reducing the frequency of sprinkler irrigation for landscaping.

Biodiversity Management

· Biodiversity Policy and Risk Management ·

President Chain Store Corporation understands that, amid rapid globalization and urbanization, chain convenience stores have become deeply integrated into people's daily lives. Store operations and the value chain not only affect natural ecosystems but also rely heavily on the sustainability of natural resources. Since 2022, President Chain Store Corporation has formally issued its "Biodiversity Policy and No Deforestation Commitment", clearly requiring all operating sites and supply chains to follow relevant principles and fulfill the Company's responsibility for biodiversity conservation.

In response to the increasing importance of biodiversity issues, President Chain Store Corporation has incorporated biodiversity into the Sustainable Procurement and Biodiversity Task Force, and manages biodiversity as an inherent risk, with progress tracked at quarterly meetings. In terms of its own operations, the Franchise and Development Department coordinates the management of biodiversity issues related to store operations, assessing the dependence and impact of existing and new stores on regional natural resources, and managing these issues based on the risk assessment results. In addition, we have incorporated biodiversity and ecological impact into the supplier management process. Through the supplier self-assessment questionnaire, we review suppliers' dependence on and impact on the ecological environment in their operating activities, as well as whether their operations involve ecologically sensitive areas. For suppliers with potential risks, we require them to explain relevant management or response measures as part of sustainable supply chain risk control.

· Biodiversity Risk Assessment and Mitigation Actions ·

To effectively carry out biodiversity conservation and mitigation actions, President Chain Store Corporation has established a biodiversity risk assessment process for its own operations and surrounding areas, and has also incorporated biodiversity issues into supplier risk assessments. To achieve net positive impact on biodiversity across all 7-ELEVEN operating sites and continue reducing the impact of operating activities on the ecological environment, 7-ELEVEN has incorporated ecological self-assessment into the new store opening process. This is intended to identify areas with high biodiversity risks and adopt corresponding friendly measures to mitigate the impact of operations on the natural environment.

Since 2024, the Company has worked with an external environmental consulting firm to design the store ecological self-assessment process, and has referenced the concept of the Taskforce on Nature-related Financial Disclosures (TNFD) to conduct ecological impact assessments. Based on the LEAP approach, the Company has proposed a series of ecological conservation and biodiversity-friendly strategies for store operations across Taiwan, facilitating the future implementation of diverse ecology-friendly measures.

To identify operating sites of different risk levels, President Chain Store Corporation classifies its operating sites into low-, medium-, and high-risk areas according to the risk grading definitions, and prioritizes actions for medium- and high-risk operating sites.

Biodiversity Risk Level Definitions and Action Plans

Level	Definition	Action Plans
A High Risk	Stores located in areas such as nature reserves, wildlife refuges, major wildlife habitats, nature protected areas, national parks and national nature parks, and the conservation corridors of the Taiwan Ecological Network (TEN), and involving important habitats of protected species or species classified as Vulnerable or above in the Taiwan Red List.	If the store is located in an area of high commercial value and may affect biodiversity, it is recommended that the scale be reduced and ecological experts and consulting firms be invited to develop countermeasures, such as relocation or abandoning store expansion, to reduce ecological impact. High risk indicates that there are local species vulnerable to the impacts of convenience store operations. Professional assessment is required to evaluate ecological negative impacts, positive community benefits, and the store' s operational feasibility. If all three conditions are met, the store may be upgraded to A+, for example, operating as an ecological concept store.
B Medium Risk	Stores located in areas such as nature reserves, wildlife refuges, major wildlife habitats, nature protected areas, national parks and national nature parks, and the conservation corridors of the Taiwan Ecological Network (TEN), but not involving important habitats of protected species or species classified as Vulnerable or above in the Taiwan Red List.	Implement eco-friendly store design or operational measures, ecological education, and communication measures, and regularly organize related awareness campaigns or activities to raise environmental awareness among employees and customers.
C Low Risk	Stores not located in any of the areas of concern mentioned above, such as independent or street-front stores in commercial or non-ecologically sensitive areas, are considered to have relatively minor environmental impacts.	These stores may follow standard store expansion procedures.

In 2025, President Chain Store Corporation conducted on-site assessments of all operating stores, covering a total of 7,248 stores. The assessment identified 617 stores located in operating sites with potential biodiversity impacts, and 2 stores in operating sites where biodiversity impact management and monitoring measures have been implemented. As these areas are rich in biodiversity, the assessment indicated that the relevant stores should strengthen environmental management measures to reduce potential impacts on ecosystems and promote sustainable operations.

Item	Number of Operating Sites	Area of Operating Sites (hectares)
Total number of operating sites	7,248	116.57 hectares
Operating sites subjected to biodiversity impact assessments	7,248	116.57 hectares
Operating sites with high potential for biodiversity impact	617	11.026 hectares
Operating sites affecting biodiversity with implementation biodiversity impact managing and monitoring systems	2	0.054 hectares

In view of the assessment results, President Chain Store Corporation selected Youyu Store and Maolin Store in 2025 for management and monitoring, prioritizing avoidance and mitigation measures for these two stores classified as medium risk. The areas surrounding the stores are important overwintering and migration habitats for purple crow butterflies. To enhance public awareness of purple crow butterfly conservation, the Company has collaborated with the Taiwan Purple Crow Butterfly Conservation Association. The stores serve as ecological demonstration sites for purple crow butterflies, and action plans along with effectiveness tracking will be carried out.

Youyu Store

Table stickers have been placed. Customers can scan to access information authorized and provided by the Taiwan Purple Crow Butterfly Conservation Association. The store operating space also incorporates purple crow butterfly imagery, with knowledge murals and themed visual designs planned, transforming the store into a demonstration site that connects environmental education with community exchange.

Maolin Store

Located near the internationally renowned "Purple Butterfly Valley," one of only two major overwintering valleys for milkweed butterflies in the world, the area welcomes the spectacular migration of purple crow butterflies from November to March each year. The store uses purple crow butterflies and mountain forest colors as its main visual theme, incorporating local Indigenous cultural elements. OPEN-Chan appears in traditional clothing, symbolizing visitors'entry into a land rich in both cultural and ecological value. The store plans ecological window stickers, nectar plant cultivation, and ecological displays to provide purple crow butterflies with resting and foraging spaces. Through bird-safe glass design and environmental adjustments, the store also reduces the risks of window strikes and roadkill.

President Chain Store Corporation will continue to stay updated with biodiversity issues, protect the ecological environment, and operate sustainably. Going forward, the Company will continue to assess investment in other ecology-friendly measures and care for more biological groups. These measures include reducing nighttime light intensity, adjusting light wavelengths, and using curtains to reduce disturbance to phototactic organisms; using bird-strike prevention illustrated stickers or other visible markings to help birds identify glass walls and reduce collision incidents; optimizing store and surrounding environmental management, as well as waste sorting and recycling, to reduce impacts on the ecological environment; using permeable bricks to reduce rainwater runoff, promote soil and water conservation, and provide shelter for small animals; and planting native plants to enhance biodiversity and the environment. The Company will also hold regular campaigns in the future to raise environmental protection awareness among employees and customers.

· Biodiversity Mitigation Hierarchy ·

We adopt the mitigation hierarchy to reduce impacts on biodiversity, avoiding the establishment of new stores in ecologically sensitive areas, reducing the impacts caused by existing store operations, and committing to regeneration, restoration, and transformation in order to achieve harmonious coexistence with the natural environment.

Avoidance

The ecological self-assessment system has been formally incorporated into the store expansion governance framework. This year, the Company conducted ecological assessments of stores and also included potential 2026 store sites in the assessment. Even if these sites are not ultimately selected, they are considered in advance. Before new stores are approved, the Company completes location sensitivity identification and risk review to confirm whether the site involves nature reserves, wildlife refuges, national parks, the Taiwan Ecological Network (TEN), or important habitats of protected species or species listed in the Taiwan Red List. Avoiding operations in high-risk areas has become a principle for preliminary decision-making, excluding potential biodiversity impacts from the source rather than remedying them afterward, thereby embedding the avoidance principle into the store expansion decision-making process.

Reduction

President Chain Store Corporation has established a store biodiversity risk classification management framework, completed risk identification for existing stores, and incorporated nighttime lighting, transparent glass, waste handling, vehicle gathering, and crowd gathering into the management scope of major operational impact factors. Current measures include bird-strike prevention design, glass stickers with patterns that can be recognized by the birds, automatic nighttime dimming or lights-off mechanisms, warm-colored low color-temperature downward-facing lighting, and strengthened waste management, in order to reduce disturbance to species activity and environmental quality. Going forward, the Company will gradually optimize mitigating mechanisms based on site conditions, keeping operational impacts within a manageable scope.

Regeneration

The Company promotes the "Sustainable Farm" project, converting coffee grounds and food waste recovered from stores into organic fertilizer for application to crops. This establishes a circular mechanism and enhances productivity of soil ecosystems. In addition to reducing the burden caused by waste, this approach strengthens the ecological resilience of agricultural landscapes. Going forward, the Company will gradually promote greening and microhabitat creation at store sites, supporting pollinator habitats and strengthening ecosystem service functions, so that operations can move beyond impact reduction toward improving the environment.

Restoration

Through the introduction of sustainable procurement mechanisms, such as the procurement of FSC- and PEFC-certified paper packaging materials and Rainforest Alliance-certified coffee raw materials, the Company reduces the pressure that raw material sourcing places on forests and natural resources, while supporting the maintenance and restoration of ecosystems in places of origin. Going forward, the Company will gradually expand the procurement of products with low chemical input, ecological or organic certification, and participation in ecological payment mechanisms, linking supply chain decisions with the maintenance of ecosystem services, strengthening producer-side responsibility for natural resource management, and forming a long-term mechanism to support ecological restoration.

Transformation

With reference to TNFD and the LEAP approach, the Company has established an identification framework for nature-related dependencies and impacts, elevating biodiversity issues from site management to institutional-level decision-making logic. Going forward, the Company will gradually extend this management framework to supply chain and product portfolio optimization. By incorporating the Satoyama Initiative's concept of linking production, ecology, and living landscapes, the Company will use sustainable procurement and product structure adjustments to guide consumption behavior with lower GHG emissions and lower land and water resource use intensity, forming a systematic transformation pathway extending from operations to the value chain.

5.2 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.

In response to plastic reduction trends, the Ministry of Environment's plastic reduction policies, and external stakeholders' expectations regarding packaging material issues, President Chain Store Corporation continues to pay close attention to the Global Plastics Treaty. Although no progress was made after the sixth round of negotiations in 2025, President Chain Store Corporation has already made advance preparations. The Company has established a Plastic Reduction Task Force responsible for management, and has taken proactive action to ensure compliance with the Ministry of Environment's plastic reduction regulations. Together with consumers and suppliers, the Company is gradually reducing plastic use. President Chain Store Corporation has established a comprehensive management policy for the packaging materials of private-label products. The goal is to reduce virgin plastic use in private-label product packaging and materials by 30% by 2030 compared with the 2019 baseline, and to transition 50% of private-label product packaging and materials to eco-friendly materials. President Chain Store Corporation is also actively adopting plastic reduction management actions, integrating operating strategies across private-label products and services, logistics, e-commerce, and other aspects. Through these actions, the Company aims to achieve the vision of reducing the proportion of other single-use plastics to 10% by 2028, fully phase out plastic shopping bags and plastic straws, and eliminate all other single-use plastics by 2050. For the detailed plastic reduction schedule and progress toward 2025 targets, please refer to Sustainable Goal Management Process.

Taking environmental, ecological protection and sustainable operations into consideration, the Company gives priority in raw material procurement to suppliers that offer eco-friendly materials, certified packaging materials, and lightweight or weight-reduced packaging designs. It has also formulated targets for the packaging materials of private-label products.

01 To achieve source reduction and lower plastic consumption, the Company aims to reduce the share of other single-use plastics to below 10% by 2028:

- Ice makers were introduced to reduce the use of plastic packaging bags for ice. In 2025, they had been introduced in a total of 4,604 stores, reducing plastic use by 305.70 metric tons.
- Sealing machines were introduced to reduce the use of single-use cup lids. In 2025, a cumulative total of 5,200 machines had been introduced, reducing plastic use by 294.85 metric tons.

02 President Chain Store Corporation worked with its affiliated enterprise, President Packaging Industrial Corp., to jointly establish and develop a reusable container service, responding to the appeal to "transform from manufacturing single-use containers to developing reusable options":

- In response to regulations, the Company introduced the Recycled Cups Renting Service. In 2025, the service was introduced in 2,528 stores, exceeding the target of 2,500 stores. The proportion of consumers bringing their own cups reached 21.75%, achieving the annual target of 21.00%.
- To encourage consumers to make greater use of reusable packaging materials or containers, the Company implements a bring-your-own-cup incentive mechanism for freshly prepared beverages. For example, it continues to respond to Ministry of Environment regulations by offering NT$5 off for consumers who bring their own cups, with additional promotions such as NT$7 off CITY series beverages on the first day of each month when consumers bring their own cups.

03 In 2025, the paper cups used in stores introduced FSC-certified paper packaging materials.

04 President Chain Store Corporation has established a cross-departmental Plastic Reduction Task Force(Note), bringing together the efforts of internal employees and external suppliers to promote packaging material reduction strategies, targets, and action plans, and to track implementation performance. Quarterly meetings are held to track the implementation of each action plan. The manpower and testing resources required, including the task force, R&D, testing personnel, and raw material testing costs, amount to approximately NT$2.5 million each year. The Plastic Reduction Task Force also works with a consulting firm to accurately understand external competition and industry information.

