


CH 03

Commitment to Sustainable Production and Sales

Contribution towards UN SDGs

3 GOOD HEALTH AND WELL-BEING



182,173 thousand

Invested NT\$182,173 thousand in research and development

96% Percentage

96% of stores were graded A or B in the Service Excellence Rating


122,971 thousand

Invested NT\$122,971 thousand in food safety management

1,400 million **15%** growth

OPEN POINT members reaching 14 million people with a 15% annual growth

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



8% **100%**

The sustainable procurement of bulk raw materials and packaging materials for own products accounts for 8%, and FSC packaging has been imported for 100% of iseLect refrigerated beverages

90% tier-1 **98%** non-tier-1

90% of tier-1 suppliers and 98% of non-tier-1 suppliers have completed supplier training

Corresponding Material Topics	
Product and Service Innovation	Sustainable Supply Chain Management
Customer Health and Safety	Sustainable Procurement
Product Labeling and Marketing Communication	

Corresponding Stakeholders		
Investors	Employees	Customers
Suppliers	Franchisees	Civil Society
Government Agencies		

Objectives

Both the society and environment are experiencing rapid changes. With the consumers' environmental awareness increasing, a healthy diet becoming popular and the pace of the society accelerating, they have different needs and criteria for products. Continuously improving and optimizing the products and services, as well as prioritizing the health and safety of customers is the responsibility and the highest guiding principle of PCSC. To this end, PCSC implements various management mechanisms, including systematic management and inspection of the supply chain, to provide safe products with compliant labeling to our customers, and encourage suppliers to pay attention to issues such as human rights, recycling, environmental protection and carbon reduction by increasing the proportion of sustainable and responsible procurement, while strengthening consumer awareness of sustainability to fulfill PCSC's role of a close partner in everyday life.

Policies

- Product safety management regulations
- Product safety information collection and inventory tracking SOP
- Rules for Safety on Own-Brand Products
- Packaging Internal Control Design System
- Rules for Onsite Appraisal of Manufacturers by Own-brand Product Committee
- Raw Material Supplier and Raw Materials Management Rules
- Management Measures for On-site Evaluation of Suppliers of Food Safety Products in Stores
- PCSC and PCSC Subsidiaries' Code of Conduct for Suppliers
- Food Product Manufacturer Risk Grading and Assessment Guide

Dedicated Units

- Marketing Activity Department
- Product Safety Committee
- Quality Assurance Department
- Supply Chain Management Department
- Procurement Department
- Coffee Department
- Digital Innovation Department
- Gourmet Food Department
- Marketing Group Innovative Integration Project
- Sustainable Procurement Task Force

Action Plans

- Continue to invest in the development and provision of innovative products and services, step into the delivery market, launch in-store shopping and checkout services by mobile phone, and opened a Veggie Selection lifestyle store to improve the convenience of consumer life
- Control the raw materials through raw material management and quality assurance inspection to safeguard customer health and safety, ensure the quality of delivery through the cultivation and management of logistics personnel, service quality in the stores is optimized with service evaluation, quality assurance and ethical corporate management certification training to ensure the health and safety of consumers
- The Product Safety Management Regulations clearly stipulate that product labeling of delivered shipment must comply with the regulations of the competent authority, and the store must also check product labeling when receiving shipment to ensure the compliance of product labeling and marketing communications.
- PCSC strengthens supply chain management to ensure service quality by identifying critical suppliers, implementing supplier management measures, requiring suppliers to sign the code of conduct, and continuing to educate and evaluate suppliers.
- Launch the Sustainable Procurement Task Force to incorporate the terms of supplier ethical corporate management and environmental sustainability into the contract, and continue to increase the proportion of sustainably-certified raw material procurement

Grievance Mechanisms

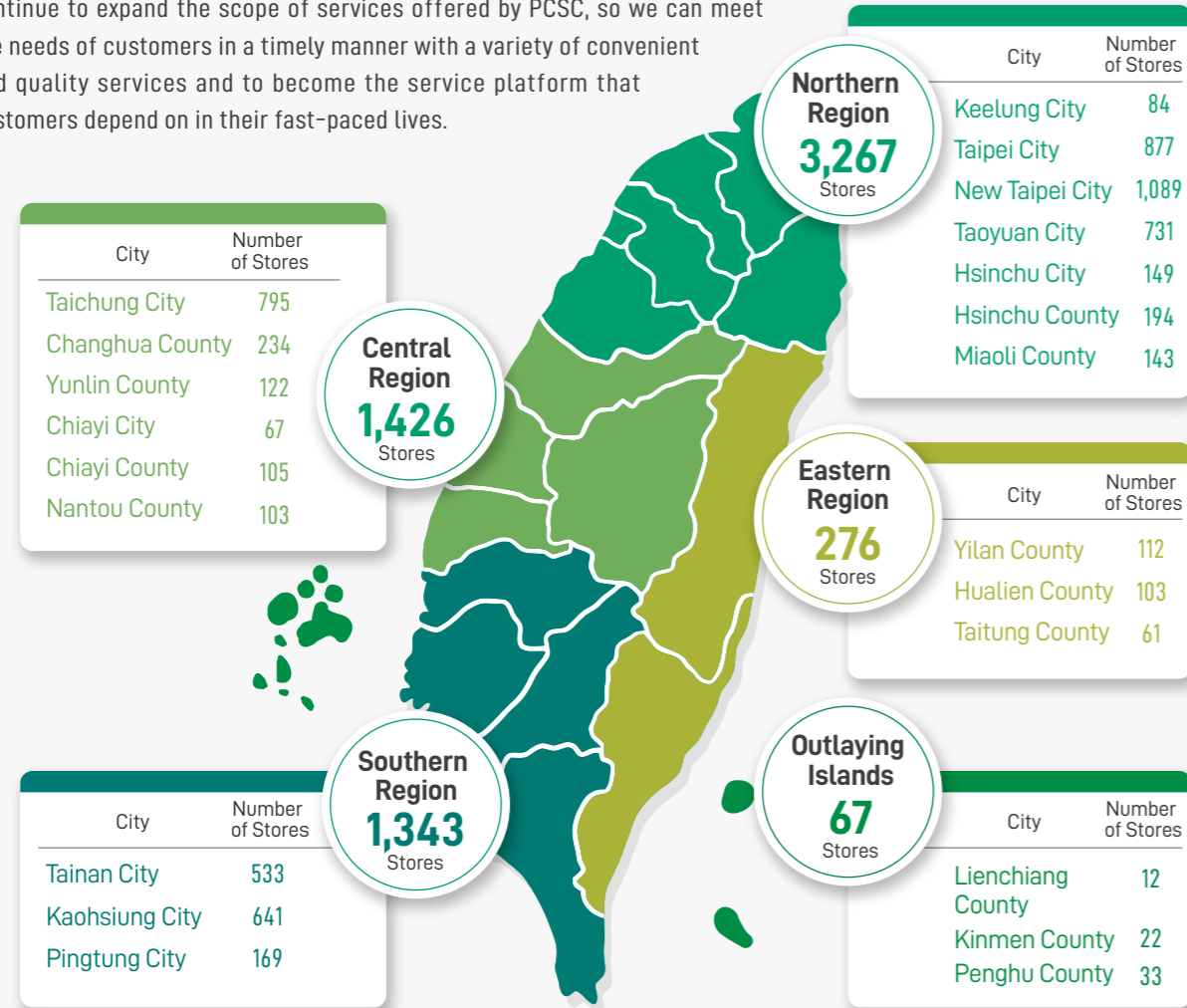
- Integrated Services Center
- Dedicated Stakeholder Section

3.1 Product and Service Innovation

PCSC's goal is to provide a variety of innovative and quality products that exceed customers' expectations. To this end, it integrates internal resources to promote product and service innovation. We launched 6,859 products and 841 services in 2021 as well as actively developing own brand products. In 2021, own brand products accounted for 20.42% of total revenue, exceeding the annual target by 20.40%. By continuing to provide consumers with more high-quality products and convenient services, PCSC becomes a good partner in people's daily life.

