

SUSTAIN FOR A GOOD LIFE



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About FEDS Report (GRI 2-1, 2-2, 2-3, 2-4, 2-5)

Far Eastern Department Stores Co., Ltd. (FEDS) is the longest-operating and steadily growing department store among Taiwan's chain department stores. After over half a century of operation, FEDS keeps pace with the times by opening modern and fashionable new-generation stores. It is the only department store in Taiwan with the distinctive feature of five generations of store transformation. The innovative transformative business model has created a sustainable growth model that is a win-win for the economy, environment, and society, establishing a paradigm for the sustainable development of the department store industry.

For more company information, please visit the Market Observation Post System. 

FEDS communicates its sustainability actions and performance to stakeholders through this report, disclosing more related information on the corporate website's ESG section (<https://esg.feds.com.tw/>). This enhances transparency of corporate sustainable development information, conveying FEDS' emphasis on corporate social responsibility, internally creating sustainable value and working with stakeholders to achieve the vision of "Sustain for a Good Life."

Report Boundaries and Duration

FEDS diversified its retail operations, spanning department stores, hypermarkets, shopping centers, and premium supermarkets, becoming a highly iconic retail channel in Taiwan. This report, in addition to providing financial performance within the scope of consolidated financial statements based on financial significance, local relevance in Taiwan, and alignment with sustainability strategies, discloses information related to all operational locations of FEDS in Taiwan. Subsidiaries are not included in the disclosure scope. Some indicators (including but not limited to) such as energy consumption and labor relations extend to three subsidiaries: A.Mart , City'Super , and The Mall. Far Eastern SOGO Department Stores issues its own sustainability report; as such, please refer to its 2024 sustainability report for relevant information.





<https://www.feds.com.tw/en/50/OverSea>



<https://info.sogo.com.tw/home/en>



<http://www.fe-amart.com.tw>



<https://www.themall.com.tw/index.aspx?lang=en>



<http://www.citysuper.com.tw>



<https://www.febigcity.com/bigcity/EN>



<https://info.sogo.com.tw/home/en>

This report is the 11th report of FEDS, disclosing the sustainable management performance, management policies, major themes, and responses related to environmental, social, governance aspects implemented by the company from January 1 to December 31, 2024. To enhance information integrity, some content traces back to the fiscal year 2020. The full report can be downloaded from the ESG section of the company's website.

Publication date of the first report: August 2015
Publication date of this report: August 2025
Publication date of the next report: August 2026

Compilation Guidelines and Assurance

This report was prepared in accordance with sustainability reporting standards (GRI), sustainability accounting standards (SASB), Task Force on Climate-related Financial Disclosures (TCFD), United Nations Global Compact, United Nations Sustainable Development Goals (SDGs), and the Corporate Sustainability Best Practices for Listed and OTC Companies. SGS Taiwan was commissioned to provide assurance in accordance with AA1000AS v3 Type 2 moderate level.

Data Management and Quality

FEDS has established the "Sustainability Report Compilation and Assurance Procedures" and implemented an internal control system for managing sustainability information to ensure the reliability of the report content and data. The sustainability report is submitted to the Board of Directors for approval to strengthen the responsibility and quality of the report's compilation. Any changes in the scope and basis of data calculation will be noted below the data and past year data will be updated accordingly.

External Certification	Certification Body
✓ Financial Data	▶ Deloitte & Touche
✓ ISO 50001 Energy Management System	▶ TÜV Rheinland Group, BSI
✓ ISO 14064-1 Greenhouse Gas Inventory	▶ TÜV Rheinland Group
✓ ISO 14046 Water Footprint	▶ TÜV Rheinland Group
✓ ISO 9001:2015 Quality Management System	▶ AFNOR Group, France
✓ ISO 27001:2022 Information Security Management System	▶ SGS Taiwan

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Message from the Chairman (GRI 2-22)

The retail landscape is changing at a rapid pace, particularly in light of the rise of e-commerce and shifting consumer preferences. Physical retailers must reevaluate their strategies, embrace digital transformation, and make effective use of data analytics to deliver services that are both practical and tailored to consumer needs. "Enhancing the customer experience" should be viewed as a core competitive advantage and a key strategy for standing out in a highly competitive market. Furthermore, as consumers place increasing importance on sustainability, accelerating the transition toward sustainable practices will be essential for the robust and long-term development of the retail industry.