Note: For details on the responsibilities of each unit within the Plastic Reduction Taskforce, please refer to Section 4.2 Packaging Material Management – Plastic Reduction Taskforce and Responsibilities in the 2024 Sustainability Report (p. 93).

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 private-label 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.

Classification of Plastic Packaging Materials of President Chain Store Corporation

Plastic Classification		Description
Use	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
Material	Recyclable plastic	Recyclable plastics as defined by the EPA
	Compostable/ decomposable plastic	Compostable and technically recyclable plastic packaging has been developed
	Plastic with recycled content	Plastic products containing plastic that is recycled for reuse
	Other plastic	Plastics that cannot be recycled, composted/decomposed or reused
Source	Virgin fossil-based plastic	Plastic produced directly using natural gas or crude oil and do not contain any recycled content
	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 2025, President Chain Store Corporation's total use of plastic packaging materials was 12,218.15 metric tons, an increase of 3.89% compared with 2024. The overall increase in plastic packaging material use was mainly due to the continued growth of store operations, which affected packaging material use. President Chain Store Corporation has publicly announced phased reduction targets: the proportion of other single-use plastics shall be lower than 18% in 2025, lower than 10% in 2028, and completely phased out by 2050. In 2025, other single-use plastics accounted for 16.25% of total plastic use, achieving the plastic reduction target set for the year. We continue to monitor consumption and implement improvement measures to reduce other single-use plastics. We also continued to increase the use of plastic with recycled content, which grew by 175.31% compared with 2024. In addition to the continued use of 100% recycled plastic for store garbage bags, President Chain Store Corporation continues to promote shopping bags made with recycled plastic materials, namely 100% recycled PE plastic shopping bags. The Company also continues to promote food containers made with recycled plastic, or Recycled PET (rPET). Packaging containing 30% recycled plastic has been adopted for selected products, including mixed vegetable salad, mixed seaweed salad, Japanese Inari sushi, as well as tuna and pork floss. For detailed management measures, please refer to the section on Plastic Reduction Management Actions.

Changes in Plastic Usage of President Chain Store Corporation's Private-Label Product Packaging and Materials, 2024–2025.

Plastic Classification		Weight (Metric Tons)		Differences between the Two Years
		2024	2025	
Total Weight of Plastic		11,760.67	12,218.15	3.89%
Use	Reusable plastic	19.33	14.18	-26.66%
	Single-use plastic	11,741.34	12,203.97	3.94%
Material	Recyclable plastic	9,276.04	10,217.99	10.15%
	Compostable/decomposable plastic	0.00	0.00	0.00%
	Other plastic	2,484.63	2,000.16	-19.50%
Source	Virgin fossil-based plastic	11,111.54	10,431.07	-6.12%
	Virgin renewable plastic	0.00	0.00	0.00%
	Post-consumer recycled plastic (Plastic with recycled content)	649.12	1,787.08	175.31%

· 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 2025, overall use of non-plastic packaging materials, including paper/wood and metal, decreased by 8.04% compared with the previous year. The reduction in paper packaging was mainly attributable to increased use of consumers' own cups and the Recycled Cups Renting Service for coffee products, while the use of metal packaging materials was mainly affected by the outer packaging used for coffee beans and freshly extracted tea products for beverages.

Statistics of Plastic and Non-plastic Packaging Material Consumption for Private-label Products and Materials in 2025.

The Life Cycle Stage of Private-label Products and Services		Manufacturing and Production	Supplier/ Manufacturer	Logistics Delivery to Stores	Store Sales and Services	Total of Each Category (Metric Tons)	Total weight (Metric Tons)
Packaging Material		○ Fresh food packaging, freshly prepared beverage supplies, cutlery ▲ Packaging for coffee beans Packaging for tea leaves	○ -Fresh food sealing film ■ -Box packaging -Paper container for fresh food -Coffee cup holders and cup sleeves -Paper bags for reheated food -Packaging for disposable chopsticks	■ Delivery cartons ○ Shipping film	○ Shopping bags and trash bags Cutlery and sauce packaging Delivery and e-commercial-packaging Buffer materials and tape Cup sealing films ■ Online shopping center iPre-order delivery cartons, MyShip boxes, fresh food cartons, paper bowls and store supplies		
Classification		Weight (Metric Tons)					12,218.15
Use (plastic)	Reusable plastic	0.00	0.00	0.00	14.18	14.18	12,218.15
	Single-use plastic	7,509.29	0.00	17.38	4,677.30	12,203.97	
Material (plastic)	Recyclable plastic	6,831.83	0.00	0.00	3,386.17	10,217.99	12,218.15
	Compostable/ decomposable plastic	0.00	0.00	0.00	0.00	0.00	
	Other plastic	677.46	0.00	17.38	1,305.32	2,000.16	
Source (plastic)	Virgin fossil-based plastic	7,346.89	0.00	17.38	3,066.80	10,431.07	12,218.15
	Virgin renewable plastic	0.00	0.00	0.00	0.00	0.00	
	Post-consumer recycled plastic (Plastic with recycled content)	162.40	0.00	0.00	1,624.69	1,787.08	
Non-plastic-paper/wood	Paper/wood (total weight)	1,300.75	977.15	92.22	9,955.91	12,326.02	12,326.02
	Paper/Wood (FSC certified weight)	0.00	0.00	0.00	6,822.24	6,822.24	
	Paper/Wood (PEFC certified weight)	303.40	0.00	0.00	255.33	558.72	
	Paper/Wood (recycled paper weight)	0.00	0.00	0.00	0.00	0.00	
Non-plastic-metal	Metal (total weight)	310.11	0.00	0.00	0.00	310.11	310.11
	Metal (ASI certified weight)	310.11	0.00	0.00	0.00	310.11	

○ Plastic ■ Paper/wood ▲ Metal (compound material)

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 2025, a total of 2,528 stores have been incorporated with the hope of providing convenient services while working towards environmental protection.

· Single-use Plastic Reduction ·

< Reducing Single-Use Containers — Bring-Your-Own-Cup and Recycled Cups Renting Service >

Through the bring-your-own-cup discount and the OPEN iECO® Recycled Cups Renting Service, President Chain Store Corporation continues to make reusable containers part of everyday consumption and reduce the environmental burden of single-use beverage cups. In 2025, the Company maintained the scale of its Recycled Cups Renting Service on the foundation already established. The service was available at approximately 2,528 stores, accounting for around 35% of all stores in Taiwan and exceeding the regulatory requirement of 30%. Since 2022, President Chain Store Corporation has integrated Group logistics and cup-cleaning partners to establish an operating process that complies with the Ministry of Environment's Good Service Guidelines for Recycled (Renting) Cups. Through regular self-inspections, cleaning records, and outsourced testing, the Company continues to ensure that every recycled cup meets food safety requirements for cleanliness and hygiene. Going forward, President Chain Store Corporation will combine Group channels and its digital membership system to improve the borrowing and return experience, making it easier and more reassuring for consumers to choose the Recycled Cups Renting Service when purchasing beverages.

Through the OPEN iECO® Recycled Cups Renting Service and incentives such as NT$5 off when bringing your own beverage cup, President Chain Store Corporation continues to encourage consumers to replace single-use beverage cups with reusable containers. In 2025, the Company set a combined usage target of 21% for bring-your-own cups and recycled cups. Actual usage reached approximately 21.75%, up around 1.51% from the same period last year, steadily reducing the use of single-use containers. Based on the PE coating weight of the cup body (approximately 1.1 g per cup), plastic reduction in 2025 reached approximately 120.83 metric tons, with an overall plastic reduction benefit of approximately 100.73 metric tons. The cup lid portion is estimated to have reduced plastic use by approximately 516.27 metric tons. This shows that consumers are gradually developing the habit of replacing single-use containers with their own cups and recycled cups with no impact on their purchase or consumption experience. Looking ahead, President Chain Store Corporation will continue to connect these efforts with environmental occasions such as Earth Day, World Environment Day, and DJ BIC-related activities. The Company will actively communicate with stores through marketing initiatives, business training, and online learning courses, strengthening store sales personnel's ability to communicate the value of recycled cups and bring-your-own cups, so that reusable containers become a natural choice in everyday consumption.

< Store Service Plastic Reduction — Introduction of Ice Makers and Sealing Machines >

Since 2022, President Chain Store Corporation has gradually introduced ice makers at stores to replace bagged ice used for freshly prepared beverages, reducing the environmental burden of single-use plastic packaging. Building on the expanded capacity achieved in 2024, the Company set a 2025 target to reduce the use of 160 million bags of ice and achieve 280 metric tons of plastic reduction. This year, ice makers were installed in approximately 4,604 stores, reducing the use of around 152.8 million ice bags and delivering an estimated plastic reduction benefit of approximately 305.70 metric tons. Going forward, the Company will continue to review stores with suitable installation conditions, with plans to complete installation at approximately 1,260 stores before 2026. It will also develop compact ice makers less than 40 centimeters wide to support stores with more limited space. The Company aims to make the replacement of bagged ice with ice makers a standard practice for freshly prepared beverages across all channels, while maintaining beverage quality and operating efficiency.

Since 2023, President Chain Store Corporation has gradually introduced sealing machines at stores to reduce the use of single-use cup lids for coffee and tea beverages. In 2025, the Company continued to expand capacity on the existing foundation, making sealing machines standard equipment for newly opened and renovated stores. This year, sealing machines were installed in approximately 5,200 stores, a significant increase from the previous year. Each cup reduces plastic use by approximately 2.52 grams, calculated as cup lid weight minus sealing film and straw. In total, this reduced the use of approximately 117.00 million single-use cup lids, corresponding to a plastic reduction benefit of approximately 294.85 metric tons, exceeding the original annual reduction target of approximately 214 metric tons. The Company will continue to identify stores meeting the conditions for equipment installation (approximately 1,384 stores have been planned for installation) and optimize the allocation of sealing machines based on beverage categories and sales momentum. This aims to make "using sealing films instead of cup lids" the mainstream option for freshly prepared beverages in stores. By maintaining drinking convenience and quality, this approach steadily expands the reduction of single-use cup lids.

< Product Packaging Plastic Reduction — Recycled Plastic Shopping Bags and Fresh Food Packaging >

President Chain Store Corporation is committed to reducing the environmental burden of product packaging. Since 2019, the Company has expanded the use of recyclable plastic and continued to reduce packaging weight to lower environmental impact. President Chain Store Corporation continued the 100% recycled PE plastic shopping bags launched in 2024. These shopping bags are made from 95% recycled plastic and 5% recycled plastic from empty milk bottles. In 2025, the Company continued to replace single-use virgin plastic shopping bags with shopping bags containing a high proportion of recycled materials, reducing the use of virgin plastic by approximately 753.2 metric tons. Among these, sales of large bags reached approximately 54.36 million units, reducing the use of virgin plastic by an estimated monthly average of approximately 52.1 metric tons. Extra-large bags were launched in July, with sales reaching approximately 5.43 million units, reducing the use of virgin plastic by a monthly average of approximately 21.3 metric tons.

President Chain Store Corporation continues to promote food containers made with Recycled PET (rPET). In 2025, the Company further worked with affiliated enterprises to introduce an internal recycled plastic loop model, turning recycled PET bottles into fresh food packaging containing 30% recycled plastic. This packaging has been applied to selected products such as mixed vegetable salad, mixed seaweed salad, Japanese Inari sushi, and tuna and pork floss. Since its introduction in May, annual rPET use has reached 162.4 metric tons. The Company continues to reduce its reliance on single-use plastics and virgin plastic while ensuring product quality and stable supply. Going forward, applicable product categories and usage ratios will be reviewed and adjusted continuously according to changes in recycling volume and packaging development results.

To further expand the benefits of fresh food packaging reduction, President Chain Store Corporation introduced sealing film design for selected salad products in 2025, replacing the original thick plastic lids with recycled plastic sealing film. This measure reduces the amount of plastic used per product without compromising product freshness or the consumer experience. The original annual plastic reduction target was 25 metric tons. Packaging adjustments were introduced for 10 salad products, reducing plastic use by approximately 38.41 metric tons, slightly exceeding the original plan. Going forward, the Company will continue to assess more fresh food categories suitable for sealing film technology, and combine this with the internal recycled plastic loop program to gradually expand the application of new technologies and enhance the overall benefits of packaging reduction and resource circularity.

< Plastic Reduction in Online Shopping Packaging — Recycled Mailing Bags and Biodegradable Mailing Bags >

In response to regulatory requirements for an average packaging weight reduction rate of at least 30% for online shopping packaging by 2025, President Chain Store Corporation has continued to reduce and optimize materials for MyShip mailing packaging since 2022, gradually introducing biodegradable mailing bags to reduce virgin plastic use. In 2025, the Company continued this direction, adopting monthly communication and free biodegradable mailing bag promotions for senders as its main strategy. Through explanations from store personnel and prompts during the parcel-sending process, customers are encouraged to choose packaging materials with a lower environmental impact without compromising the parcel-sending experience. In 2025, biodegradable mailing bags reduced plastic use by 7.19 metric tons, demonstrating that, even as parcel volume continued to grow, the Company was able to balance service convenience with environmental responsibility. Going forward, President Chain Store Corporation will continue to prioritize promotion at stores with stronger online shopping demand, based on parcel volume and customer characteristics. It will also combine packaging design optimization with customer education and communication to steadily increase the proportion of biodegradable mailing bags.