Stores

PCSC focuses on providing customer service characterized by convenience and peace of mind. As of 2021, we had 6,379 stores, 355 more compared to 2020, located in the northern, central, and southern parts of Taiwan as well as its outlying islands. It is our hope that we can continue to expand the scope of services offered by PCSC, so we can meet the needs of customers in a timely manner with a variety of convenient and quality services and to become the service platform that customers depend on in their fast-paced lives.



PCSC takes advantage of the power of digital technology to make consumers' lives more convenient. To this end, it provides customers with cash flow, logistics and information flow services with digital tools such as the 7-ELEVEN online shopping site, ibon, OPENPOINT app and MyShip. This allows consumers to make the most of PCSC as the base and service center for everything in life.

OPEN POINT Membership System

PCSC has adopted the three strategies of membership, points and payment since 2020 to collaborate with internal and external parties to offer services to its 14 million members. So far, it has formed alliances with over 50 brands in catering, department stores, mass retailers, drugstores, aviation, tourism, banking, gas stations, point platforms, social media platforms and sharing platforms to drive the growth in membership by over 10%. It is expected that the continuously optimized scope and quality of online services will assist the consumers in their daily lives and provide consumers with more convenience.



PCSC laid the foundation of 12 million members in 2020. In order to expand the groups OPEN POINT serves, PCSC actively expands the membership ecosystem in addition to continuously optimizing the OPEN POINT app system performance, user interface and features. The growth rate successfully reached 15% in 2021, achieving the goal of recruiting a total of 14 million members ^(Note).

(Note) Statistics on January 1, 2022.

In addition to attracting consumers to become OPEN POINT members, PCSC actively builds a membership ecosystem by actively linking with other fields. Besides introducing the resources of a number of partner banks into OPEN Wallet so that consumers can pay with the OPEN POINT app, it also actively expands the applicability of OPEN POINT app. In 2021, it integrated the Group's current 18 channels and further expanded to the consumption channels of everyday life such as Formosa Oil and Simple Mart Retail. It also links the financial services of CTBC Bank. As of the end of 2021, the number of monthly active users of the app was approximately 5 million, showing an increase of 24% compared with the year before. In the future, PCSC will more actively expand external channels and provide high-quality services to a wider customer base.



In 2021, the OPEN POINT APP added innovative services such as iGroup-buying, subscription mobile ordering and pickup system, digitalized 7-ELEVEN point collection, Love Food, virtual gift voucher, etc., so that consumers can access all features on a single app. In addition to integrating different digital services and payment tools such as icash Pay, LINE Pay and JKOPAY, PCSC integrated Pi App, GAMAPAY, Easy Wallet and Taishin Pay in 2021. Consumers can set up the OPEN POINT account and complete the payment, point collection and invoice storage with one single barcode. These contactless payment tools were especially useful for preventing the pandemic during the level 3 alert period. Moreover, the "Invoice Log Service" ranks among the top five commonly used features of the OPEN POINT app. In 2021, the feature reduced paper invoices by 315 million as the fastest growing channel for cloud invoice storage, receiving praise from visiting officials from the Ministry of Finance.

In addition to setting up the membership system, PCSC made analysis based on the OPEN POINT member database to understand the current member attributes and loyalty to estimate the potential of new products and potential buyer segments. It further designed "member prioritized" and "member exclusive" promotions to meet customer needs. With big data analysis, revenue from members increased significantly in 2021, growing exponentially by 114% over 2020. PCSC will continue to refine our membership operations in the future by being committed to integrating internal and external resources through strategic partnerships to build a more attractive membership ecosystem. We will equally expand the OPEN POINT membership base to enhance customer loyalty. We anticipate a 10% growth in 2022 compared to 2021, meeting the goal of 15 million members, as well as over 60% of active members, reaching the goal of having 9.6 million active members.

Innovative Products and Services

Although the pandemic situation in Taiwan had a significant impact on the local consumption of catering, public transportation, leisure and entertainment in 2021, the domestic demand gradually recovered with the pandemic easing, vaccination rate, as well as the government's various revitalization policies. Based on the core concept of lifestyle, PCSC continued to uphold the principle of providing consumers with products and consumer experience that are value for money. We continue to improve the technical R&D of software and facilities, as well as further combining a number of innovative products and services to maintain its competitiveness in sustainability. In 2021, PCSC invested NT\$182,173 thousand in R&D to create a variety of new products and service models. We optimized the model of integrating business online and in physical stores by establishing the new online shopping platform called iPre-order and iGroup-buying, as well as offering better services in terms of "Veggie Selection" and "X-Store" to launch the first compound store with the theme of plant-based diet. Moreover, PCSC became the industry pioneer in building a new model of smart retail named "Mobile Phone Self-service Checkout" that allows consumers to buy and pay with their mobile phones. This creates all-round convenient services that enhance the consumers' shopping experience.



In order to provide people with a more convenient consumption channel, PCSC launched the new "iPre-order" platform that combines the consumption trends of online shopping and mobile payment to formulate three strategies through integrating online and offline activities, including "in-store and online preorder," "extended business opportunities with virtual shelves" and "upgraded membership management." People can shop on the iPre-order platform anytime and pick up their orders in a store nearby. The platform eliminates the restriction of limited space to offer products that cannot be placed on the shelves. From the festival-specific products in the beginning to the Daily instant microwave dishes or even household appliances, consumers are allowed to buy food from famous stores without queuing and ordering low amounts without the need to participate in group buying. We have used LIFESTYLE as the starting point to make proposals based on different themes. Besides the monthly promotions and the most popular products, the site pros fresh aquatic products, frozen food, household appliances, fashion, beauty products, etc. Everything can be purchased with just one tap like a community shopping mall, infinitely extending virtual business opportunities.

We have gone one step further on the iPre-order platform through cross-industry cooperation, so that consumers can not only shop with convenience but also easily meet their daily needs or engage in charitable giving. During the Ghost Festival period in the 8th month of the lunar calendar, PCSC collaborated with Beigang Chaotian Temple and Dajia Jenn Lann Temple to offer Pudu services. Customers can preorder the "Beigang Mazu Pudu Box" through the iPre-order platform or preorder the "Jenn Lann Temple Ghost Festival Box" in store. The products were sent to Beigang Chaotian Temple and Dajia Jenn Lann Temple for the Ghost Festival Pudu ceremony. After the ceremony was over, the boxes could be delivered at home or donated to disadvantaged families. Moreover, PCSC exclusively sold the "Ghost Festival Prayer Box" with a special design from the Beigang Chaotian Temple and the "Jenn Lann Temple Prayer Box" from Dajia Jenn Lann Temple, as well as a "Peace Prayer Surprised Grab Bag" in collaboration with Beigang Chaotian Temple and Hongludi Nanshan Fude Temple targeting small families, so that people could pray for peace during this time of the year.



In addition, in order to better play the role of a good neighbor in the social network era, PCSC has created a new smart group buying platform called "iGroup-buying" in the OPEN POINT app, offering smart features such as simple product launch, fast order statistics and notifications upon delivery so that store managers could play the role of the group buying organizers in the community. As long as consumers turn on the iGroup-buying feature in the OPEN POINT app. They can join the group buying groups of 7-ELEVEN stores everywhere to stay updated with the latest updates on group buying and discounts, as well as completing the procedures including order placement, payment, point collection and invoice storage. As long as the store manager agrees, one person can also enjoy the group buying price. We aim at creating the biggest and most convenient O2O regular customer ecosystem, in Taiwan with innovative services so that consumers can buy, pay and enjoy with convenience, turning simple taps into unlimited business possibilities.