Sustainability Excellence Recognized as Retailer of the Year - National Level

Far Eastern Department Stores remains dedicated to ESG and sustainable development, earning 32 awards in 2024 for its outstanding performance. Notably, it received the "Retailer of the Year - National Level" award from the Federation of Asia-Pacific Retailers Associations (FAPRA), following its 2019 win for "Best Corporate Social Responsibility." It is the only department store in Taiwan to have received both top honors from FAPRA, highlighting its leadership in the Asia-Pacific retail sector.

Low-Carbon Economy Addressing Dual Challenges of Carbon Fees and Energy Costs

Taiwan has demonstrated its commitment to achieving net-zero emissions by announcing the introduction of a carbon fee starting in 2026. Initially targeting high-emission manufacturers, the scheme will gradually expand to include the service sector, with carbon fees increasing in phases. At the same time, the Executive Yuan has unveiled an energy transition plan aiming to raise the share of renewable energy to 30% by 2030. Large electricity consumers will be required to generate or purchase green energy or install energy storage systems. As energy costs are expected to rise, businesses should prepare proactive strategies for transitioning to a low-carbon model.

AI Empowerment Enhancing Customer Experience through Digital Convenience

AI technologies are redefining how the retail industry operates. By analyzing customer data and utilizing personalized recommendation systems, retailers can significantly enhance the shopping experience, offering tailored services that meet individual preferences. The adoption of chatbots and self-checkout counters further improves service efficiency, enabling a more seamless and convenient customer journey. As

consumer behaviors continue to evolve, retailers must rapidly embrace digital transformation to meet growing demands for personalization and real-time service. Doing so is essential not only to retain customer loyalty but also to maintain a competitive market position.

Talent Management Cultivating Future Human Capital

To drive continuous innovation and growth, companies must develop a systematic talent management model that balances both quality and quantity. At the leadership level, this involves promoting internal talent and attracting external professionals aligned with future needs. At the management level, the focus is on developing versatile skills such as strategic thinking and organizational management. At the operational level, the goal is to enhance individual expertise and overall workforce quality.

In a complex and rapidly changing world, businesses must innovate or risk falling behind. Far Eastern Department Stores continues to invest in the future, aligning its sustainability strategies with environmental shifts. The company actively drives transformation in areas such as AI applications, net-zero transformation, organizational restructuring, and talent development, building momentum for growth and laying a strong foundation for sustainable operations.

As retail anthropologist Paco Underhill once said: "Retail is no longer just about selling products; it's about creating experiences." In the future of retail, Far Eastern Department Stores must continually innovate and adapt to a dynamic environment. By leveraging AI technology, promoting experiential retail, and implementing sustainable practices, the company aims to remain resilient in a rapidly changing market while delivering more valuable customer experiences.

Far Eastern Department Stores
Chairman Douglas Hsu

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President's Remarks (GRI 2-22)

With 58 years of history, Far Eastern Department Stores (FEDS) stands as the only department store in Taiwan to have undergone five generations of transformation, each reflecting its adaptability and forward-looking vision. The company continues to evolve its business model to create growth opportunities while striving for excellence in corporate governance, eco-friendly operations, green procurement, employee care, and social responsibility. From the inside out, it is committed to generating sustainable value and working alongside stakeholders to realize the vision of "Sustain for a Good Life."



Operational Optimization Sustaining Strong Business Performance

Thanks to dedication of the management team and all employees, in 2024 FEDS completed major renovations at its Taichung Top City and Banqiao Mega City stores—both over a decade old—refreshing the shopping experience for customers. All 12 stores in Taiwan actively drove footprint and sales through merchandise optimization, international exhibitions, and themed promotional events. Despite a challenging and highly competitive market, the company achieved impressive annual revenue of NT\$59.3 billion in 2024, continuing to deliver outstanding performance.