In addition to reducing the weight of mailing bags and introducing biodegradable materials, President Chain Store Corporation is also actively replacing virgin plastic with recycled plastic to reduce the overall environmental impact of MyShip mailing packaging. In 2025, MyShip mailing bags were further adjusted to include approximately 60% recycled material, directly reducing virgin plastic use with no impact on parcel safety, durability, or visual identification. In 2025, this reduced virgin plastic use by approximately 14.61 metric tons, showing that the increased proportion of recycled material has generated measurable plastic reduction benefits in actual operations. In the meantime, the Company continued to use the ibon shipping label printer introduced in the previous year. Adhesive labels can now be attached directly to packaging, which has continued to reduce, and in April 2024 eliminated, the need for dedicated service form bags and other additional packaging materials. This further lowers unnecessary paper and plastic resource consumption in the parcel-sending process, making each delivery action better aligned with the goal of balancing service convenience and environmental responsibility.

< Plastic Reduction Approach across the Value Chain >

Global plastic waste has become a risk that can no longer be ignored. In addition to continuously managing the use of packaging materials in its own operating services and products, President Chain Store Corporation recognizes that greater impact can only be achieved through the joint participation of the value chain. Starting in 2025, President Chain Store Corporation began proactively monitoring plastic reduction results among suppliers of non-private-label products. Supplier plastic reduction actions include lowering the proportion of plastic used in product packaging and replacing plastic containers with paper containers. In 2025, these efforts reduced plastic use by 154.61 metric tons. President Chain Store Corporation will continue to monitor supplier plastic reduction performance and set internal tracking targets. Through the supplier sustainability self-assessment questionnaire, the Company also seeks to understand whether food suppliers have adopted measures to reduce product packaging waste, and whether they have related recycling or reuse plans. Regular supplier education and training are also used to raise supplier awareness and encourage suppliers to pay closer attention to the global plastic waste issue, with the aim of expanding sustainability impact across the value chain.

5.3 Climate Change Mitigation and Adaptation

Facing the global challenges brought by climate change, President Chain Store Corporation actively monitors climate-related issues, responds to international climate initiatives, and is committed to following the Paris Agreement by limiting the global temperature rise to no more than 1.5°C above pre-industrial levels. The Company also supports the Ministry of Environment's goal of achieving net-zero emissions by 2050. Since 2020, the Company has managed climate risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, continuously strengthening climate governance and ensuring that climate action is closely integrated with corporate governance. To promote the net-zero transition, President Chain Store Corporation has developed a comprehensive climate strategy based on the PDCA cycle, gradually putting its sustainable development blueprint into practice. In response to the Financial Supervisory Commission's Plan for Introducing IFRS Sustainability Disclosure Standards, President Chain Store Corporation will apply the International Financial Reporting Standards (IFRS) for the first time in 2026. The Company began preparation ahead of schedule in 2025, identifying and managing climate-related risks and opportunities in accordance with IFRS S2. President Chain Store Corporation is actively integrating cross-departmental resources and aligning with regulatory requirements to enhance financial information transparency and climate risk management capabilities.

Climate Governance

· Climate-related Monitoring Mechanisms and Actions ·

President Chain Store Corporation's governance structure for climate change uses the Board of Directors as the highest oversight body. The Board authorizes the Sustainable Development Committee under its supervision to oversee and review climate-related issues. Composed of independent directors, the Sustainable Development Committee ensures diversified planning and effective execution of sustainability strategies. It is also responsible for formulating and promoting sustainable development strategies, and for managing climate transition actions and target performance. All members of the Sustainable Development Committee are independent directors. The Committee convenes twice a year to oversee the implementation of annual sustainability projects and reports quarterly to the Board of Directors on overall climate strategy progress.

Under the Sustainable Development Committee, the Carbon Reduction Task Force was formally established in 2021 as a dedicated unit for climate-related issues. The task force is convened by the CFO, with task groups set up according to the business scope of each department to ensure cross-departmental coordination and execution. Its core responsibilities include conducting preliminary assessments of major climate change risks and opportunities, incorporating the assessment results into comprehensive discussion, and formulating response strategies. In the meantime, the Carbon Reduction Task Force has three major execution strategies, including energy transition for introducing energy conservation and carbon reduction measures and equipment, and promoting logistics energy conservation programs; industrial transition, for procuring and developing low-carbon products and services; and lifestyle transition, for strengthening communication with internal and external stakeholders and enhancing awareness of climate-related issues. Each task group formulates execution strategies, medium- and long-term targets, and action plans based on its respective responsibilities, and tracks progress through quarterly meetings to ensure that all plans are carried out smoothly. For the overall committee structure, please refer to Section 1.2, Sustainable Development Committee.

Board of Director	Sustainable Development Committee	Carbon Reduction Task Force
Core Responsibilities		
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.
Responsibilities on Climate-related Issues		
• 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 ·

In response to the Company's focus on managing climate-related issues, President Chain Store Corporation continues to refine the mechanism linking sustainable development performance metrics with performance-based remuneration for senior executives. The mechanism applies to the President, senior executive managers, group heads, and deputy group heads. Climate- and environment-related metrics include climate change, measured by the reduction performance of GHG emissions intensity; food waste management, measured by the annual reduction ratio of food waste disposal volume; packaging materials, measured by the reduction ratio of single-use plastics; and sustainable procurement, measured by the procurement amount of certified raw materials. Together, these four metrics account for 10%, while metrics related to other material topics account for 2%. In 2025, the actual remuneration ratio linked to climate- and environment-related performance was 10%. The remuneration structure of senior management in 2025 was closely linked to performance, with sustainability-related metrics included in performance evaluations, accounting for approximately 12%. These metrics are reflected in the issuance of various forms of variable remuneration through the overall performance rating mechanism. By incorporating sustainability performance into key assessment metrics, the Company strengthens management’s responsibility for and execution of sustainable development.

The performance incentive implemented in 2025 applied to the President, senior management team, and units related to Carbon Reduction Task Force. The Company expects management to exercise its decision-making influence to advance climate and environmental performance. Climate-related management metrics include year-on-year reduction in carbon emissions intensity per NT$1 million in revenue, in line with the Company’s annual carbon reduction target; completion of the ISO 14064-1 GHG verification statement; and passing ISO 50001 Energy Management System verification. If all KPIs are achieved, one additional point is added to the total performance score. This performance evaluation is used to calculate the proportion of monetary incentives related to environmental performance.

In addition, to reward employees for actively managing store energy use, President Chain Store Corporation has formulated the Store Energy Saving Incentive Program. The measures incorporate the management performance of basic electricity fees for newly opened and renovated stores, electricity use management at existing stores, and energy-saving improvements into the performance evaluation for individuals, stores, and regional engineering teams. Cash incentives are also provided to those who identify abnormal store electricity charges. The incentive methods are shown in the table below. In 2025, bonuses paid after the recovery of abnormal store electricity charges totaled NT$30,013. From 2022 to 2025, cumulative bonuses paid after the recovery of abnormal store electricity charges reached NT$94,259.

President Chain Store Corporation Energy Saving Incentive Program

Energy saving performance incentive	Incentive for recovering abnormal electricity charges in stores
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.	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.

Climate Risk and Opportunity Management

In terms of climate change management, President Chain Store Corporation identified 15 issues in 2025 through a systematic climate risk and opportunity assessment process. Based on the assessment principles used by the Carbon Reduction Task Force and each business unit to evaluate substantive financial and strategic impacts, the Company selected three material climate risk and opportunity topics.

The assessment covered climate-related risks and topics in the Group's industry, with reference to SASB industry standards, CDP questionnaires from domestic and international benchmark companies, and sustainability reports. After screening based on current operations, the Company compiled a total of nine risks and six opportunities. Next, through questionnaire surveys and collaboration with the IFRS task force and each business unit, the assessment considered the likelihood of impact and degree of impact of each climate issue, rating each item on a scale of 1 to 5. Based on the assessment results, the Company ranked materiality and prepared a matrix of topics. Taking into account issue diversity and comprehensive management, the highest-scoring topic was selected from each of the three categories — physical risks, transition risks, and opportunities — resulting in the identification of three material climate risk and opportunity topics. These were incorporated into subsequent discussions on financial impacts and strategies. The Company has also clearly defined the timeline for assessing the impacts of these topics: short term from 2026 to 2029, medium term from 2030 to 2035, and long term from 2032 to 2050. The assessment scope also covers the upstream value chain, the Company's own operations, and the downstream value chain. As climate-related issues continue to evolve, the identification of related risks and opportunities must also be adjusted in a timely manner. Therefore, the Company will conduct a comprehensive review once every two years to ensure that its response measures remain up to date. Climate issues will also be incorporated into management in accordance with the Company's risk management procedures, strengthening corporate resilience and sustainable development. The expected timeline for climate-related risks and opportunities are divided into short term, medium term, and long term, as described below:

Period	Definition	Connection with Strategic Decision-Making and Planning Timeline
Short-term	2026-2029	The timeline identified by the Group for the possible occurrence of climate-related risks and opportunities are aligned with the Group’s existing internal target management timelines, including governance targets and sustainability-related targets.
Medium-term	2030-2035	
Long-term	2032-2050	

Climate-related Risk and Opportunity Assessment and Management Process

Risk Identification

Collect climate-related risks and opportunities in the industry

- Screen and compile climate-related risks and opportunities in the food retail industry
- Inventory CDP questionnaires and sustainability reports of domestic and international benchmark companies

Risk Analysis and Measurement

Inventory and assess climate-related risks and opportunities

- The IFRS task group and each business unit assess the likelihood and degree of impact of each issue through questionnaires

Risk Monitoring and Response

Rank and confirm material climate-related risks and opportunities

- Compile questionnaire assessment results and rank topics by materiality
- Identify three material climate-related topics

Financial impact and scenario analysis of material climate-related risks and opportunities

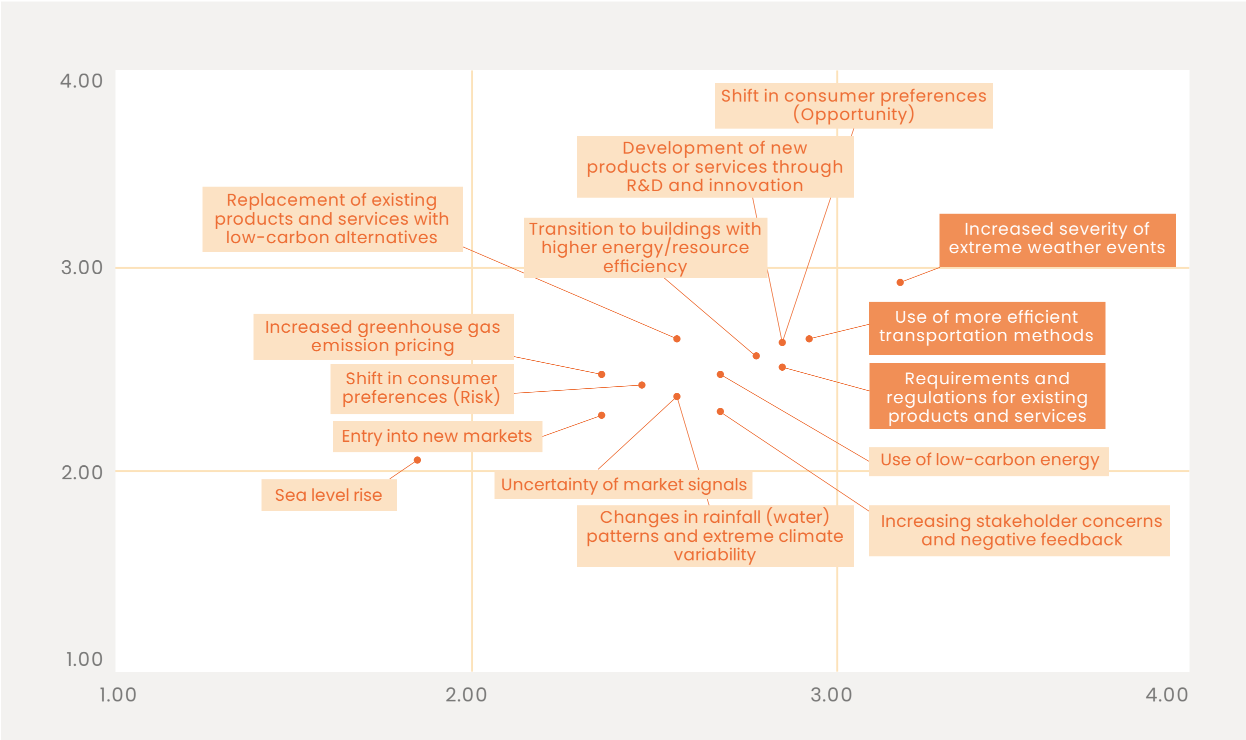
- Conduct scenario analysis based on topic category
- Enhance disclosure of financial impact information

Risk Reporting

Regularly track major climate-related risks and opportunities

- Regularly compile risk management information
- Report regularly to the Board of Directors

Climate-related Risk and Opportunities Matrix



Climate Strategy

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

According to its management procedures for climate-related risks and opportunities, President Chain Store Corporation identified the following sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the Company's outlook. Climate risks are further divided into: (1) Transition risks: risks arising from the increasing complexity and resulting impacts on markets due to climate change, which require adjustments to supply and demand structures to mitigate impacts. These adjustments may include changes in policies, laws, technologies, and market conditions. (2) Physical risks: physical risks arising from long-term climate change and immediate extreme weather events, which may cause direct impacts on the Company and disruptions to the supply chain. (3) Opportunities: potential new market development and revenue growth brought by the provision of low-carbon services and products, while also avoiding market and regulatory risks. For each issue, President Chain Store Corporation assesses the potential impacts on the Company's business model, upstream value chain, and downstream value chain, as well as the expected timeline in which the issue may occur.