Veggie Selection 2.0

Considering the important role that fruits and vegetables play in human nutrition and food safety, the United Nations declared 2021 as the "International Year of Fruits and Vegetables," calling on the world to invest resources in raising global awareness of a diet rich in fruits and vegetables, thereby promoting a balanced and healthy diet and lifestyle. In response to the International Year of Fruits and Vegetables, PCSC launched the new "Veggie Selection lifestyle store" with nearly 300 kinds of vegetarian and plant-based food items, of which nearly 40% are vegan. In addition to frozen meals and microwave fresh food popular among vegetarians, frozen, refrigerated and room temperature vegetarian products that can be cooked at home have also been made available. These include plant-based hamburgers, plant-based prepared food from world-renowned and local plant-based meat brands, as well as noodles, cereal bars and plant-based milk from well-known vegetarian brands to satisfy the needs for home cooking and takeaway in different consumption scenarios.



We also continue to invest and expand our own brand and series of "Veggie Selection" products that were launched in 2020. The brand section in the refrigerators of each store now offers a variety of plant-based food choices that the consumers can easily take advantage of. In 2021, dozens of vegetable and vegetarian products were sold in 1,500 stores, attracting over 7 million consumers and reducing carbon emissions by more than 1,552 metric tons.

In order to promote a plant-based diet, PCSC has been running the "Meatless Monday" campaign for a long time by rewarding consumers with OPEN POINT points. In 2021, discounts on all "Veggie Selection" items were given on International Meatless Day (November 25) to encourage more consumers to contribute to the planet with a plant-based diet.

Smart Retail

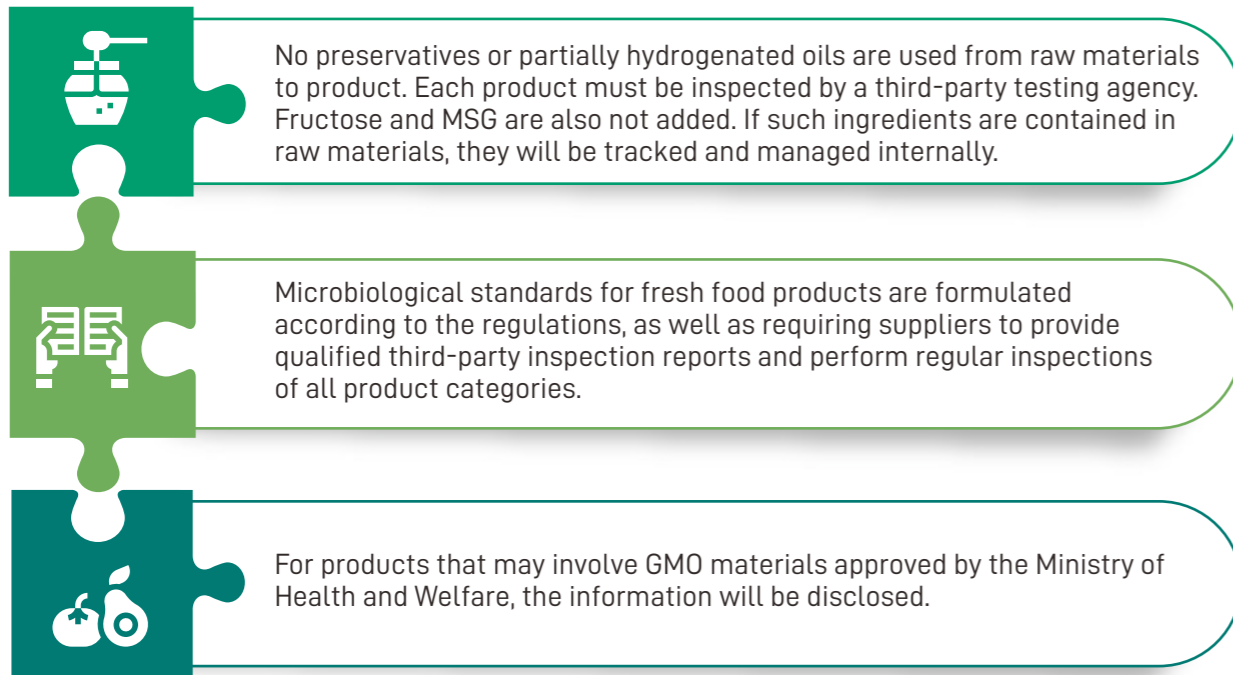
PCSC continues to explore smart retail models that meet the needs of modern and future retail, and strives to improve the convenience of daily consumption with new technologies. We opened a new X-STORE 5 in 2021 to build a new digital economic life circle by integrating intelligence, co-branding and membership to optimize the consumer journey and experience with smart technologies. The new "mobile self-checkout" was developed to create an immersive digital consumer experience by changing the traditional model of counter checkout. This turns the smartphone into a smart mobile shopping basket, as well as incorporating diverse payment tools. Consumers can finish the checkout process without queuing, as well as linking to the OPEN POINT ecosystem to finish checkout, point collection and invoice storage with one single tap.



In response to the vision of a sustainable earth, PCSC actively introduces energy-saving, carbon-reducing and paper-saving smart technology experiments. X-STORE 5 introduces MIT smart energy-saving refrigerators that save 50% of electricity compared with regular refrigerators. In the meantime, the entire store uses LED lighting. It is estimated that the energy-saving equipment in a single store can save more than 12,000 kWh of electricity each year. We continue to transplant the successful innovative smart technologies of X-STORE to other stores, such as energy-saving system used in smart refrigerators, vending machines, coffee vending machines, self-checkout, event posters and electronic shelf product labels, etc. with significant sustainable performance. For example, the latter's posters and electronic labels are estimated to save more than 10,000 sheets of paper every year, equivalent to 10 Daan Forest Parks.

