Sustainability Principles (the "Principles") of Far Eastern Department Stores Ltd. (FEDS)

The latest amendment on November 12, 2025

Chapter 1 General Principles

Article 1 In order to fulfill FEDS's corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, FEDS hereby promulgates the Principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies".

Article 2 The Principles apply to entire operations of FEDS (hereinafter referred to as the "Company").

In the course of business operations, the Company shall identify stakeholders of the Company and understand their reasonable expectations, needs, and rights through communication.

While pursuing sustainable operations and profits, the Company shall give due consideration to environmental, social, and corporate governance factors and incorporate such factors into the Company's management guidelines and operating activities.

Article 3 For the purpose of managing corporate sustainable development initiatives, the Company shall establish governance frameworks to promote corporate sustainable development and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing corporate sustainable development policies, systems, or relevant management guidelines, and concrete action plans.

Article 4 The Company shall conduct risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the materiality principle, and establish relevant risk management policies or strategies to manage economic, environmental, and social risks and impacts.

Article 5 To implement corporate sustainable development initiatives, the Company sets out the principles below:

1.) Exercise corporate governance.
2.) Foster a sustainable environment.
3.) Preserve public welfare.
4.) Enhance disclosure of corporate sustainable development

information.

Chapter 2 Exercising Corporate Governance

Article 6 The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate sustainable development policies.

The Company shall give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate sustainable development initiatives:

1. Formulating a "Sustainable Strategy Blueprint" and management guidelines of corporate sustainable development.
2. Integrating sustainable development into the Company's operating activities and development directions and determine concrete action plans for corporate sustainable development.
3. Ensuring the timeliness and accuracy of the disclosure of corporate sustainable development information.

The Company shall provide corporate sustainable training for relevant personnel.

Article 7 The Company shall comply with relevant laws and regulations, avoid engaging in unfair competition, not tolerate bribery or corruption to maintain a fair competition environment.

Article 8 The Company shall follow relevant environmental laws when engaging

Chapter 3 Fostering a Sustainable Environment

Article 9 The Company shall follow relevant environmental laws, regulations, and international standards to establish environment management systems, including:

1. Collecting relevant information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability and examine whether the development of such goals should be maintained and whether it is still relevant.
3. Making concrete plans or actions and examine the results.

The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans and shall hold environment education courses for relevant personnel. When engaging in business operations and internal management, the Company shall take into account the effect of business operations on ecological efficiency and endeavor to achieve the Company's environmental goals to reduce the impact on the natural environment and human beings.

Article 10 The Company shall evaluate the potential risks and opportunities of climate change on its operations and adopt measures for climate-related issues.

Article 11 The Company shall endeavor to utilize all resources more efficiently and reduce the energy consumption of its products and services and water consumption to lower the impact on the environment.

Article 12 The Company in operation shall avoid polluting water, air and land, and adopt appropriate practical pollution prevention and control measures.

Article 13 The Company shall focus on water management, waste disposal, recycling, green environment, green procurement, and other measures.

Article 14 The Company shall adopt standards or guidelines generally used in Taiwan and abroad to gather statistics on greenhouse gas emissions, water consumption, energy consumption, and waste and make disclosures thereof. The scope of greenhouse gas emissions shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of electricity from external sources, heating, or steam.
3. Other indirect greenhouse gas emissions: emissions from the Company's activities that are not indirect energy emissions and originate from sources owned or controlled by other companies.

The Company shall establish policies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, or other waste management, include the obtaining of carbon credits in the Company's carbon reduction strategies, and be promoted accordingly to minimize the impact of the Company's business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 15 The Company shall enhance the conservation of marine and terrestrial biodiversity and ecosystems, ensure the sustainable use of resources, and promote the fair and equitable sharing of benefits.

Article 16 The Company shall comply with relevant labor laws and regulations as well as the International Bill of Human Rights, protect the legal rights and interests of employees, and shall not commit violations against the fundamental labor rights. The Company shall also provide employees information on the labor laws and the rights they enjoy in the countries where the Company has business operations. The Company shall establish and review management policies and procedures related to human rights.

The Company shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality in employment, benefits, remuneration, hiring conditions, training, evaluation, and promotion opportunities.

Article 17 The Company shall establish a two-way communication channel between the management and employees, respect the rights of employee representatives to bargain in good faith, and, by reasonable means, inform employees of operation changes that might have material impacts.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process.

Article 18 The Company shall provide safe and healthful work environments for its employees, including necessary health and first-aid measures, endeavor to curb dangers to employees' safety and health, and organize training on safety and health for relevant personnel to prevent occupational accidents.

Article 19 The Company shall create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall formulate and implement reasonable remuneration policies and benefit programs, ensure that relevant plans support the strategic aims of the organization and align with the interests of stakeholders, and reflect the business performance and achievements in the employee remuneration or benefits.

Article 20 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry.

The Company shall follow relevant laws, regulations, or international guidelines for the safety and compliance of its products or services, trade secrets of customers, marketing, and advertising and shall not deceive, mislead, or commit fraud.

Article 21 The Company shall assess the impact of its procurement on society as well as the environment of its suppliers' communities and shall cooperate with its suppliers and business partners to jointly implement the corporate sustainable development initiative.

The Company shall establish supplier management policies, and when the Company enters into a contract with any of its major suppliers, the contract should include terms stipulating mutual compliance with the corporate sustainable development policies of both parties.

The Company shall avoid conducting transactions with suppliers who violate the Company's sustainable development policies. The contract may be terminated or rescinded if the supplier violates the Company's supplier management policies and causes significant negative impact on society and the environment of the community of the supply source.

Article 22 The Company shall evaluate the impact of its business operations on communities and adequately employ personnel from the location of its business operations to enhance community acceptance.

The Company shall, through investments, commercial activities, non-cash property endowments, volunteering service or other professional services, dedicate resources to organizations that commercially resolve social or environmental issues or participate in events held by citizen organizations, charities and local government agencies relating to community development to promote community development.

Article 23 The Company shall disclose information according to relevant laws, and shall disclose relevant and reliable information relating to its corporate sustainable development initiatives to improve information transparency.

Article 24 The Company shall bases on the requirements of relevant laws and regulations to formulate internationally widely recognized standards or guidelines when producing corporate sustainability reports to disclose the status of the implementation and performance of its corporate sustainable development initiatives. The Company shall also obtain a third-party assurance or verification for the reports to enhance the reliability of the information in its sustainability reports.

The disclosure of corporate sustainable development information should include:

1. The policy, system, or relevant management guidelines and concrete action plans for implementing corporate sustainable development initiatives.

2. Major stakeholders and their concerns.

3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare, and promotion of economic development.

4. Future improvements and goals.

Article 25 The Company shall monitor the development of domestic and foreign corporate sustainable development standards and the change of business environment so as to examine and improve its established corporate sustainable development framework and to obtain better results from the promotion of corporate sustainable development.

Article 26 The Principles herein take effect after approval at the directors' meeting and should be reported to the shareholders' meeting. The same applies for any amendments.