Risk / Opportunity Category	Climate Topic	Topic Description	Location of Impact	Expected Timeline
Acute Physical Risks	Increased severity of extreme weather events	Fires or flooding caused by extreme climate events, such as wildfires, typhoons / hurricanes, floods, and heavy rainfall, resulting in damage to store equipment and business interruption	Own operating sites, upstream supply chain, and downstream customers	Short, medium, and long term
Transition Risk - Policy and Legal Risks	Requirements and regulation of existing products and services	As environmental regulations become stricter worldwide, governments and international organizations are promoting policies related to plastic reduction, carbon emission control, stronger food safety management, and other areas. These developments create long-term regulatory challenges for products and services across industries. Taiwan's current plastic restriction policies require companies to reduce the use of single-use plastic products, such as banning single-use straws and increasing the proportion of reusable cups, while encouraging consumers to choose environmentally friendly alternatives	Own operating sites, upstream supply chain, and downstream customers	Short, medium, and long term

Risk / Opportunity Category	Climate Topic	Topic Description	Location of Impact	Expected Timeline
Opportunity	Adoption of highly efficient transportation models	By improving the energy efficiency of transportation and logistics, companies can reduce fuel consumption and carbon emissions, thereby lowering operating costs and enhancing their environmental image. This may be achieved by adopting new energy-efficient vehicles, optimizing delivery routes, improving loading efficiency, or working with other companies to share transportation resources and improve overall logistics efficiency	Upstream (logistics affiliated enterprises)	Short, medium, and long term

Impact of Material Climate-related Topics on Business Model and Value Chain

President Chain Store Corporation assesses the current and expected impacts that climate-related risks and opportunities may have on its business model and value chain. The relevant details are as follows:

< Acute Physical Risks >

Increased Severity of Extreme Weather Events				
Impact	Impact on Business Model		Impact on Value Chain	
	Current	Anticipated	Current	Anticipated
Positive Impact	Stores have established disaster recovery mechanisms, improving the speed of operational recovery and crisis response capabilities	Climate resilience will be incorporated into store operating strategies, such as site selection, building specifications, and flexible delivery arrangements, to strengthen risk resistance	1. Introduce emergency response SOPs and regular disaster prevention drills to improve the ability to respond to short-term business interruptions and reduce the scale of losses from extreme events. 2. Business continuity: Invest in emergency response facilities, such as backup generators or disaster prevention infrastructure 3. Supplier risk management: work with suppliers equipped with emergency response capabilities to ensure diversified sources of material procurement and improve supply stability	Supplier risk management: Incorporating climate risks into supplier assessments and supplier selection mechanisms will strengthen the resilience of the overall supply chain in responding to risks
Negative Impact	1. Disaster prevention management measures will increase operating costs 2. Frequent disasters may interrupt store operations, causing property losses and temporary store closures	1. Increased operational costs: intensified climate risks lead to equipment damage, transportation disruptions, and elevated disaster prevention and operational costs as the number of stores expands. 2. Climate change may lead to shifts in consumer demand 3. The current operating model may not be able to respond to recurring climate risks	1. Product supply interruptions: revenue may decline and logistics costs may rise 2. Damage to stores and warehousing equipment: Equipment damage may increase capital expenditures and repair costs 3. Employee attendance: transportation disruptions may delay employees or prevent them from reporting to work, affecting operations 4. Frequent disasters may interrupt store operations, causing property losses and temporary store closures 5. Food safety and logistics impacts: Logistics delays during post-disaster recovery may affect delivery efficiency and food safety control. Power outages may cause perishable products to spoil, increasing operating costs	1. Product supply chain interruptions: Disasters may prevent OEMs from operating normally and disrupt logistics transportation, affecting product delivery and sales 2. Higher equipment energy consumption: Rising temperatures may increase energy use by air conditioning and refrigerators, raising operating costs 3. Higher insurance costs: More intense and frequent extreme weather events may increase insurance costs 4. Disaster prevention management measures will increase operating costs 5. Frequent disasters may interrupt store operations, causing property losses and temporary store closures

< Transition Risk - Policy and Legal Risks >

Requirements and Regulation of Existing Products and Services				
Impact	Impact on Business Model		Impact on Value Chain	
	Current	Anticipated	Current	Anticipated
Positive Impact	1. Establishing operating models in response to regulations and launching environmentally friendly products and services can enhance brand image and stakeholder confidence 2. Improved regulatory SOPs and internal information management processes can enhance service consistency and reliability 3. Regulatory changes may create transformation opportunities and potentially reduce costs, such as by reducing the use of single-use packaging materials	1. As regulations become stricter, increasing sales of environmentally friendly products may increase revenue 2. Optimizing processes and integrating regulatory requirements can establish a highly adaptive product development mechanism and strengthen competitive resilience during the climate transition	1. As consumer awareness of product sustainability increases, greater use of non-plastic and recycled materials can enhance brand reputation 2. Establishing sustainable cooperation terms with suppliers, using recycled materials, and obtaining environmental labels can strengthen value chain sustainability	1. Rapid and proactive responses ahead of regulatory requirements can create a competitive advantage over peers 2. Using regulations to guide compliant suppliers into the supply chain can improve supplier quality and sustainable management, helping build a resilient supply network
Negative Impact	1. To comply with Taiwan's plastic restriction regulations, the Company must increase operating costs for the R&D and management of alternative materials 2. To comply with Taiwan's expanded GHG inventory regulations, the Company must conduct inventories and reporting, increasing operating costs 3. New materials may make product design more difficult, potentially leading to packaging defects 4. Changes to business model in response to regulations may negatively affect consumer perceptions 5. Rapidly changing regulatory requirements require operating units to adjust operating procedures frequently, increasing costs for operating units 6. To comply with regulatory requirements and reduce the use of plastic packaging materials, such as replacing plastic cup lids with sealing film, store electricity consumption may increase	1. As environmental regulations become stricter, companies must continuously adjust products and operating processes 2. Investment pressure may increase from introducing alternative materials and new technologies 3. In response to Taiwan's carbon fee regulations, and considering operational growth, additional operating expenses may arise in the future	1. To comply with regulations such as those related to plastic restrictions, packaging, and environmental protection, supply chain adjustment and compliance costs may increase 2. Compliance training and internal audits must be established. Internal monitoring mechanisms are needed to prevent violation risks, increasing operating costs 3. The higher cost of material substitution may increase raw material procurement costs 4. If suppliers do not meet sustainability standards, alternative suppliers must be found, increasing supply chain uncertainty and cost pressure	1. If technology and information systems cannot respond in a timely manner, compliance transparency may be affected 2. Investment pressure may increase from introducing alternative materials and new technologies 3. If mandatory disclosure of product carbon footprints or source traceability is required, suppliers without a data foundation may affect internal compliance and the speed of product launches

< Opportunity >

Adoption of Highly Efficient Transportation Models				
Impact	Impact on Business Model		Impact on Value Chain	
	Current	Anticipated	Current	Anticipated
Positive Impact	1. Introduction of low-carbon vehicles: Reduces operational carbon emissions and fuel costs, and improves operating efficiency 2. Shift in consumer value proposition: Consumers see green transportation as added value for products 3. Development of differentiated services: Carbon-neutral delivery options and transportation services with carbon emissions tracking create business models for transportation platforms 4. Reorganization of key resources and partners: the frequency of cross-company collaboration increases through shared transportation and collaborative delivery	1. Enhanced sustainable competitiveness: The transformation of transportation models establishes a traceable carbon management mechanism and strengthens climate information disclosure capabilities 2. New revenue opportunities created by green logistics and digitalization: Value-added logistics services, such as green logistics, carbon-neutral delivery, and carbon disclosure reports, open up new sources of revenue 3. Optimized cost structure: smart scheduling, fewer empty runs, fewer mis-deliveries and returns, and optimized transportation processes lower operating costs 4. Improved supply chain resilience and compliance capabilities: stronger resilience to transportation disruptions and future carbon fee regulations enhances overall supply chain stability	1. Lower transportation costs and energy consumption: Energy-efficient transportation methods, such as electric trucks or hybrid vehicles, reduce transportation energy use and operating costs, lower the carbon footprint, and strengthen the brand's sustainable image 2. Consolidated transportation and improved delivery efficiency: Centralized transportation arrangements for different stores reduce transportation costs and carbon emissions, while also reducing delivery delays and inbound warehousing pressure, helping improve supply stability 3. Data integration and scheduling optimization: digital tools are used to integrate delivery schedules and shipment volume information, avoid idle vehicles, and improve timeliness and collaboration efficiency 4. With improved transportation efficiency, replenishment speed and inventory management efficiency are also improved	1. Establish long-term partnerships with suppliers to develop energy-efficient delivery technologies and carbon reduction solutions 2. Adopt electric transportation fleets to reduce GHG emissions, promote low-carbon store and community logistics models, build a competitive green supply system, and increase consumers' recognition of the brand
Negative Impact	1. Strategies such as consolidated delivery, route optimization, and low-carbon vehicle adoption require short-term investment in equipment, including electric fleets, carbon monitoring systems, and AI-powered smart logistics platforms, as well as personnel training, information systems, and additional workflows, such as carbon emissions monitoring, carbon data disclosure, and carbon credit management. These needs may create pressure on operating capital 2. Existing delivery partners may lack transformation capabilities, resulting in inconsistent overall logistics performance and unstable operations 3. Information and equipment security risks increase	1. If climate policies, such as carbon fees or fuel regulations, become stricter and the Company is unable to transition in a timely manner, it may face pressure from rising costs and reduced operational flexibility 2. Increased demand for sustainable logistics may accelerate the phase-out of some low-efficiency but low-cost modes of operation	1. To reduce carbon emissions in the supply chain, suppliers are required to report carbon emissions data, requiring manpower to review data quality 2. The implementation of low-carbon delivery time slots or vehicle restrictions may affect delivery flexibility, resulting in insufficient replenishment during certain time periods and lower operating efficiency 3. Stores must adjust receiving times and cold chain storage requirements accordingly, leading to additional manpower and energy expenses 4. Promoting efficient transportation models requires upstream suppliers and downstream logistics operators, such as the subsidiaries Wisdom Distribution Service Corporation and UPCC, to update equipment and make capital investments	1. If carbon pricing or fuel regulations become stricter, suppliers that fail to improve efficiency in time may lose opportunities for further cooperation 2. Transportation decarbonization requires significant investment in vehicle replacement, charging facilities, and smart logistics systems 3. In the early stages of implementing new transportation models, delivery delays, unstable efficiency, and technical errors may occur 4. Information and equipment security risks increase: after the introduction of digital and smart transportation systems, cybersecurity risks and possible system failures may arise

· Net-Zero Transition Plan ·

President Chain Store Corporation conducts in-depth analysis of critical climate risks and opportunities. Based on the impact of these topics on the Company's strategies and decision-making, the Company analyzes their current and expected effects on financial position, financial performance, and cash flows, and uses climate-related scenario analysis to develop resilience strategies for current and expected conditions. In alignment with the global climate goal of limiting warming to 1.5°C under the Paris Agreement, as well as Taiwan's Pathway to Net-Zero Emissions in 2050 announced by the National Development Council in 2022, President Chain Store Corporation has publicly committed to its key climate strategy of achieving net-zero Scope 1 and Scope 2 GHG emissions within its own operations by 2050. Using 2020 as the base year, the Company also aims to reduce Scope 1 and Scope 2 GHG emissions intensity by 60% by 2035 compared with the base year, which was 2.99 metric tons CO_2e per NT$1 million in revenue. President Chain Store Corporation expects to invest NT$72,847,414 in its net-zero transition plan in 2026. Through continuous management and dynamic adjustments, the Company will integrate internal and external resources to respond to and reduce the operational impacts brought by various material climate risks and opportunities. It will also prudently monitor risks and strengthen preventive management as it gradually advances toward a net-zero lifestyle transition by 2050.

· Climate Adaptation and Mitigation ·

According to "Taiwan Climate Change Analysis Series Report 2025: Severe Precipitation and Impacts in Taiwan under Global Warming", the frequency of severe precipitation from typhoons in Taiwan is expected to increase overall as global warming intensifies. The results of climate issue identification show that increased severity of extreme weather events is a material physical climate risk faced by President Chain Store Corporation. President Chain Store Corporation operates more than 7,000 stores across Taiwan. An increase in the severity of short-term extreme weather events, such as typhoons, torrential rain, floods, heat waves, droughts, and strong winds, may cause sudden and short-term impacts on operations, and affect supply chain stability, facility safety, and product quality management. Extreme weather such as windstorms, torrential rain, or floods may increase the likelihood of store equipment damage, road disruptions affecting product transportation, and supply interruptions. Taking Typhoon Morakot in Taiwan in 2009 as an example, 187 stores were affected by the storm, with total disaster losses exceeding NT$13 million. Some stores had to suspend operations for up to two weeks for repairs. In addition, rising temperatures may also affect sales of seasonal products and operating sales models. By focusing on the following response strategies, President Chain Store Corporation aims to strengthen operational resilience and reduce losses caused by extreme weather, starting with improved disaster prevention equipment in stores, climate risk response, and management systems.

