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## Words from the Chairman



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PCSC is about to celebrate its 36th anniversary in Taiwan. Despite the challenging environment of economic recession and increase cost, PCSC still sets record high numbers in terms of revenue and net profit before tax thanks to the efforts of all employees and franchisees, the support of our suppliers and the trust of the consumers. We would like to extend our sincere appreciation to all of our stakeholders and publish this CSR report to disclose our sustainable progress in performance with our efforts in innovation and transformation.

The success of a retail service company depends on seven fundamental elements, which are people, store, merchandise, logistics, system, policy and culture. The greatest challenge for PCSC is to make our products and services the preferred choice for customers, and in the meantime helps the society to advance to a higher level. We have committed to become the best happy enterprise and internalize the concept of CSR in our core business to make every store the proving ground of CSR.

During the past two years, we considered achieving the satisfaction of our customers, partners, shareholders and the general public our most important objective; we therefore spent a lot of time and efforts in building a solid foundation for our CSR efforts. In terms of corporate governance, we have recruited independent directors and established an auditing committee to strengthen the corporate governance system. In terms of organization reform, PCSC is aimed at constructing a fair and friendly working environment and building a sustainable brand. In 2012, more than 50% of our stores are the newly-renovated ones with bigger interior spaces. We have also been sparing no efforts in developing store managers that have the strategic thinking and professional expertise to further connect the store with the community, environmentalism, and charity activities.

In terms of quality management, we have invested in establishing the quality inspection lab and full process management through contract farming. In the area of product differentiation, the percentage of private brand products has reached 31.4% by 2012. We have incorporated the concept of sustainability in 7-SELECT products and introduced products like LED light bulb, detergent and thermal underwear with energy-saving, water-saving and resource recycling features so that consumers can enjoy sustainable life at a reasonable price. Meanwhile, our saving energy and greenhouse gas reduction

action began at stores. The stores have introduced advanced energy-saving technology in terms of power management, lighting design, air-con planning and refrigerator improvement and further enhance energy efficiency by adopting power-saving device, refrigerator frequency converter and shared radiator.

PCSC has advanced its organizational restructuring process and fully introduce the CSR philosophy after two years of transition period. In the future, we will focus on the value, quality, service and cleanness of our stores to facilitate sustainable growth with structural change and make our products and services the best solutions in the consumer's daily lives. With sincerity and integrity, we have the confidence to truly practice our business philosophy to make PCSC the most reliable and favorable brand.



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