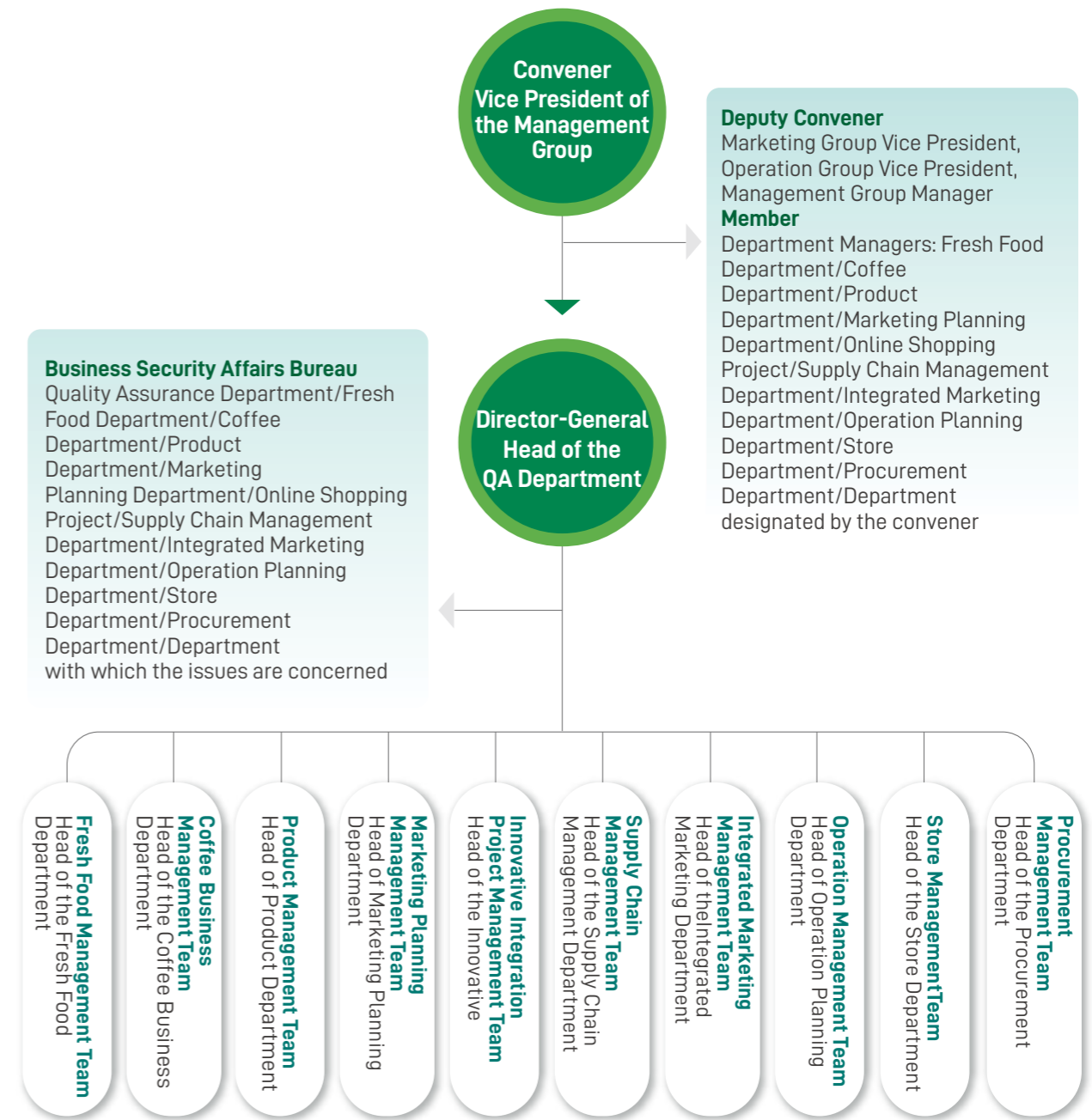
3.2 Customer Health and Safety

Product safety is the cornerstone of PCSC operations. Nowadays, a healthy diet have become current consumer concerns. As a member of the food retail industry, PCSC provides products with a variety of health concepts to meet the nutritional needs of consumers in their daily diets to fulfill our responsibility and obligation to consumers. PCSC follows the internal "Private-Label Product Policy" to stay on top of the value chain of products, from raw materials, logistics to stores with management mechanisms. In the meantime, we fulfil our promise of product safety by tracking product safety information and improving internal reporting mechanisms. In 2021, a total amount of NT\$122,971 thousand was invested in food safety management.



Product Safety Committee

The Product Safety Committee is divided into three main levels. The convener is appointed by the Vice President of the Management Group, with the Marketing Group Vice President and Operation Group Vice President serving as deputy conveners. The Quality Assurance Department Manager serves as the Director-General on the second level. Under the Director-General, a separate Business Security Affairs Bureau is responsible for the integration and collection of issues related to product safety. The third level consists of 10 task forces with each department head as leader. The Product Safety Committee focuses on safety and quality, and establishes a unified management system for private-label products, with the scope covering 100% of private-label products. One meeting was convened in 2021, with the discussion focusing on reporting and tracking important business security information, planning and responding to changes in regulations.



Note: Due to organizational changes, the structure was modified in December 2021.

Collection and Inventory for Product Safety Information

Staying abreast of the latest product safety information has been key to PCSC's making product quality management a reality. Product safety information is negative reports collected by PCSC on its own brand products, information on unqualified products, and information on regulations promulgated by relevant authorities and issued in other countries. PCSC manages information in different levels in accordance with our "Product Safety Information Collection and Review Tracking Standards." The system applies to 100% of PCSC's private-label products. In 2021, the Company collected 495 product safety-related memos, including 1 A-level information, 364 B-level information and 130 L-level information. The A-level information was followed up to ensure improvement, with all cases closed.

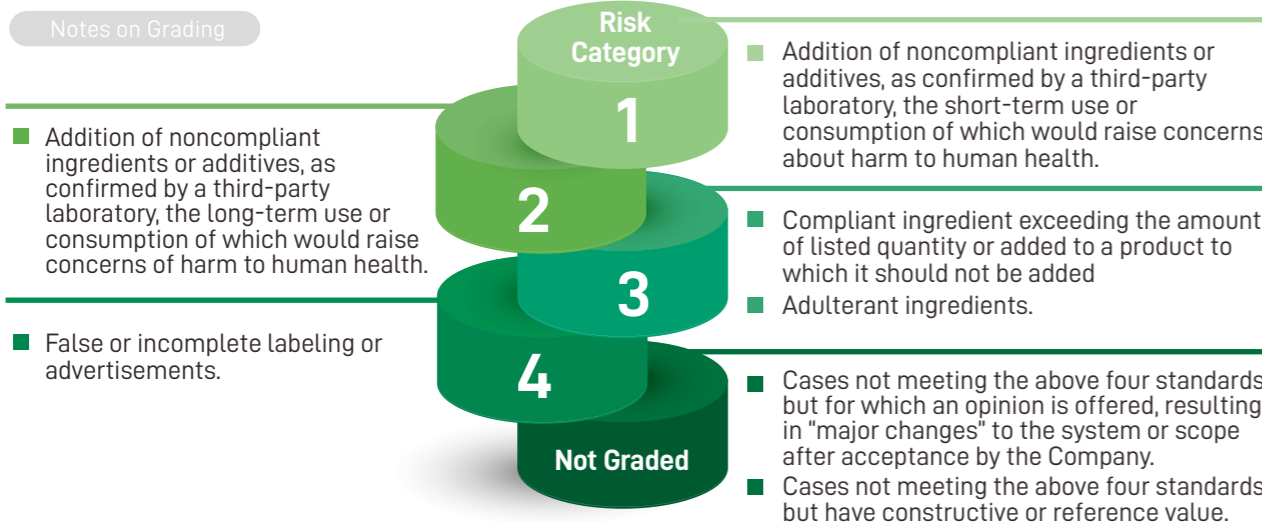
Level of Information	Description
A-level information	Negative product safety information and information on non-compliance regarding PCSC and its joint ventures. Information in this category must be included to be tracked and closed.
B-level information	Product safety information, other than Level A
L-level information	Drafts of law and regulations issued by the government and information on foreign laws and regulations

Note: A-, B-, and L-level information is based on the date that the information was announced internally.

Internal Reporting System

PCSC has established an internal product supervision mechanism based on the "Rules for Safety on Private-Label Products." This mechanism invites employees to come together to play a role in supervising product safety. In cases where employees in logistics, directly operated stores, or franchisees have doubts or questions about ads, labeling or ingredients, they can use this mechanism to provide feedback. Issues raised in this way are forwarded to the Product Safety Committee and the person making the report receives a reward based on the severity of risk involved with the safety issue. In 2021, no incident case was reported.

Table 2: PCSC product safety risk categories



Grievance Mechanism

PCSC established an "Integrated Services Center" to act as the internal and external channel for issues involving products and services. Consumers can voice their complaints or suggestions to the Integrated Services Center via a hotline or email. The Center creates a file for each issue and in cases that require follow-up, cases are only closed after customers receive information on how PCSC responded to and handled the issue. In 2021, the Center handled 92.3% of the cases online in real time with 100% of the cases closed. 100% of the stakeholder letters were answered without receiving a major complaint.

Product Value Chain



Raw Material Management

Tracking and Traceability

To effectively monitor product safety and take up the responsibility of PCSC as a retail business, PCSC works with Taiwan Delica Foods Development Association (TDF) to set up a Material and Quality Assurance System (MAS) for own products. This ensures that product raw materials and suppliers can be tracked and managed. The main document in the MAS system is the product specification document, which records the sources of raw materials and the suppliers. As of the end of 2021, 100% of private-label food products had the corresponding product specification document in the MAS system.

In the meantime, PCSC meets the definition of a vendor of box meals as set forth in Article 9 of the Act Governing Food Safety and Sanitation and set up a traceability system for a total number of 527 products in the meal box category (Note 1) in accordance with the official document (Food and Drug Administration Document No.1071300516 authorized by the Ministry of Health and Welfare on 26 June, 2018) in 2021, taking up a total of 100% of box meal category.

Note 1: Indicating the products which consist of grains (rice or noodles), processed grains, agricultural, livestock and seafood ingredients, which are processed to be served to groups or individuals. Those products are served with clear labels or pictures of the ingredients and are served in boxes or large containers. The products can be eaten shortly after reheating. The definition does not include baked items served in a box.