Risk / Opportunity Category	Risk / Opportunity Description	Timeline	Changes to Business Model and Resource Allocation	Method of Resource Provision
Acute Physical Risks	Increased severity of extreme weather events	Current	1. Introduce disaster prevention equipment 2. Activate the "Weather Information Distribution" system to monitor and release climate information 3. Cloud backup and distributed data storage 4. Establish occupational safety / response groups and response procedures 5. Systematically incorporate climate risks into the enterprise risk management (ERM) or ESG framework 6. Incorporate climate risk simulation, risk transfer, such as insurance, and resilience design into the standard operating procedures (SOPs) for logistics strategy decision-making 7. Evaluate expected disaster conditions and adopt strategies or standards for preventive measures 8. Adopt supply chain flexibility measures, including temporary changes to delivery routes or requests for partner support	Increase in internal operating expenses or capital expenditures
		Anticipated	Incorporate climate risk simulation, risk transfer, such as insurance, and resilience design into the standard operating procedures (SOPs) for logistics strategy decision-making	Increase in internal operating expenses or capital expenditures

Scenario Analysis and Results

Category	Increased severity of extreme weather events
Key Assumptions	1. With store operations at the core, the analysis considers the characteristics of President Chain Store Corporation's operations, including high-frequency daily logistics and delivery, a large number of shift-based employees, and heavy reliance on refrigeration and warehousing equipment. Given Taiwan's high exposure to severe climate events such as typhoons, torrential rain, and floods, the following financal impacts were selected for analysis. These impacts are directly linked to the Company's daily revenue, cash flow, operating costs, and asset maintenance. They are highly financially material and can effectively reflect the potential impact of intensified climate change on day-to-day retail operations 2. The number of days affected by natural disasters, such as disaster leave, is determined in accordance with the Operation Regulations on the "Suspension of Offices and Classes because of Natural Disasters". When a disaster causes work or classes to be suspended, business entities shall suspend work or classes in accordance with the law, and the period is deemed disaster leave. According to the "Guidelines on Attendance Management and Wage Payment for Laborers in Business Entities Affected by Natural Disasters ",employees who do not report to work during this period are not considered absent without leave, and employers shall pay wages in full or on a daily basis. Employers may also provide compensatory leave, flexible working hour arrangements, disaster allowances, or other support measures 3. WRI Aqueduct Water Risk Assessment Tool: used to identify the exposure level of operating sites in Taiwan's high-risk inundation / flood areas under current and future warming scenarios. This source mainly supports the analysis of business interruption losses, equipment damage losses, and equipment repair costs 4. According to the study "NCDR 112-T24 Analysis of Estimated Differences in Taiwan Typhoons under Different Climate Change Periods": Provides scientific projections of the number of intense typhoons under the current baseline linear projection and future 1° C / 2° C / 4° C scenarios. This source mainly supports the analysis of operating costs during disasters and logistics interruption losses
Selected Scenario	Global Warming Levels, or GWLs: 1° C, 2° C, and 4° C scenarios
Timeline	2025、2030、2050
Scope of Analysis	Major operating sites (Taiwan)
Assessed Impact and Resilience Capacity	The analysis assesses the financial impact of store business interruption losses, operating costs during disasters, and equipment damage losses caused by extreme weather events under different global warming scenarios over specific time horizons. The financial assessment results represent the potential financial impact on high-risk stores under different scenarios, and do not represent actual conditions in the reporting year or future years Reporting year (2025) • Potential financial impact from business interruption losses, disaster operating costs, and equipment losses was assessed at NT$4,285.77 million in total 1°C scenario： • In 2030, potential financial impact from business interruption losses, disaster operating costs, and equipment damage was assessed at NT$4,536.66 million in total • In 2050, potential financial impact from business interruption losses, disaster operating costs, and equipment damage was assessed at NT$5,121.72 million in total 2°C scenario： • In 2030, potential financial impact from business interruption losses, disaster operating costs, and equipment damage was assessed at NT$15,108.81 million in total • In 2050, potential financial impact from business interruption losses, disaster operating costs, and equipment damage was assessed at NT$17,058.58 million in total 4°C scenario： • In 2030, potential financial impact from business interruption losses, disaster operating costs, and equipment damage was assessed at NT$15,235.21 million in total • In 2050, potential financial impact from business interruption losses, disaster operating costs, and equipment damage was assessed at NT$17,201.76 million in total For detailed strategies, please refer to the column on Business Model and Resource Allocation.

Impact on Financial Position, Financial Performance, and Cash Flows (Vulnerable Assets or Operating Activities, Capital Allocation)

Sustainability / Climate-Related Risk	Financial Impact	
Risk Description	Reporting Period	Anticipated
Increased severity of extreme weather events	Internal management: This year, measures included establishing an occupational safety group to facilitate disaster reporting and response measures, evaluating expected disaster-related standards such as the Construction Specifications for Flood Control Gates and Dwarf Walls in the Stores Located in Low-lying Areas, and systematically incorporating climate risks into the Company's overall enterprise risk management, or ERM, or ESG framework. These measures increased operating costs and cash outflows from operating activities by NT$314.11 million in the current period. The quantified strategic impact only discloses strategic impacts with a quantifiable basis. Some strategies are not reflected in the disclosed quantified amount because the required information is not yet available for quantification or because they do not involve actual financial expenditure.	Short-, medium-, and long-term strategies are not reflected in the disclosed quantified amount because the required information is not yet available for quantification or because they do not involve actual financial expenditure

· Industrial Transition ·

Amid the global push toward net-zero carbon emissions, countries are strengthening the formulation of environmental regulations, and companies are facing increasingly stringent regulatory requirements. In addition to GHG emissions from energy use, existing products and services are also exposed to regulatory risks. For the food retail industry, governments continue to promote plastic reduction measures and restrict single-use plastic products. In the future, regulations may also further strengthen requirements on the circularity of plastic packaging materials and the transparency of information disclosure. These external compliance requirements may create potential pressure on President Chain Store Corporation's supply chain management and operating processes. As relevant policies become increasingly stringent, President Chain Store Corporation must proactively adjust its product strategies and service offerings to ensure regulatory compliance, reduce potential compliance risks, and maintain market competitiveness.

Risk / Opportunity Category	Risk / Opportunity Description	Timeline	Changes to Business Model and Resource Allocation	Method of Resource Provision
Transition Risk - Policy and Legal Risks	Requirements and regulation of existing products and services	Current	1. Engage external consultants to support and introduce carbon inventory operations, preliminary work for IFRS S1 / S2 indicator disclosure, and carbon reduction projects 2. Introduce store equipment to reduce plastic use, including Intelligent automatic recycling machines, coffee sealing machines, and ice makers 3. Introduce sustainable product packaging materials and containers, including fresh food products with rPET packaging, OPEN iECO® recycled cups, and 100% recycled plastic shopping bags 4. Gradually replace high-energy-consuming equipment, including transportation vehicles, air-conditioning equipment, chillers, refrigerators, and lighting, and introduce renewable energy equipment 5. Design consumer incentives for plastic reduction, including discounts for consumers who bring their own beverage cups, and plan long-term campaigns to promote recycled cup rentals	Internal operating expenses or capital expenditures
		Anticipated	1. Introduce GHG inventories 2. Introduce fresh food products with rPET packaging 3. Identify practical ways to improve the sustainability of operations, such as sustainable packaging, expanded supply of alternative materials, and collaboration with suppliers to improve environmental practices 4. Fully phase out plastic shopping bags and plastic straws 5. Increase the use of recycled plastic products, with recycled cups and Intelligent automatic recycling machines as the main focus 6. Procure renewable energy	Internal operating expenses or capital expenditures

Scenario Analysis and Results

Category	Requirements and Regulation of Existing Products and Services
Key Assumptions	1. Taiwan has promulgated the Climate Change Response Act, under which carbon fees are charged to companies whose GHG emissions exceed certain thresholds, with fee rates adjusted year by year 2. In addition to continuing to develop renewable energy for self-generation and self-use, the Company is still expected to purchase green electricity to reduce market-based GHG emissions
Selected Scenario	Net Zero scenario: According to IEA WEO 2025, the NZE scenario assumes that the global energy sector achieves net-zero CO_2 emissions by 2050, without relying on emissions reductions outside the energy sector Stated Policies Scenario (STEPS): • According to IEA WEO 2025, the STEPS scenario reflects current policy settings, incorporating policies already implemented and announced by countries. Under this scenario, the global average temperature is projected to rise by approximately 2.5° C by 2100 • Based on the recommendations on international carbon price levels for 2030 referenced by the 5th Carbon Fee Rate Review Committee in 2024, carbon fee rates after 2030 may be considered within the range of NT$1,200–1,800 / tCO_2
Timeline	2025、2030、2050
Scope of Analysis	Major operating sites (Taiwan)
Assessed Impact and Resilience Capacity	Based on relevant laws and policy scenarios in Taiwan, the Company assesses the potential financial impact in the reporting year, 2025, from factors such as non-compliant implementation of GHG inventories, IFRS Sustainability Disclosure Standards, and product raw material regulations. It also conducts carbon fee financial impact analysis under future scenarios Reporting year (2025) • President Chain Store Corporation conducted GHG inventories in accordance with the Ministry of Environment's administrative guidance. No related fines were incurred in the reporting year. IFRS Sustainability Disclosure Standards are expected to be reported starting in 2027, and therefore no related fines were incurred in the reporting year. Current product raw materials comply with environmental regulations, and no related fines were incurred Net-Zero scenario • President Chain Store Corporation's estimated carbon fee expenditure is expected to be NT$2,441.04 million in 2030 and NT$8,862.67 million in 2050 Stated Policies Scenario (STEPS) • President Chain Store Corporation's estimated carbon fee expenditure is expected to be NT$672.09 million in 2030 and NT$3,625.70 million in 2050. For detailed strategies, please refer to the column on Business Model and Resource Allocation.

Impact on Financial Position, Financial Performance, and Cash Flows

Sustainability / Climate-Related Risk	Financial Impact	
Risk Description	Reporting Period	Anticipated
Requirements and Regulation of Existing Products and Services	Equipment purchase and replacement: Strategies adopted this year included the introduction of intelligent automatic recycling machines and plastic film recycling equipment, the addition of coffee sealing machines and ice makers to reduce single-use plastic, the promotion of recycled material circulation, and the gradual replacement of high-energy-consuming equipment, such as transportation vehicles, air-conditioning systems, chillers, refrigerators, and lighting, to reduce energy use. The Company also introduced renewable energy equipment and built a digital mobile monitoring center to improve fuel consumption management and transportation monitoring. These measures mainly increased property, plant, and equipment by NT$3,408.48 million in the current period, and were reflected in operating costs of approximately NT$572.05 million and cash outflows from investing activities of approximately NT$927.92 million Raw material procurement: Measures this year included introducing rPET packaging for fresh food products to reduce plastic use, promoting online shopping packaging reduction and circular packaging materials to increase the proportion of recycled materials, fully introducing OPEN iECO® recycled cups, and adopting 100% recycled plastic shopping bags. These measures increased operating costs and cash outflows from operating activities by a combined NT$233.08 million in the current period Addition of intangible assets: This year, the Company adopted a strategy centered on the addition of intangible assets, introducing an energy management system to monitor operational energy consumption and strengthen the identification and management of energy use. Expenditures related to system establishment and implementation increased intangible assets in the current period, and were reflected in operating expenses and cash outflows from operating activities totaling NT$0.55 million. Third-party cooperation and engagement: Strategies adopted this year included engaging external consultants to support and introduce carbon inventory operations, assist with preliminary work for IFRS S1 / S2 indicator disclosure, pay monthly usage fees related to in-vehicle systems, and engage professional consultants to introduce carbon reduction projects. These cooperation and outsourcing expenses increased operating expenses and were reflected in cash outflows from operating activities totaling NT$5.38 million Sales plan-related measures: This year, the Company promoted consumer return visits through OPEN iECO® recycled cups reward incentives, launched long-term promotions for recycled cup rentals, and provided indirect plastic reduction incentives for consumers who bring their own beverage cups. These indirect strategies further help mitigate GHG emissions in response to future GHG regulatory requirements. These measures increased operating costs and were reflected in cash outflows from operating activities totaling NT$521.40 million The quantified strategic impact only discloses strategic impacts with a quantifiable basis. Some strategies are not reflected in the disclosed quantified amount because the required information is not yet available for quantification or because they do not involve actual financial expenditure.	Third-party cooperation and engagement: Short-term strategies will include the introduction of carbon inventory operations. These cooperation and outsourcing expenses increased operating expenses and were reflected in cash outflows from operating activities totaling NT$2.60 million. The quantified strategic impact only discloses the impact of strategies with a quantifiable basis. Some strategies are not reflected in the disclosed quantified amount because the information required for quantification is not yet available or because they do not involve actual financial expenditure.