Carbon Reduction for a Net-Zero 2050

Following the enactment of the "Climate Change Response Act" in 2023 and the introduction of a carbon fee, businesses must accelerate their carbon reduction efforts. Far Eastern Department Stores has identified key emission sources through greenhouse gas audits and developed a carbon reduction roadmap. By 2024, emissions were reduced by 8.9%. The company aims to cut emissions by 30% by 2030 through energy-saving initiatives, equipment upgrades, increased green power usage, and electrification of its vehicle fleet, aligning with global net-zero goals.

Employee Wellbeing Fostering a Healthy Workplace

Far Eastern Department Stores is committed to creating a fulfilling and healthy work environment. In addition to offering competitive compensation and comprehensive career development plans, the company has promoted employee health since 2019 through wellness programs and sports clubs, with over 3,000 total participants. All corporate and branch offices have received Healthy Workplace certifications.

To further support employee wellbeing, since 2016 the company has adopted eco-certified fabrics for uniforms, ensuring both employee comfort and environmentally responsible production.

Tree Planting First Year Sowing Seeds of a Low-Carbon Future

In line with its philosophy of "giving back to society," Far Eastern Department Stores remains committed to public welfare. In 2024, the company organized 1,051 charitable events across five key areas: international engagement, support for disadvantaged groups, women and children's welfare, environmental protection, and local development.

As part of its environmental efforts, 2024 marked the launch of FEDS's "Tree Planting First Year." On March 22, the company planted 40 Taiwan-native Calocedrus trees at Wen Sheng Elementary School in Banqiao, New Taipei City—symbolizing a step toward carbon reduction. This initiative will expand to other store locations, inviting communities to join in protecting the environment and advancing net-zero goals.

With 58 years of local presence, Far Eastern Department Stores continues to operate with a customer-centric mindset, launching modern, stylish next-generation stores that offer enhanced shopping spaces and experiences. Moving forward, the company will further strengthen its ESG efforts, expand eco-conscious store development, and remain a trusted partner in helping consumers lead more sustainable lives.

Far Eastern Department Stores
President Nancy Hsu

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Creating Sustainable Value

FEDS was established in 1967. Embracing the vision of "Sustain for a Good Life," FEDS is committed to implementing sustainable actions in environmental protection (E), social inclusion (S), and corporate governance (G). FEDS has also developed an internal sustainability-oriented management model to achieve positive sustainability outcomes, creating sustainable value for stakeholders and laying the foundation for sustainable business operations, setting a benchmark for sustainable development in the department store industry.

As the oldest and most widespread department store in Taiwan, FEDS has always prioritized "giving back" as a fundamental value for sustainable development. Throughout its pursuit of corporate growth, FEDS has effectively leveraged its core capabilities to exert sustainable influence. Embracing the spirit of "thinking globally, acting locally," the company has established appropriate action plans for stakeholders such as shareholders, customers, employees, society, and industry peers, implementing various sustainable local initiatives to actively demonstrate the enduring value of "giving back" and create a mutually beneficial sustainable growth model.

◆ Demonstrate the Sustainable Value of Giving Back



Sustainable Society

Participated in the Asia-Pacific Sustainability Expo to Promote Sustainability Concepts

In August 2024, FEDS, in collaboration with A.Mart and City'Super, participated for the third time in the Asia-Pacific Sustainability Expo held at the Taipei World Trade Center. The event brought together over 50 businesses, 35 colleges, universities, and research institutions, and 28 NGOs, each showcasing their achievements in implementing sustainability goals. FEDS presented its sustainability initiatives through various means, including generating electricity by pedaling bicycles, designing apple lamps in collaboration with academic institutions, creating turtle-themed installation art from recycled plastic cards, and displaying sustainable products. This diverse presentation aimed to foster dialogue with society about sustainability and encourage more individuals to join the sustainability movement.