Quality Certification

To manage and stay on top of product quality, PCSC's Quality Testing Laboratory obtained ISO/IEC17025:2017 certification following items specified by Taiwan Food and Drug Administration (TFDA) and Taiwan Accreditation Foundation (TAF). After a product is made, the laboratory first samples and tests it for microorganisms with chemical methods, ensuring product safety before it is put on the shelf. As of the end of 2021, the laboratory conducted tests on 622 items per requirements of CNS or the competent authority. Another 112 test items that follow directives from the aforementioned requirements were also conducted.



TAF Certification Items

Scope of microorganisms for ISO/IEC 17025:2005 certification	4 items
Caffeine	1 items

TFDA certification items

Microorganisms	4 items
Colorants	8 items
A Ochratoxin A	1 items
Patulin	1 items

In 2021, a total of 1,173 tests were run on products and raw materials, with 1,164 passing the test. The passing rate was 99.2%. The forementioned tests corresponded to 1,165 products, with 1,160 passing the tests. Unqualified products were retested, with 4 passing the test and 1 taken off the shelf. In addition to dealing with the situation in accordance with our contracts, we also bolstered follow-up inspection and monitoring to ensure the safety of the products we sell. The quality testing laboratory resulted in costs of NT\$37,701 thousand, including NT\$21,232 thousand for entrusted laboratories ^(Note), accounting for 0.022% of the Company's operating revenue.

Note: The quality testing laboratory costs include tests, salaries, depreciation, rentals, equipment repair and maintenance, as well as miscellaneous purchases.

In the meantime, PCSC is also committed to obtaining relevant labels for its private-label products. In 2021, the raw materials for PCSC's private-label products were inspected by an external body to confirm no GMOs were adopted. To make it easier for consumers to make purchase decisions, PCSC is also committed to clearly displaying labels relevant to GMOs on the outer packaging in accordance with MOHW's "Guidelines for Labelling Packaged Food Containing GMO Raw Materials" and Guidelines for Labelling Bulk Food Containing GMO Raw Materials." Among private-label products, the ones whose outer packaging was marked with a label stating "GMO-free" reached a revenue of NT\$91,804 thousand in 2021.

Service Excellence Assessment

PCSC conducts an annual service excellence assessment on all its directly-operated stores and franchises, with items including basic service, professional service, comfort of the environment and appropriate responses. The results of the assessment are graded A (excellent), B (meets expectations) or C (needs improvement). In 2021, a total of 2,456 stores were graded A out of all the stores that were audited, accounting for 62.10% of the stores. Operations specialists visit stores receiving a grade of C to provide guidance, and hold meetings to draft improvement plans, conduct drills on the shortcomings as well as re-evaluating after 2 months to ensure improvement, providing the consumers with a great shopping environment. We set dual goals of the proportion of A-level stores and the combined proportion of A-level and B-level stores. In the service quality evaluation in 2021, the combined proportion of A-level and B-level stores reached 96.06%, which is higher than the target (95%). The proportion of A-level stores is slightly lower than the high-standard target we set (70%). We will continue to provide in-depth counseling through district consultants to improve the overall service quality.

2021 Annual Initial Assessment Grade	Number of stores Audited	Percentage
A (excellent)	2,456	62.10%
B (meets expectations)	1,343	33.96%
C (needs improvement)	156	3.94%

Quality Assurance Audit

In addition, PCSC engaged a management consulting company to perform quality assurance audits. In 2021, 98.97% ^(Note) of all stores underwent this audit. A total of 22,682 stores were inspected with a pass rate of 95.891%. The stores were unqualified mainly due to expired products. PCSC provided concrete suggestions for the issue and followed up to ensure that improvements were made.

(Note) Due to the pandemic in 2021, the number of audited stores went down. Stores in the terminal were temporarily closed with no possibility for audits. A few stores that closed down at the beginning of 2021 and those that opened between October 30 and December 31 were not audited in 2021.

QA and Ethical Corporate Management Certification Training and Audits

To maintain the quality of the overall workforce, PCSC continues to provide quality assurance education and training for both new hires and existing employees in addition to the store audits described above. A total of 74,145 people participated in the training in 2021 (including employees who have quit). PCSC hired a management consulting company to audit the quality assurance training certification status of stores, with 98.73% ^(Note) of the stores audited in 2021.

(Note) The number of stores that were audited went down due to the pandemic in 2021. The Terminal North was temporarily closed with no possibility for audits. A few stores that closed down at the beginning of 2021 and those that opened between October 30 and December 31 were not audited in 2021. All stores with abnormalities in 2021 were re-audited with improvement completed.

Logistics Management

PCSC products are shipped to stores after production. Ensuring product quality during transportation is the key to stable product quality and safety. Therefore, even though the logistics company is not a main element in the scope of disclosure in this report, its operations are still disclosed due to its impact on product safety. After PCSC products and raw materials are manufactured by suppliers or contract manufacturers, they are shipped to stores by a logistics company. To ensure that the quality of products is maintained and guaranteed throughout the entire process of shipping, storage, and display and to reduce potential risk to products due to temperature, employees or sanitation, we partner with logistics companies on initial logistics and in-store product management and service audits. Initial logistics involves cooperation on shipping, taking product quality management processes from the store and pushing them upstream to the supplier end to set up a comprehensive quality control. In 2021, the initial logistics mechanism was implemented for 100% of the exclusive and own brand products including rice, fresh noodles, salads, cooked food, refrigerated flavored breads, sweet potatoes and fresh foods.

Store Management

Product Labeling

Transparent product labeling is key to PCSC's promise to safeguard the rights and health of its customers. Our "Product Safety Management" rules stipulate that new suppliers' product labeling must conform to the Commodity Labeling Act, Act Governing Food Safety and Sanitation or relevant government laws and regulations. We also require suppliers to sign an agreement guaranteeing that the ingredients, manufacturing, labeling and advertisements for their products all conform to relevant laws and regulations. In addition to screening potential new suppliers, product labels are the items that the logistics center must check upon receiving a shipment (including bar codes, expiration dates and Chinese labeling). PCSC also uses its "Packaging Internal Control Design System" to keep abreast of the information on our own brand product labels. This ensures that all products have clearly labeled information from manufacturing to shipping to final sale in the store. In 2021, there was one violation of the Act Governing Food Safety and Sanitation regarding the caffeine content labeling for large iced Americano. This was immediately addressed with the stores required to label the highest level. Please refer to 2.3 Legal Compliance for details.

In 2021, PCSC continued to focus on developing products with reduced saturated fat, trans fat, sodium or sugar. In the meantime, PCSC strengthened the voluntary labeling of health and nutrition information on food products from its own brand, stating whether there are added chemicals, low-fat, low-sodium, low-sugar, or other nutrient content of voluntary labeling in own brand products, etc. by following MOHW's "Guidelines for Nutrition Labeling of Packaged Foods" and "Nutritional Claims of Packaged Foods," as well as other health and nutrition-related voluntary labeling and other products that help promote health and nutrition, totaling NT\$7,212 million in revenue.

3.3 Sustainable Supply Chain Management

PCSC has four main types of suppliers, including own brand product manufacturers, suppliers of raw materials through direct transactions, suppliers of egg products and suppliers of items related to store food safety. We ensure that suppliers adhere to our stringent quality standards using our supplier management rules and evaluation system.

Critical Supplier Identification

• Critical Suppliers

If viewed from a wider perspective, PCSC has three types of suppliers, including private-label product contractor manufacturers, non-private-label product suppliers and other suppliers. Among these, own brand product suppliers have the closest relationship with PCSC, and PCSC also has a greater responsibility correspondingly. From our private-label product contractor manufacturers, PCSC identifies "tier-1 suppliers" and "non-tier 1 suppliers." Tier-1 suppliers are defined as suppliers that trade directly with PCSC's own brand such as food manufacturers. Non-tier 1 suppliers are defined as suppliers of raw materials for private-label products that PCSC does not directly trade with. We further identify "critical tier-1" and "critical non-tier 1" suppliers based on the amount of procurement and product category, so as to strengthen the control of important suppliers.