· Energy Transition ·

According to the Ministry of Environment's "Phase II Greenhouse Gas Reduction Promotion Plan (2021–2025)", the transportation sector should improve the energy efficiency of transportation systems and vehicles. For President Chain Store Corporation, with its extensive store network, logistics and transportation are critical to operations. Through a robust logistics management system, President Chain Store Corporation is advancing a low-carbon logistics transition, including the introduction of eco-friendly vehicles, efficient distribution processes, and carbon reduction measures at logistics centers. By adopting new energy-efficient vehicles, optimizing delivery routes and loading efficiency, and sharing resources, the Company aims to improve overall logistics efficiency, reduce fuel consumption and carbon emissions, and achieve the dual goals of lowering costs and enhancing its eco-friendly image.

Risk / Opportunity Category	Risk / Opportunity Description	Timeline	Changes to Business Model and Resource Allocation	Method of Resource Provision
Opportunity	Adoption of more efficient transportation methods	Current	1. Adoption of more efficient transportation methods 2. Introduction of dual-temperature logistics vehicles 3. Distribution automation equipment 4. Adjustment of warehousing locations	Internal operating expenses, capital expenditures, and external financing
		Anticipated	1. Purchase of Phase VI vehicles 2. Maintenance and repairs 3. Distribution automation equipment 4. Adjustment of warehousing locations 5. Introduction of an Internal Carbon Pricing system: internalizing carbon emission costs in investment and operating decisions 6. Providing "green delivery options" and encouraging consumers to support low-carbon logistics through pricing or membership mechanisms	Internal operating expenses, capital expenditures, and external financing

Scenario Analysis and Results

Category	Adoption of more efficient transportation methods
Key Assumptions	1. The updated national 2030 carbon reduction target set in the draft Phase III Greenhouse Gas Periodic Regulatory Goals is to reduce emissions by 28±2% compared with the base year. Periodic regulatory goals have also been set for six sectors: energy, manufacturing, residential and commercial, transportation, agriculture, and environment. 2. Electric light trucks are expected to enter a demonstration phase from 2026 to 2027. During the 2028–2030 promotion phase, the promotion program will be expanded depending on the maturity of domestic 5-ton electric light truck technology, followed by stable implementation after 2031. For electric heavy trucks, the Ministry of Economic Affairs has assessed that domestically produced electric heavy trucks will only be launched after 2027. A demonstration program is therefore expected to be promoted during the 2028–2030 demonstration phase.
Selected Scenario	Custom scenario, based on the Ministry of Transportation and Communications' Phase III Greenhouse Gas Periodic Regulatory Goals for Transportation Sector
Timeline	2025、2030、2050
Scope of Analysis	Major operating sites (Taiwan)
Assessed Impact and Resilience Capacity	Based on national policy development and the Company's own strategic development, the Company statistically assessed the fuel costs saved from replacing vehicles with eco-friendly models and the manpower costs reduced through green warehousing. Reporting year(2025) • The introduction of eco-friendly vehicles, or Phase VI vehicles, reduced fuel costs by NT$11.15 million. In addition, centralized order transportation reduced warehousing operating costs by NT$2.81 million compared with the previous year, while revenue from green logistics services amounted to NT$0.14 million. Custom scenario: • The Company will continue replacing vehicles with eco-friendly models. By 2030, estimated fuel cost savings are expected to reach approximately NT$9.53 million. • The Company will introduce green logistics smart warehouses. By 2030, estimated manpower cost reductions are expected to reach approximately NT$115.29 million. • The Company will continue providing green logistics services. Related service revenue in 2030 and 2050 is expected to be NT$0.14 million. For detailed strategies, please refer to the column on Business Model and Resource Allocation.

Impact on Financial Position, Financial Performance, and Cash Flows

Sustainability / Climate-Related Risk	Financial Impact	
Risk Description	Reporting Period	Anticipated
Requirements and Regulation of Existing Products and Services	Equipment purchase and replacement: Strategies adopted this year included the purchase of Phase VI vehicles and distribution automation equipment, such as high-efficiency automated guided electric pallet trucks and electronic picking and sorting systems. These measures mainly increased property, plant, and equipment by NT$984.36 million in the current period, and were reflected in an increase in operating costs of NT$16.16 million and cash outflows from investing activities of approximately NT$99.70 million.	Equipment purchase and replacement: Short-term strategies include the purchase of Phase VI vehicles and distribution automation equipment, such as high-efficiency automated guided electric pallet trucks and electronic picking and sorting systems. These measures mainly increased property, plant, and equipment by NT$492.16 million in the current period, and were reflected in an increase in operating costs of NT$139.91 million and cash outflows from investing activities of approximately NT$492.16 million. Internal management: • Short-term strategies include adjusting warehousing locations, including equipment procurement. This is expected to increase short-term property, plant, and equipment by NT$87.68 million, and be reflected in an increase in operating costs of NT$4.38 million and cash outflows from investing activities of NT$87.68 million. • Medium-term strategies include applying for a logistics carbon reduction label, with estimated operating costs and cash outflows from operating activities of NT$500 • Long-term strategies include introducing an Internal Carbon Pricing system. Logistics personnel who achieve carbon reduction measures may receive bonuses, with estimated operating costs and cash outflows from operating activities of NT$9.50 million.

· Lifestyle Transition ·

Amid the global transition toward net-zero emissions, companies must not only actively improve the environmental performance of their own operations, but also work with consumers, supply chains, government agencies, and other partners to advance sustainable transformation together. President Chain Store Corporation regards lifestyle transition as one of its key concepts. Through two major approaches— strengthening communication and education for consumers and stakeholders, and enhancing advocacy and cooperation with supply chains and partners— the Company continues to listen to and gather views from internal and external stakeholders. In advancing its net-zero transition plan, President Chain Store Corporation incorporates the concept of a just transition. Through internal training on various sustainability issues, the Company enhances employees' ESG awareness and job skills, while taking social impacts into account throughout the net-zero transition process. It is committed to creating a low-carbon circular ecosystem covering the upstream, midstream, and downstream value chain, and to helping society as a whole move toward a net-zero future.

< Consumer and Stakeholder Communication and Education >

President Chain Store Corporation actively serves as a life partner for the public and is committed to raising consumer and stakeholder awareness of sustainability and climate change issues. Starting from its own operations, the Company promotes the concepts of carbon reduction, plastic reduction, and food cherishing through activities such as the Good Neighbor Funfest, bringing together store personnel, consumers, and partners. In 2025, more than 14,000 events were held, reaching over 130,000 participants and embedding awareness of sustainable living. The Company also values interactive communication with consumers. For example, by promoting OPEN iECO® Recycled Cups renting service and intelligent automatic recycling machines, and by using reward mechanisms, President Chain Store Corporation encourages consumers to actively participate in the circular economy and strengthens their sustainability awareness.

< Supply Chain and Partner Advocacy and Cooperation >

President Chain Store Corporation strictly follows the goals of the Paris Agreement, participates in and reviews relevant industry associations and lobbying activities, ensures that policy directions are aligned with net-zero goals, and transparently discloses participation results to strengthen stakeholder trust. Through cross-sector cooperation, the Company also maintains close communication with government agencies and NGOs to carry out climate education and policy promotion, creating a diverse platform for public dialogue and jointly building social consensus and action toward a low-carbon transition. In terms of supply chain management, President Chain Store Corporation continues to manage and track energy use and carbon emissions matters for all contract manufacturers, and to understand the planning and implementation status of their energy conservation and carbon reduction actions, in order to improve the overall environmental performance of the supply chain. In 2025, contract manufacturers implemented a total of 27 energy conservation and carbon reduction measures, including the replacement of air-conditioning systems, chillers, and lighting. These measures reduced carbon emissions by approximately 360.73 metric tons CO_2e and saved approximately 761,037.73 kWh of electricity. President Chain Store Corporation also encourages suppliers to provide products with low-carbon labels, such as dairy products with the ISO 14067 carbon reduction label, and promotes the brand's sustainability philosophy through regular supplier conferences, with the aim of improving the environmental performance of the overall supply chain.

Climate Metrics and Targets

· Greenhouse Gas Emissions ·

President Chain Store Corporation's main operating sites 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 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 2025 covered 7,468 sites, with the coverage rate of 99.36% for the greenhouse gas inspection boundary.

Operating Sites with ISO 14064-1:2018 Certification in 2025	
Stores (convenience stores and shopping centers)	Offices and training center
7,455	13
7,468 operating sites in total	

Note: The 7,434 stores inventoried in 2025 include the 205 stores that have moved or closed in 2025.

Greenhouse Gas Emissions in 2025

GHG Emissions	Main Source of Emissions	Total Emissions
Scope 1	Refrigerant, marsh gas, company vehicles, CO_2 for beer on tap	45,413.86
Scope 2	Electricity consumed by stores, the headquarters, shopping centers and regional offices, training center	560,102.17
Scope 3	Including emissions from product procurement, capital goods, upstream electricity emissions, upstream transportation, waste disposal, business travel, employee commuting, and waste disposal of products sold	5,969,764.43
Total Greenhouse Gas Emissions		6,575,280.46

Unit: metric tons CO_2e

Note 1: The GHG inventory was conducted in accordance with the ISO 14064-1:2018 methodology. The organizational boundary was set using the operational control approach. GHG emission factors were based on USEEIO; the electricity emission factor was based on the latest electricity carbon emission factor announced by the Ministry of Economic Affairs at the time of the inventory; the GHG emission factors announced by the Ministry of Environment on February 5, 2024; and the Ministry of Environment's Product Carbon Footprint Information Platform. Global warming potential (GWP) values were sourced from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). These inputs and assumptions did not change during the reporting period.

Note 2: For indirect emissions from purchased electricity, the calculation was location-based, using the 2024 emission factor of 0.474 metric tons CO_2e per MWh announced by the Bureau of Energy, Ministry of Economic Affairs, as the parameter for GHG emissions calculation.

Note 3: The GHG inventory covered the following types of gases: carbon dioxide, or CO_2; methane, or CH_4; nitrous oxide, or N_2O; hydrofluorocarbons, or HFCs; perfluorocarbons, or PFCs; sulfur hexafluoride, or SF_6 and nitrogen trifluoride, or NF_3.

Note 4: Biogenic CO_2 emissions amounted to 0.

· 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 76.90% of the direct emissions, with the proportion of refrigerant not containing ozone-depleting refrigerant as 100%.

· Indirect Emissions ·

For the 2025 indirect emissions survey, President Chain Store Corporation conducted an assessment based on the principle of materiality. Material indirect GHG emission sources include emissions from purchased electricity and upstream emissions, purchased goods, capital goods, goods distribution, and waste treatment. Among these, emissions from purchased electricity are the main source of indirect GHG emissions.

The greenhouse gas inventory shows total purchased electricity used by all the inventoried operating locations in 2025 was 118,165.01 MWh, resulting in indirect greenhouse gas emissions of 560,102.17 metric tons of CO_2e, a decrease of 0.8% compared to 2024 emissions. The amount of purchased electricity increased by 3.40% compared to 2024, mainly due to 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.

Indirect Emission Source		Indirect Emissions (Metric Tons of CO_2e)	Percentage of Indirect Emissions (%)
Electricity	Emissions from purchased electricity	560,102.17	8.58%
Purchased products	Emissions from purchased products	5,694,335.58	87.20%
	Capital goods	37,695.45	0.58%
	Upstream emissions from purchased fuel	130,967.10	2.01%
Emissions from upstream transportation and distribution of goods	Diesel used for transportation from the logistics center to the stores	63,151.96	0.97%
Emissions from solid and liquid waste disposal	Waste disposal in the stores	37,058.61	0.57%
Emissions from business travel	Emissions from transportation during employee business trips	1,161.71	0.02%
Emissions from employee commuting	Emissions from transportation during employee commutes	4,057.32	0.06%
Emissions from product end-of-life treatment	Disposal of packaging materials	1,336.69	0.02%
Total		6,529,866.59	100%

· Greenhouse Gas Emission Intensity Metrics and Targets ·

Since President Chain Store Corporation's GHG emissions mainly come from electricity use at stores, they are closely related to store size, equipment configuration, and business model, which are ultimately reflected in overall operating revenue. Therefore, President Chain Store Corporation uses emissions per NT$1 million in revenue as the measure of GHG emissions intensity, and has set its carbon reduction management targets accordingly. For its own operations, the Company uses the Scope 1 and Scope 2 GHG emissions intensity from its 2020 GHG inventory, 2.99 metric tons CO_2e per NT$1 million in revenue, as the baseline, and has set a medium- to long-term reduction target of 60% by 2035. In 2025, GHG emissions intensity was 2.75 metric tons CO_2e per NT$1 million in revenue, down 1.75% from the previous year. The Company achieved its 2025 target of reducing GHG emissions intensity by 1.5% compared with the previous year. Going forward, President Chain Store Corporation will continue to improve energy efficiency and optimize operations as it works toward its long-term carbon reduction target.

In terms of value chain management, we are actively improving the inventory items and inventory methods for Scope 3 emissions. In 2025, the Company added the inventory of emissions from capital goods. Going forward, President Chain Store Corporation expects to introduce Science-Based Targets (SBT), strengthen carbon management across the overall value chain, and update its medium- and long-term reduction targets, with the aim of leveraging its influence in the industry to help achieve the net-zero emissions goal.