There were 17 critical suppliers in 2021, defined as follows:

Critical Suppliers	Definition of Critical Suppliers	Number of Critical Suppliers in 2021
Critical tier 1	Procurement amount over NT\$30 million, supplying packaging and items directly related to food products in store	2
	Suppliers for own brand product with the transaction amount reaching top 5 for the previous year	5
Critical non-tier 1	PB raw materials supplier with transaction amount reaching top 10 for the previous year	10

Supplier Code of Conduct

As the leader among domestic retailers, PCSC hopes to make itself an example to spur suppliers to practice corporate social responsibility. In addition to the aforementioned management rules and assessment systems, we have set a "PCSC and PCSC Subsidiaries' Code of Conduct for Suppliers," as well as requiring all suppliers to sign an "Agreement on Ethical Corporate Management and the Corporate Social Responsibility." For suppliers unwilling to sign the code of conduct, PCSC will examine their existing internal regulations and the scope of commitment. Additionally, they will be required to commit certain important items. If communication fails but it is still necessary to purchase from the supplier, the supplier will be asked to sign a "Affidavit on the Ethical Corporate Management" to require our supplier to practice corporate social responsibility. In 2021, 100% of PCSC suppliers signed the "Agreement of the Ethical Corporate Management and the Corporate Social Responsibility."

• Content of the Code of Conduct

The principles and agreement stipulate that suppliers are not to obtain inappropriate gains through bribery, monopoly, or the giving of gifts, are not to violate labor laws or regulations (including hiring rules, hiring child labor, working conditions, salary and remuneration, occupational safety and health), are to guarantee labor equality, a non-discriminatory workplace, fundamental human rights, and provide products that conform to environmental protection and food safety laws and regulations to reduce their impact on the economy, society and environment.

Supplier Management

• Supplier Management Policy

In order to stay updated with and monitor supplier quality, we included a dedicated chapter on "Product Safety Management" to ensure all suppliers conform to laws and regulations and to PCSC's rules in terms of company incorporation, product quality and testing. A number of the rules are set for suppliers and manufacturers of our private-label products, based on the nature of each, since these have a more direct impact on our operations and brand. (See details below on "Private-Label Supplier Management Rules"). These rules clearly require that specific standards be adhered to for product manufacturing, packaging, testing and appraisal.

Item	Supplier Type	Measures
1	All suppliers	Product Quality Guarantee Agreement
2	Private-Label product manufacturers	Rules for Onsite Appraisal of Manufacturers by Private-Label Product Committee
3	Suppliers of raw materials through direct transactions	Raw Material Supplier and Raw Materials Management Rules
4	Suppliers of store food safety supplies ^(Note)	Management Measures for On-site Evaluation of Suppliers of Food Safety Products in Stores

(Note) This refers to domestic manufacturers of disposable paper cups, bowls, and other products that come in contact with food in stores.

Additionally, to improve the quality of suppliers, we do our utmost to ask that suppliers of private-label products obtain food safety and sanitation management system ISO22000 certification. During 2021, suppliers of private-label food products (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products) numbered 38 companies. If calculating using the number of the plants, there were a total of 76 manufacturing sites, among those 44 were manufacturers of private-label food products within Taiwan, all of which obtained international food safety management system ISO22000 certification.

Table: 2021 ISO22000 Certification

Type of supplier	Number of suppliers for private-label food products	Number of domestic manufacturers of suppliers for private-label food products	Number of ISO22000:2018 obtained by domestic manufacturers of suppliers for private-label food products	
			Number	Percentage
Suppliers for private-label food category	38	44	44	100%

(Note 1) The number in the denominator does not include factories abroad that are run by suppliers.

• **Supplier Training**

PCSC's Supply Chain Management Department communicates regularly each year with major suppliers of materials for its private-label products on the concepts of sustainable procurement and tracing management and asks them to provide us with materials that meet PCSC's sustainable procurement standards. In addition to the signing of contracts, PCSC actively conducts supplier training. In 2021, 90% of tier-1 suppliers finished training, and 98% of non-tier 1 suppliers finished training.

• **Supplier Appraisal System**

PCSC follows the aforementioned rules to undertake periodic evaluations of suppliers of private-label products, suppliers of raw materials by direct transaction, and suppliers of egg products, drafting different assessment content based on the characteristics and risks of each supplier type. This rigorous assessment allows us to provide safe and quality food for customers. Our stringent standards enable us to stay on top of product quality and safety on behalf of our customers. Critical supplier assessment points, standards, frequency, and results are disclosed below. In response to current ESG developments, the percentage of ESG-related assessment items among overall assessment score will also be disclosed below.

In 2021, PCSC reached the target of "100% achievement rate for the PB^(Note 1) joint procurement + direct transaction

with stores + farm suppliers audits" and the target of "100% of PB/PL^(Note 2) on-site evaluations for manufacturers." We will continue to keep the high standards as a target in the future.

(Note 1) Refers to contracts with manufacturers for large-quantity procurement of goods, or development of products with unique specifications, such as oden, rice, instant food, bread and other fresh food products, as well as CITY CAFE.

(Note 2) Refers to private-label products designed by PCSC, such as iseLect collection of frozen foods and snacks, etc.

New Supplier Appraisal

We set our standards based on the relevant legal conditions, quality certification, management systems, and plasticity of materials of new suppliers. We also include economic, environmental and social standards in the assessment system to evaluate and stay on top of supplier quality. Potential suppliers are all required to undergo these assessments and pass before they are accepted as new suppliers. In 2021, a total of 9 new suppliers and manufacturers came on board. All of them passed this assessment.

In order to ensure consumer rights and product use safety, the passing score for new suppliers of store supplies is 70 points. We expect to increase the eligibility standard for the introduction of new domestic and international suppliers of store food packaging supplies to 75 points in 2025 to fulfill the responsibilities of supplier selection and management. In 2021, the score of one new supplier introduction appraisal reached 73 point, continuing to move towards the goal of 75 points by 2025.

Contract Manufacturers

Legal conditions	Taiwan	Hold legal business registration and factory registration, etc. (Industry type listed on the registration must include processing of product types for outside organizations)
	Abroad	For foreign manufacturers, incorporation of the company must conform to relevant laws and regulations in that country.
Quality certification	Food product contract manufacturers	Manufacturers in Taiwan are required to have ISO 22000 Management System Certification. The scope of inspection should include items they produce for PCSC. Foreign producers are required to have a minimum of HACCP or ISO 9001 Management System Certification or some other international food safety system certification.
	Non-food product contract manufacturers	International quality certification is preferred, such as ISO 9001.
Comprehensive management system	Good product quality management, own product testing capabilities, production management and sanitation management.	

Suppliers of Raw Materials through Direct Transactions

Legal conditions	The business registration, factory registration, contract manufacturer qualification checklist, food industry supplier registration number, etc., must conform to legal conditions for registration.
Quality certification	TQF, CAS, ISO 22000, HACCP certifications preferred.

Suppliers of Egg Products

Quality certification	Egg washing and grading site source for eggs as raw materials must be CAS certified farms and the washing and grading sites must further pass CAS assessment and be qualified (such as product certification).
Packaging and labeling compliance	Egg packaging labels should conform to national law and regulations and CAS good agricultural product egg item standards, such as product name, manufacturer and agent's name, address and telephone number.
Inspection qualification	Eggs are inspected for conformity based on announced national methods with items of inspection including salmonella, veterinary drugs, antibiotics, including tetracycline, antibiotics and other metabolites, as well as chloramphenicol.





Suppliers of Store Supplies

Legal conditions	The business registration, factory registration, food industry supplier registration number. Industry type listed on registration must include processing of product types for outside organizations.
Quality certification	Priority is given to international quality certification, such as ISO 9001.

Existing Supplier Appraisal

Assessment Items

Supplier assessment items are based on the characteristics of contract manufacturer, supplier of raw materials by direct transaction, egg product supplier or supplier of store supplies. The scope includes management systems, environmental sanitation, manufacturing and quality management systems. The aforementioned items for inspection ensure that product safety and organizational operations are well-managed. Assessment items for different suppliers are as follows:

 <p>Contract Manufacturers</p>	<p>Assessment items</p> <ul style="list-style-type: none"> Management and laws and regulations HACCP (Hazard Analysis Critical Control Point)/ Food Product Safety System Process and product control Non-conforming product control and tracing Environmental sanitation Worker health and safety 		<ul style="list-style-type: none"> Facilities and equipment Vector control Food safety/emergency handling Testing and measurement Storage and shipping Social responsibility
	<p>Factory/trade type</p> <ul style="list-style-type: none"> Factory equipment and environmental sanitation management Employee safety and health management Manufacturing process control Product quality control Raw materials control Storage and shipping control Customer complaints and continuous improvement Formulate relevant scope of environmental protection Quality and supply capacity assessment 	<p>Primary raw farm materials</p> <ul style="list-style-type: none"> Raw materials control Quality and supply capacity Factory cleanliness and sanitation Manufacturing process control 	
 <p>Suppliers of raw materials through direct transactions</p>	<p>Assessment item</p> <ul style="list-style-type: none"> Factory environment Factory facilities Equipment and packaging materials Manufacturing process management Product quality management 		<ul style="list-style-type: none"> Sanitation management Shipping management Product sampling results Raw materials and product audits Risk management
	<p>Assessment item</p> <ul style="list-style-type: none"> Management Quality management Environmental conditions Product development Procurement and raw materials intake testing Production and packaging 		<ul style="list-style-type: none"> Health, safety and work conditions Finished products Storage and shipping Customer complaints Product specification checks
 <p>Suppliers of Egg Products</p>	<p>Assessment item</p> <ul style="list-style-type: none"> Management Quality management Environmental conditions Product development Procurement and raw materials intake testing Production and packaging 		<ul style="list-style-type: none"> Health, safety and work conditions Finished products Storage and shipping Customer complaints Product specification checks
	<p>Assessment item</p> <ul style="list-style-type: none"> Management Quality management Environmental conditions Product development Procurement and raw materials intake testing Production and packaging 		<ul style="list-style-type: none"> Health, safety and work conditions Finished products Storage and shipping Customer complaints Product specification checks
 <p>Suppliers of Store Supplies</p>	<p>Assessment item</p> <ul style="list-style-type: none"> Management Quality management Environmental conditions Product development Procurement and raw materials intake testing Production and packaging 		<ul style="list-style-type: none"> Health, safety and work conditions Finished products Storage and shipping Customer complaints Product specification checks
	<p>Assessment item</p> <ul style="list-style-type: none"> Management Quality management Environmental conditions Product development Procurement and raw materials intake testing Production and packaging 		<ul style="list-style-type: none"> Health, safety and work conditions Finished products Storage and shipping Customer complaints Product specification checks

Conformity Standards

Assessment results are scored into four categories: A (≥ 90 points), B (80-89 points), C (70-79 points), D (<70). Passing standards are as follows:

In the event of failure to meet standards, a penalty will be imposed as per the "Product Quality Guarantee Agreement" or "Supplier Assessment Agreement."

Type of suppliers	Passing standards
Food manufacturers	B or above (80 points or above)
Non-food manufacturers	C or above (70 points or above)
Suppliers of raw materials through direct transactions	
Suppliers of egg products	
Suppliers of store supplies	

Frequency of Appraisal

The frequency of assessment differs based on the results of the previous on-site assessment.

1. Contract Food Manufacturers

Contract manufacturers are divided into food product, non-food product, domestic and overseas categories with different assessment frequency. PCSC formulated the "Food Product Manufacturer Risk Grading and Assessment Guide" to serve as a basis for assessing domestic food product manufacturer risk levels. We also completed the risk grading for own brand food product manufacturers in 2020 as reference for determining on-site assessment frequency in 2021.

Comparison Table of On-site Assessment Frequency for Domestic Food Product Manufacturing Sites

Risk Category	Grade			
	A ≥ 90 points	B 90>points ≥ 80	C 80>points ≥ 70	D <70 points
Low-risk	12 months	6 months	Suppliers receiving a C are to be assessed once a month for three consecutive months and must pass during consecutive months. Suppliers not passing two months in a row are to halt production. For those passing assessment, the most recent passing assessment is to serve as the benchmark for determining when the next asses.	Suppliers receiving a D are to immediately stop producing for PCSC or be assessed once a month and must pass three months in a row. Suppliers not passing two months in a row are to halt production. For those passing assessment, the most recent passing assessment is to serve as the benchmark for determining when the next assessment is to take place.
Medium-risk	6 months	4 months		

Reference Table of On-site Assessment Frequency for Overseas Food Product Manufacturing Sites

Grade	Score	Result	Assessment Frequency/Follow-up in Case of Failure
A	≥ 90 points	Pass	1 assessment/12 months. Assessment must be completed within the same year.
B	90>points ≥ 80		
C	80>points ≥ 70	Fail	Manufacturer must immediately halt production arrangements and pass a reassessment within 6 months before resuming production. Otherwise manufacturing on behalf of PCSC must be terminated.
D	<70 points		

2. Contract Non-food Manufacturer

For domestic manufacturers of non-food products, an on-site assessment grade of C or above constitutes a pass. Assessment frequency is once every 12 months and assessment must be completed within the same year. If the assessment result indicates a failure to meet our standards, the case is handled as a failure on the part of domestic food product manufacturers. For overseas manufacturers of non-food products, an on-site assessment grade of C or above constitutes a pass. Assessment frequency is once every 24 months and assessment must be completed within the same year. If the assessment result indicates a failure, the manufacturer must immediately halt production arrangements and pass a re-assessment within 6 months before resuming production. Otherwise manufacturing on behalf of PCSC must be terminated.

3. Others (raw materials suppliers through direct transactions, egg product suppliers, suppliers of store supplies)

In addition to manufacturers, suppliers of raw materials through direct transactions, suppliers of egg products, and suppliers of store supplies are slated for assessment every 3 to 18 months^(Note 1), depending on their assessment grade. If an organization fails, a re-assessment is to be performed until it reaches a passing result. Follow-up action is to be taken as per relevant rules (such as the "Supplier Assessment Agreement" or the "Product Quality Guarantee Agreement").

(Note 1) In response to the revision of the management measures, the assessment frequency for A-level for raw material suppliers and egg product suppliers is adjusted to 18 months from September 2021.

Assessment Results

In 2021, there were a total of 38 suppliers of private-label food products with whom PCSC had a cooperative relationship^(Note 1) (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products). 100%^(Note 2) of those suppliers were audited^(Note 3). Please refer to the table on pages 69-70 for the list of the 38 suppliers. A total of 119 audits were performed with 119 passing, with the compliance rate reaching 100%.

(Note 1) Defined as

- (1) New factory which passes the assessment prior to 2021 and existing suppliers that passed internal submission.
- (2) New suppliers that successfully passed the introduction assessment in 2021.
- (3) Those eligible to halt assessment in 2021 are also included.

(Note 2) Assessment items are those listed in the "Assessment Criteria."

(Note 3) 1 manufacturer and 5 suppliers of raw materials through direct transactions ended their transactions and cooperation with PCSC based on the result of last year's supplier assessments. Therefore, they were not required to be audited in 2021 based on the corresponding management rules.

In 2021, there were 13 suppliers of disposable items for store use^(Note 1), with 100% of them passing the audit. Please refer to the table on pages 69-70 for a list of these 13 suppliers. A total of 14 audits on supplier assessment items were performed, resulting in 14 passing audit results at 100% of passing rate.

(Note 1) Refers to domestic suppliers of disposable paper cups, bowls and similar items which come into contact with food and are provided to the consumers.