· Internal Carbon Pricing ·

To strengthen carbon reduction management in its own operations, President Chain Store Corporation introduced an Internal Carbon Pricing mechanism in 2024. Using a shadow price to prioritize the management of Scope 2 GHG emissions, and following the carbon fee rate currently announced by the Ministry of Environment, the Company has set its internal carbon price at NT$300 (USD $10) per metric ton CO_2e. President Chain Store Corporation takes Internal Carbon Pricing into account for major investments and procurement projects, and conducts cost-benefit analysis accordingly. For example, when assessing the payback period of equipment investments, the Company incorporates Internal Carbon Pricing into the total cost for comprehensive comparison. To ensure that investment projects align with carbon reduction management targets, the Company plans to include Internal Carbon Pricing in management reports going forward to track changes in GHG emissions. Implementing Internal Carbon Pricing also helps the Company consider climate issues in its business strategy and affects key financial planning. Although President Chain Store Corporation is currently not subject to carbon fee collection, implementing Internal Carbon Pricing allows the Company to prepare in advance for potential financial impacts from future regulations.

· Energy Use ·

In 2025, the total electricity consumption of all the inspected locations reached 118,165.01 MWh, with the total energy consumption of 4,255,222.20 GJ energy consumption. Purchased electricity accounts for 99.92%. 0.03% of renewable energy was consumed in 2025. Given the operating characteristics of convenience stores, energy consumption includes fuel use by company vehicles and electricity use at operating sites within the Company's own operations, while upstream transportation also accounts for an important share. In 2025, energy consumed by diesel fuel for delivery from logistics centers to stores was mainly diesel-based, totaling 18,980,747.64 liters of diesel, equivalent to 667,089.76 GJ of energy consumption.

In 2025, President Chain Store Corporation installed a 320 kW rooftop solar photovoltaic system at a logistics center to wheel green electricity to the convenience store headquarters building and selected stores. The system officially began wheeling electricity in March 2025, and the Company obtained 335,000 kWh of Renewable Energy Certificates from the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs. We are gradually introducing renewable energy and incorporating it into store design. President Chain Store Corporation has already introduced a solar photovoltaic system at the Yawan Store for direct store use. In 2025, the Company further introduced renewable energy use at the Daosheng, Songgao, and Hongtai Stores. Going forward, President Chain Store Corporation will continue to expand the development and use of renewable energy.

Location	Headquarters	Daosheng, Songgao, and Hongtai Stores	Yawan Store
Renewable energy consumption (kWh)	186,401	174,520	3,255

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	60.65	1,979.33	0.05%
Gas used for company cars	Diesel	Thousand liters	3.95	138.71	0.003%
Emergency generator	Diesel	Thousand liters	1.06	37.19	0.0009%
Lawn mower	Diesel	Thousand liters	0.02	0.73	0.00002%
Electricity consumed by operating sites	Purchased electricity	kWh	118,165.01	4,251,860.84	99.95%
Total Energy Consumption (Note)				4,254,016.79	100.00%

Note :Total energy consumption does not include self-generated and wheeled renewable energy.

· Energy Efficiency Metrics 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 EUI and reduction targets for stores as well as tracking the progress each month. The electricity intensity reduction target for stores in 2025 was 896.6 kWh/m^2, a decrease of 0.5% compared to 2024. The actual energy intensity of our stores was 850.82 kWh/m^2 in 2025, showing an 2.65% decrease from 2024. The main reasons are effective control of electricity consumption and gradual improvement of electricity efficiency, continuous replacement of high-efficiency equipment, and monthly progress tracking.

EUI (Note)								
Year	2018	2019	2020	2021	2022	2023	2024	2025
EUI	1,008	962	919	891	833	826	874	851
Percentage of Decrease	-0.30%	-4.56%	-2.96%	-3.05%	-6.46%	-0.81%	5.75%	-2.65%

Note: The EUI of stores is calculated as the electricity consumption per square meter 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.

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 energy-saving measures and gradually replace high-efficiency equipment.

In 2025, President Chain Store Corporation stores successfully saved 95,668,216 kWh of electricity through the energy-saving program, the equivalent of 45,346.74 metric tons of CO^2e 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 (Note)

- 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

Note: The "Store Energy-saving and Carbon Reduction Measures and Strategies" applies to all stores to gradually improve overall energy efficiency.

Store Energy-saving and Carbon Reduction Actions

Store Energy-saving Actions		Quantity in 2025	Greenhouse Gas Emission Reduction (Metric tons of CO_2e)	kWh Energy Saved(kWh)	GJ Energy Saved (GJ)	Contribution to Energy-Saving Program Results
Inverter system	Inverter air-conditioning	1,666	14,670.94	30,951,350	111,424.86	32.35%
	Third-generation combination refrigerator	4,076	25,635.13	54,082,559	194,697.21	56.53%
	New energy-saving freezer	142	175.38	370,000	1,332.00	0.39%
Energy saving of refrigerators	OSC non-heated glass	2,594	466.15	983,439	3,540.38	1.03%
Reduction in lamp number, LED lamps and indoor lighting management	Arcade lighting energy-saving upgrade	3,811	279.69	590,063	2,124.23	0.62%
Reduction in lamp number, LED lamps and indoor lighting management	Lighting upgrade in stores	20,724	3,077.21	6,491,994	23,371.18	6.79%
Energy saving for signboards	Energy-saving improvement of horizontal signboard	9,831	724.21	1,527,871	5,500.34	1.60%
Improve heat exchange	Energy-saving windbreak room	107	318.03	670,940	2,415.38	0.70%
Total		42,951	45,346.74	95,668,216	344,405.58	100%

Note 1: Since the grid emission coefficient for 2025 had not been published at the time of the greenhouse gas verification, the coefficient of 0.474 kg CO_2e/kWh announced in 2024 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 lightinga 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.

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, 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 so as to respond to the needs of low-carbon 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 environmentally 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 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

Energy-saving and Carbon Reduction Actions for Logistics Companies

Logistics Company	Energy-saving Action	Greenhouse Gas Emission Reduction (tons of CO_2e)	Amount of Energy Saved (kwh)	Amount of Energy Saved (GJ)
UPCC	1. LED replacement: Each light is expected to reduce electricity consumption by 25–26 W after replacement. The calculation is based on the daily operating hours of the replacement location and 365 days of use per year 2. Air-conditioning equipment replacement: In 2025, a total of 10 air-conditioning units were purchased. Based on energy savings statistics, the replacement is expected to save 4,624 kWh	6.82	14,383.00	51.78
Retail Support International	Air-conditioning equipment replacement: Old air-conditioning equipment was replaced at the Zhongli Plant. Total energy savings were calculated based on the number of units replaced, utilization rate, proportion of months after replacement, and energy savings	18.83	39,723.52	143.00
Wisdom Distribution Service Corp.	Replacement of industrial fans with magnetic levitation fans: A total of 26 magnetic levitation fans were added, and 72 one-horsepower industrial fans were removed. Total energy savings were calculated based on the difference in hourly energy consumption between the fans, assuming approximately 240 days of use per year	51.22	108,057.00	389.00
Total		76.87	162,163.52	583.78

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: Since the grid emission coefficient for 2025 had not been published at the time of the greenhouse gas verification, the coefficient of 0.474 kg CO_2e/kWh announced in 2024 was adopted as the greenhouse gas emission parameter to calculate the amount of carbon reduction.

5.4 Food Waste and Waste Management

Food Waste and Waste Management

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 and Food 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 three 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. The target is to reduce the waste collection volume of each store by 45% By 2028. The 2025 target is to reduce the waste collection volume of each store by 20% (with 2019 as the base year).

In 2025, the non-recyclable waste generated by the stores and headquarters activities reached 44,360.80metric tons, accounting for 1.00% 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 other 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 5.2 Packaging Material Management).

Food Loss and Waste Generation and Process Flow Management

President Chain Store Corporation has long focused on food waste management. According to the 2025 Global Report on Food Crises , around 295 million people worldwide face severe hunger, with more than 45% of the population affected by food crises unable to reliably access sufficient, safe, and nutritious food. Women, children, rural households, and conflict-affected communities are among the most severely impacted. Taiwan's Ministry of Environment has also pointed out that household and business food waste generates an average of approximately 2,115 metric tons of kitchen waste per day. Food loss and waste is not only a waste of ingredients, but also a loss of the resources used in food production, including land, water, energy, and labor. In addition, food loss and waste emits GHGs as it decomposes in landfills, accounting for 8-10% of global annual GHG emissions. From a public health perspective, factors such as air pollution and vector breeding may affect air quality and respiratory health among nearby residents. This not only worsens climate change and threatens community environments, but also creates food security and health concerns. As the impacts of food waste span multiple dimensions, the urgency of reducing food waste is clear.

President Chain Store Corporation is closely connected to consumers' everyday diets and consumption. The Company reduces food waste across the overall supply chain, focusing on three stages: production, logistics and distribution, and retail. It monitors, records, and manages food loss and waste that may occur at each stage of operations, fulfilling the retail industry's responsibility and obligations in addressing food waste. In 2021, President Chain Store Corporation further established the Food Waste Reduction Task Force under the Sustainable Development Committee. In 2025, it was officially renamed the Food Health Sustainability Task Force. In addition to food loss and waste issues, the group also covers product health and nutrition, and regularly reports program implementation progress to the Sustainable Development Committee.

Raw materials → Production → Logistics and distribution → Retail → Consumer Use

	Production of fresh food products	Logistics center	Stores
Source of food loss and waste	Food loss in fresh food production	Food loss during transportation	Food waste caused by scrapping
Measuring mechanism	Record the weight of food loss generated by the manufacturers each month, including loss caused by an overestimation of production	After each delivery, the store records the food loss caused during transportation	Tracking the stores' scrapping and recycling rates every month, as well as commissioning a third party to collect and inventory the stores' food waste recycling methods
Management Actions	• Sharing or diversion of semi-finished products • Repurpose as employee meals or resell finished products to employees	• Assess the cause of damage and determine whether the damaged goods should be accountable by the logistics company	• Reducing food waste with the iLove Food program • Transforming food waste removal to increase recycling of food waste

Production: Reducing 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 and waste 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 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 have introduced an information verification mechanism in 2025 and entrusted 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 is reducing the loss and waste of raw materials through the centralized production of various items. Last but not least, two adjustments 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 semifinished products are also resold to employees to reduce food waste. In 2025, the food waste reuse rate of contract manufacturers reached 82.88%. The decrease compared with the previous year was mainly due to the African swine fever outbreak in 2025, which prevented part of the food waste from being reused.

Logistics and Distribution: Food Loss and Waste during Transportation

President Chain Store Corporation has set up a monitoring mechanism for food loss and waste during distribution to track and manage potential waste 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 and waste 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.

Retail: Food Loss and Waste caused by Scrapping

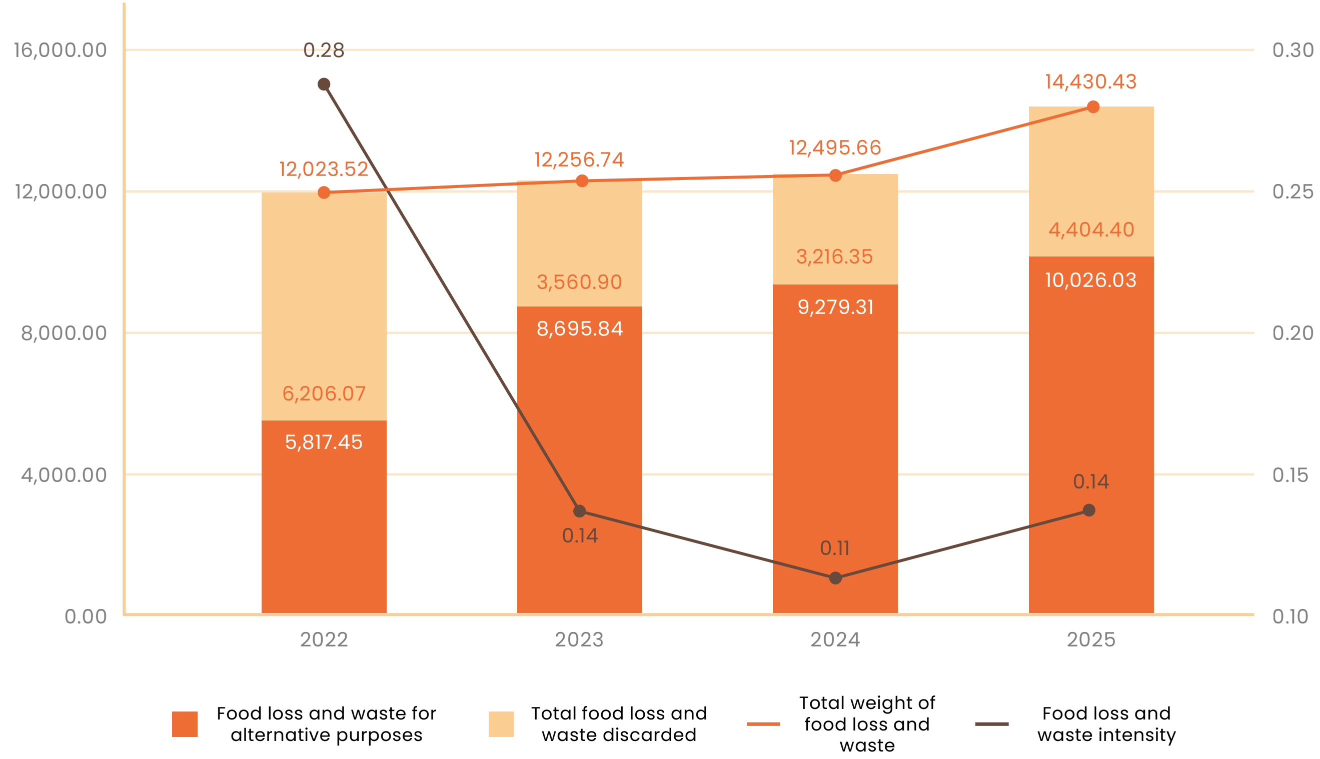
President Chain Store Corporation actively reduces the amount of scrapped food and food waste at the store through a comprehensive monitoring mechanism and the implementation of reduction actions. Store scrap data is tracked on a monthly basis, and the total amount of scrapped food of various types (such 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.