(Note 2) 2 suppliers of store supplies completed the manufacturing process and submitted the application to halt the assessment prior to the scheduled month. No audit was necessary in line with the management regulations in 2021.

	Number of Suppliers	Percentage of Audits Completed	Number of Audits	Number of Passing Results	Passing Rate
Suppliers of private-label food products with whom PCSC had a cooperative relationship (including manufacturers, suppliers of raw materials through direct transactions and suppliers of egg products)	38	100%	119	119	100%
Domestic suppliers of store disposable products	13	100%	14	14	100%

PCSC views suppliers producing own brand products with grades of C or below and non-food manufacturers with grades of D or below as "suppliers with high ESG risks." There was no supplier with high ESG risks in 2021.

ESG Assessment Items

In addition to product quality and health issues, PCSC has responded to trends in sustainable development by integrating ESG (Economics, Social and Governance) into its scope of assessment in the hope of the incorporation of ESG metrics will serve to combine the efforts of PCSC's supply chain to help make sustainable development a reality. An explanation of the weighting of these in assessment is as follows.

	Type of Supplier	Weight in the Economic Category (%)	Weight in the Environmental Category (%)	Weight in the Social Category (%)	Weight in Other Categories (%)
 Contract Manufacturers	Non-food manufacturers (including suppliers of store supplies)	14%	3%	13%	70%
	Food manufacturers	50%	15%	14%	21%
 Suppliers of egg products		50%	2%	2%	46%
 Raw material suppliers	Raw materials - factory	61%	30%	4%	6%
	Raw materials - trader	61%	24%	4%	11%
	Raw materials - primary farming and livestock	58%	21%	0%	21%

PCSC lays great emphasis on "sanitation of the operational environment" and "occupational health and hygiene of workers" in supplier ESG assessments. Since many of PCSC's own brand suppliers are tied to food product manufacturing or raw materials, to ensure that suppliers conform to food product safety laws and regulations and PCSC's own product quality management requirements, sanitation of the operational environment has been added to the list of assessment items for suppliers. Furthermore, we stress that suppliers protect workers and their rights by requiring suppliers to exercise their corporate social responsibility without violating the Labor Standards Act. We believe that the occupational health and hygiene of production line workers have an impact on product quality. Therefore, this is an important social aspect to which we attach great importance. In 2021, no aforementioned issue was discovered during the tier-1 supplier assessment.

In order to effectively reduce ESG risks for the overall supply chain and increase suppliers' attention to sustainability issues, PCSC has set a long-term goal of increasing the proportion of tier-1 suppliers with ESG risk assessment and the proportion of non-tier-1 suppliers in raising the awareness for sustainability. In terms of tier-1 suppliers, we interacted with critical tier-1 suppliers in 2021 to understand the feasibility of ESG risk assessment implementation, as well as further designing an ESG risk assessment mechanism to achieve the Company's annual goal. For non-tier-1 suppliers, we collected promotional materials of ESG trends and importance to achieve the Company's annual goal of completing the planning and sorting of sustainable promotional themes and materials.

3.4 Sustainable Procurement

In order to reduce the environmental footprint of PCSC's supply chain and exert positive social influence, PCSC continues to value local procurement, and is committed to obtaining relevant sustainability certifications. Our goal is working with suppliers to pursue sustainable development. To respond to international trends and leverage the external sustainable influence of PCSC, we set up the Sustainable Procurement Task Force in 2021, as well as setting a medium-to-long-term target of procuring more than 14% of sustainably-certified raw materials by 2030.

Green Procurement and Sustainable Materials

As a retail business, one of the ways for PCSC to realize sustainable operations is providing consumers with sustainable product options. In 2021, PCSC set up the Sustainable Procurement Task Force to actively increase the proportion of raw materials that have obtained sustainable certification, so as to improve the ESG benefits of the overall supply chain in terms of environmental protection, friendly raising, energy conservation and carbon reduction. In 2021, the procurement of sustainably certified raw materials accounted for 8% of the total purchase amount of raw materials ^(Note).

(Note) Please refer to the [Sustainable Procurement column](#) for relevant content.

In addition to raw materials, PCSC also actively manages equipment, consumables and building materials by promoting green procurement, purchasing equipment and consumables that have obtained energy labels, environmental labels or certifications, or have actual environmental protection benefits for use in stores. Green building materials are chosen for store renovation to maintain smooth operation and service quality while reducing the consumption of natural resources and negative impact on the environment.

Our green procurement items and the environmental protection labels/certifications are listed as follows. The total amount for green procurement in 2020 reached NT\$897 million, accounting for 8.54% of the total annual procurement amount of PCSC and reaching the 7% annual target.

Environmental Label/Green Certification		Item	Quantity	Amount (NT\$ thousand)
Energy Star	Meets the requirements of the United States' Energy Star product energy efficiency	Screens	4,723 units	91,129
FSC certification	The manufacturing process of wood products is in compliance with FSC requirements	OURS publication	10 publications	216
		Stirrer	292,469 packs	6,968
		Boxed meal disposable chopsticks (100-pack)	182,996 packs	4,914
PAPER STAR Photocopying Paper Carbon Footprint Certificate	Showing GHG emissions over the product life cycle	Photocopying paper	76,473 packs	4,733
Energy Label	1. Air Conditioner Efficiency Label - Cooling Seasonal Performance Factor (CSPF) Level 1 2. Energy Label, Bureau of Energy, Ministry of Economic Affairs	Inverter air conditioners	2,293 units	138,706
		Circulation fans	610 units	4,544
		LED lamps/light boxes	2,864 units	9,723
Green Building Material Label	Obtaining the Green Building Material Label of the Taiwan Architecture & Building Center or adopting patented eco-friendly construction methods	Green building material	24,523 units	76,847

Environmental Label/Green Certification		Item	Quantity	Amount (NT\$ thousand)		
Environmental Label	Type 1 Green Mark	Laser printers	1,332 units	3,063		
	Plastic replacement	Water boilers	1,014 units	11,965		
		Eco-friendly packaging materials used in stores: PLA coffee cups, ice cream/slushy cups	51,535,650 units	108,920		
RoHS	Verifying that electrical and electronic products comply with the EU's RoHS Directive (Restriction of Hazardous Substances Directive)	PLA straws	32,9507 packs	13,129		
		Uninterruptible power supplies/batteries	834 units	5,230		
		Coffee machines	528 units	130,085		
		ST	333 units	4,445		
		Switch	1,242 units	9,623		
		WAP	487 units	1,031		
		Smart vending machines	486 units	116,118		
		POS cash registers/back-office computers	856 units	70,714		
		Actual environmental protection benefits	Customized equipment is tested by PCSC to have actual energy-saving benefits	Energy-saving devices	832 units	68,776
				Plastic replacement		
Stored-value cards (plastic to paper)	660,000 units			1,452		
		Plastic bags (recycled material)	202,585 packs	15,395		
Total amount of green procurement				897,726		

Local Procurement

Supporting local products not only helps make environmental sustainability a reality by reducing carbon footprint, but also serves to support the society as it benefits the locals involved in the agricultural industry. In 2021, PCSC developed a new supplier management system, arranging for suppliers to regularly upload the quantity and amount of goods shipped to the system, so as to be able to more accurately calculate the purchasing information by item. The new system shows that we purchased and consumed 50,000 tons of agricultural products in 2021, costing NT\$6.7 billion, including rice, chicken, pork, egg, vegetable, fruit and other categories. The number of agricultural products purchased by suppliers in Taiwan accounted for 75% of the total, with the amount reaching NT\$4.3 billion, accounting for 64% of the total purchase.

Area	Procurement quantity (metric tons)	Percentage of procurement quantity (%)	Procurement amount (NT\$100 million)	Proportion of procurement amount (%)
Locally sourced agricultural products (Taiwan)	38,355	75%	43	64%
Non-locally sourced agricultural products (foreign origin)	12,811	25%	23.9	36%
Total	51,166	100%	66.9	100%