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 2025, the "iLove Food" program reduced the generation of leftover food by approximately 20,472.50 metric tons, with a 14.58% 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 continues to improve the food waste recycling rate at stores through the following three actions, including reviewing food waste treatment methods for newly opened stores and stores with low recycling rates; encouraging stores to join the Company' s waste clearance mechanism to ensure food waste is treated legally; and communicating regularly with operating units on a quarterly basis to emphasize outsourced dedicated collection and regulatory compliance, ensuring that food waste is properly recycled.

· 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. Total weight of food loss and waste generated in 2025 was 14,430.43 metric tons, with a 15.48% increase from 2024. The reasons include the increase in number of stores and continuous growth in fresh food sales. The food used for alternative purposes ratio was 69.48% (mainly for animal feed/compost), a decrease compared to 74.26% in 2024. The main reason is that an outbreak of African swine fever occurred in Taiwan in October 2025, which led to 1,645.83 metric tons of food waste that could have been reused as animal feed being disposed of by incineration. The actual weight of food waste in 2025 was 4,404.40 metric tons, an increase of 36.94% compared to 2024. In the future, President Chain Store Corporation will continue to strive to lower food loss and waste, increase the food waste recovery rate at stores, optimize 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 from 2022-2025



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 2025, the highest proportion is 17.93% of noodles, as the sales volume and figures are both high. The second highest is rice balls, taking up 13.55%, 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

Category of Food Loss and Waste (Note 1)		Proportion of Weight
Store	Cooked food	7.17%
	Noodles	17.93%
	Salad	4.16%
	Hot dogs	3.77%
	Tea eggs	3.99%
	Boxed meals	4.86%
	Rice	12.07%
	Rice ball	13.55%
	Freshly-prepared warm food	3.25%
	Refrigerated conditioned bread	5.82%
Manufacturers		21.33%
Logistics (Note 2)		1.97%
Headquarters		0.13%
Total Proportion		100.00%

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

Note 2: Starting in 2025, the scope of food waste statistics includes food waste generated during the logistics phase.

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 2025, iLove Food prevented the generation of 20,472.50 metric tons of food waste with an increase of 2,605.56 metric tons from 2024. 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.

· Xinhu Farm Aquaponics: Circular Flavor from Farm to Table ·

President Chain Store Corporation supports eco-agriculture that balances environmental sustainability with innovation. Working with Xinhu Cooperative Farm in Yunlin County, the Company pioneered the cultivation of strawberries using Taiwan's only fishpond-based modified aquaponics system, creating a circular agricultural ecosystem in which "vegetables feed the fish, fish nourish the water, and water nurtures the strawberries." By building greenhouses beside abandoned fishponds, the farm uses leftover trimmed vegetable leaves to feed fish, then recirculates fishpond water for strawberry cultivation. Combined with organic pest management materials and a production approach that uses no chemicals throughout the process and does not force ripening, the strawberries are allowed to ripen naturally and develop layered aromas, acidity, and sweetness. The result is Fresh Meiji Strawberries that are plump, flavorful, and safe to enjoy.

In addition, we also work with suppliers at the production stage to incorporate discarded outer leaves generated during the cultivation of two salad products under the One-Day Vegetable series, which sells 6 million boxes annually, into the aquaponics system as fish feed. The aquaponics system is also used to grow red sorrel, which is featured in the Smoked Salmon and Scallop Salad under the premium salad brand Salad Mood, bringing consumers freshness and flavor.

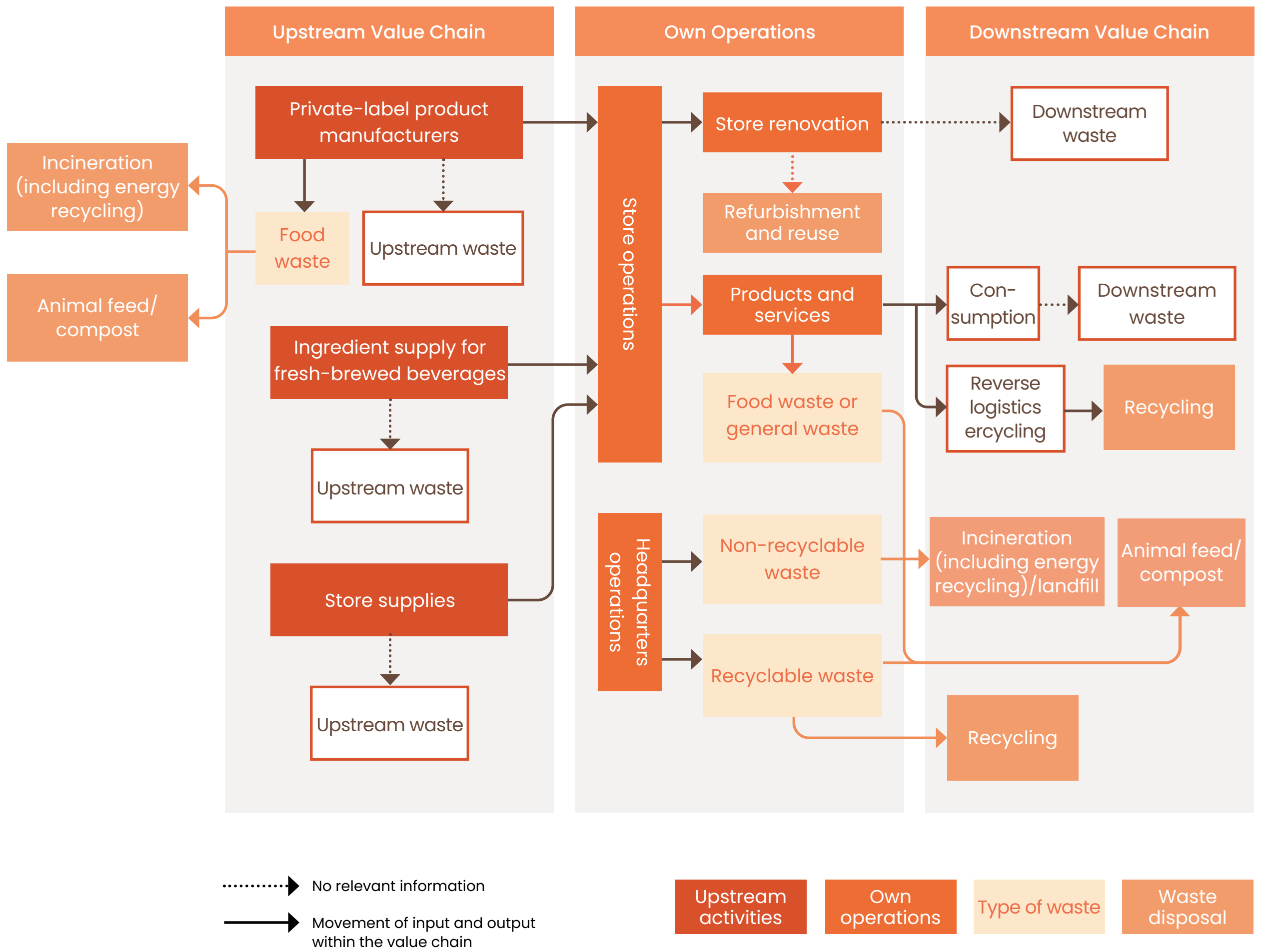
· Coffee Grounds Recycling Program Promotes Circularity ·

To continue advancing a sustainable circular economy, President Chain Store Corporation launched the Sustainable Farm circular regeneration project in 2023. Through systematic recovery of near-expiry products, opened or defective scrapped products, and coffee grounds from stores, the Company works with an agricultural biotechnology team that uses automated black soldier fly farming technology to turn recovered materials into safe, non-toxic organic fertilizer for use on contract farms. This fertilizer is rich in organic matter, helping improve soil fertility and ecological health while supporting the development of low-carbon agriculture. Fruits and vegetables grown using these reused agricultural resources are then supplied back to stores as fresh food side ingredients or for sale, creating a green cycle from production to consumption.

Since May 2025, President Chain Store Corporation has continued to promote its coffee grounds recycling project. Coffee grounds were collected from 100 stores in central Taiwan, with total recovery reaching 4.3 metric tons. These were successfully converted into 6.4 metric tons of organic fertilizer, all of which was distributed to six contract sustainable farms working with President Chain Store Corporation to grow crops such as lettuce, carrots, bananas, and corn. These crops are then supplied back to stores, allowing more consumers to take part in and support sustainable diets while putting resource circulation and environmentally friendly goals into practice. Going forward, the Company will evaluate expansion to other operating stores based on pilot results, continuing to advance circular economy-oriented practices and generate more quantifiable environmental benefits.

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. Non-recyclable waste from stores is collected by outsourced waste clearance providers in areas including Taipei City, New Taipei City, Taoyuan City, Hsinchu City, Tainan City, and Kaohsiung City. Stores in other counties and cities dispose of such waste through local municipal household waste collection systems. President Chain Store Corporation has established a cooperation program with outsourced waste clearance providers. In addition to stores that are required by law to arrange separate waste clearance, the Company added communications on outsourced waste clearance in 2025, encouraging stores in other counties and cities to participate as well. This helps improve the Company's practical understanding of the amount of waste generated by stores. In addition to waste from its own operations, President Chain Store Corporation also places importance on waste management among upstream fresh food OEMs. We regularly compile statistics on the amount of food waste generated by OEMs and track their treatment methods. In 2025, the Company introduced a third-party review mechanism to improve information accuracy and ensure a clearer understanding of food waste conditions. For recyclable waste from stores, this mainly consists of information-related waste collected from the public with store assistance, as well as outer packaging cartons. For details, please refer to the section on the Convenient Recycling Platform.

· Waste Management Performance ·

In 2025, a total of 1,503 stores and the headquarters building have entrusted waste management to dedicated companies, a 28.79% increase in the number of stores with outsourced disposal. 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.

In 2025, the total amount of non-recyclable waste cleared from store operations and headquarters activities was 44,360.80 metric tons. To strengthen management of non-recyclable waste from stores (excluding food waste), President Chain Store Corporation uses 2019 as the base year and manages performance based on the average amount of waste generated per store. The target is to reduce waste clearance volume per store by 20% compared with the base year by 2025, and by 45% by 2028. In 2025, waste clearance volume per store was 6.56 metric tons, down 22.22% from the base year, achieving the 2025 target. As consumer demand continues to grow, fresh food categories and other services will also continue to expand. We must therefore continue introducing various waste reduction measures. Going forward, the Company will continue to improve data quality, promote resource recycling, resource reuse, and plastic reduction actions, and strengthen the management of non-recyclable waste from stores.

President Chain Store Corporation Waste Generation and Disposal in 2025

Waste Disposal (Note 1)		Waste Composition	Location of Waste Generation (Note 2)	
			Upstream (Metric Tons)	Own Operations (Metric Tons)
Off-site	Animal feed/compost (Note 3)	Food waste	2,835.40	7,171.98
	Incineration (including energy recovery)	Food waste	-	3,432.44
	Landfill	Food waste	-	444.97
	Recycling	Recycled plastics	-	1,361.34
		Paper	-	10,988.59
		Metal	-	29.00
		Batteries	-	598.25
		Optical discs	-	84.25
		Electronic appliances	-	88.98
	Landfill	General household waste	-	4,134.67
	Incineration (including energy recovery)	General household waste	-	38,439.52

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 88.52% based on 2025'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 OEMs.

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 Actions

· 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 2025 decreased by 5.22% 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 headquarters building has also continued the recycling program. In 2025, the weight of recycling reached a total of 16,876 kilograms. President Chain Store Corporation continues to promote waste reduction and sorting every quarter, encouraging employees to participate more actively in recycling and improving the recycling efficiency of its headquarters building.

· 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 2025, 31 types of equipment were refurbished and put to use, with the total number of 3,207 machines and saving a total amount of equipment procurement costs of NT$103,870,524.

· 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 2025, President Chain Store Corporation continued to expand the deployment of intelligent automatic recycling machines, with cumulative installations reaching 290 units in total, including 284 units on Taiwan's main island and 6 units on offshore islands. This further improved the convenience of consumer participation in resource recycling. In addition, to improve equipment utilization, the Company promoted a relocation mechanism for low-performing stores. For stores where recycling volume fell short of expectations, equipment allocation was adjusted in a timely manner, and machines were relocated more quickly to maximize their benefits. Overall, in 2025, intelligent automatic recycling machines collected a cumulative total of 28.61 million PET bottles and 5.21 million waste batteries. Through a well-developed logistics distribution and reverse logistics system, these materials were centrally processed to ensure that recovered resources were put to optimal use.