FEDS designed and constructed exhibition booths in accordance with the principles of Reduce, Reuse, and Recycle. It implemented energy-saving and carbon-reduction design concepts, selected appropriate materials, and promoted environmental protection initiatives in an effort that embodied the spirit of energy conservation and carbon reduction. By minimizing the impact of decoration and waste on the environment during exhibitions, the store's outstanding performance earned it the Silver Award for "Green Design" at the 3rd Asia-Pacific Sustainable Expo in 2024.



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Sustainable Culture

Setting up a Corporate Sustainability Image Wall to Cultivate a Culture of Sustainability

To deepen FEDS' corporate sustainability culture and encourage employees to integrate sustainable thinking into their daily work, it has established a sustainability image wall in the office. This wall showcases the SDGs, the office's environmental protection declaration, the company's ESG action directions, and management outcomes. It is complemented by green plants that enhance the wall's landscape, symbolizing the continuous vitality and creativity of sustainability. This serves as a reminder for employees to effectively utilize sustainable thinking in their operational processes. While pursuing corporate profitability, they are also encouraged to contribute to the environment and society from a perspective of "giving back," striving to achieve the vision of "Sustain for a Good Life."



Sustainable Environment

Establish an Employee Carbon Reduction Platform to Drive Behavioral Transformation among Employees

In June 2024, FEDS officially launched the "Employee Carbon Reduction Platform," encouraging employees to implement 23 carbon reduction actions across three main areas: office routines, lifestyle habits, and transportation methods. Employees are required to log in daily to the Platform to record their carbon reduction achievements, making it the first department store company to systematically document employee carbon reduction behaviors.

FEDS aims to enhance employees' awareness of carbon reduction by promoting activities that encourage them to engage in carbon reduction practices. Through personal involvement in these actions, employees will gradually understand the urgency and significance of global warming and climate change issues, ultimately leading to a transformation in their behavior as they embody the principles of a "low-carbon lifestyle." According to the records from the "Employee Carbon Reduction Platform," each employee is expected to have reduced carbon emissions by an average of 6 kilograms per day in 2024. Additionally, FEDS held a recognition ceremony to honor individuals and departments that demonstrate outstanding performance in carbon reduction, awarding them with gift vouchers as encouragement.



Sustainable Employees

In Response to Retail Employees' Day, FEDS Expresses Our Gratitude for the Contributions of Our Employees

The Intercontinental Group of Department Stores (IGDS) is a global organization of department stores, comprising 44 leading department stores from around the world. In order to celebrate the remarkable career achievements of every retail professional in the workplace, IGDS has designated November 12 as "Retail Employees' Day" (RED).

FEDS responded to RED with President Nancy Hsu leading relevant supervisors in the production of a video. Supervisors from various branches also expressed their support and gratitude to every employee who remains dedicated, works hard, and strives in their roles on Retail Employees' Day through various means such as serving tea, encouraging broadcasts, and sharing blessing cookies. Furthermore, there is an expectation that FEDS employees will continue to maintain their loyalty and enthusiasm for retail services, providing customers with a wonderful shopping experience in their daily work.



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Sustainable Value Creation Chain (GRI 2-6)

FEDS is establishing a sustainable value creation chain by connecting upstream counter vendors with downstream consumers. The company has outlined six major sustainable actions: sustainable governance, innovative benchmark shopping malls, efficient environmental operations, secure product management, a healthy and happy workplace, and warm social care. These actions connect the value chain from upstream to downstream, encompassing areas such as shopping mall operation, counter manufacturer onboarding, product procurement management, and customer service, all aimed at satisfying every consumer and maximizing sustainable value at each stage.

Social Capital

FEDS gives back to the society and joins hands with stakeholders to participate in charity to strengthen the energy of public welfare and create a bright future

- Resource Investment**
- Charitable expenditure: NT\$3.417 million
- Resource Output**
- Participated in 1,051 charity events, a 31% increase
 - Employees volunteered in 52 events, a 73% increase
 - Sponsored 11,319 square meters of green community parkland

Human Resources Capital

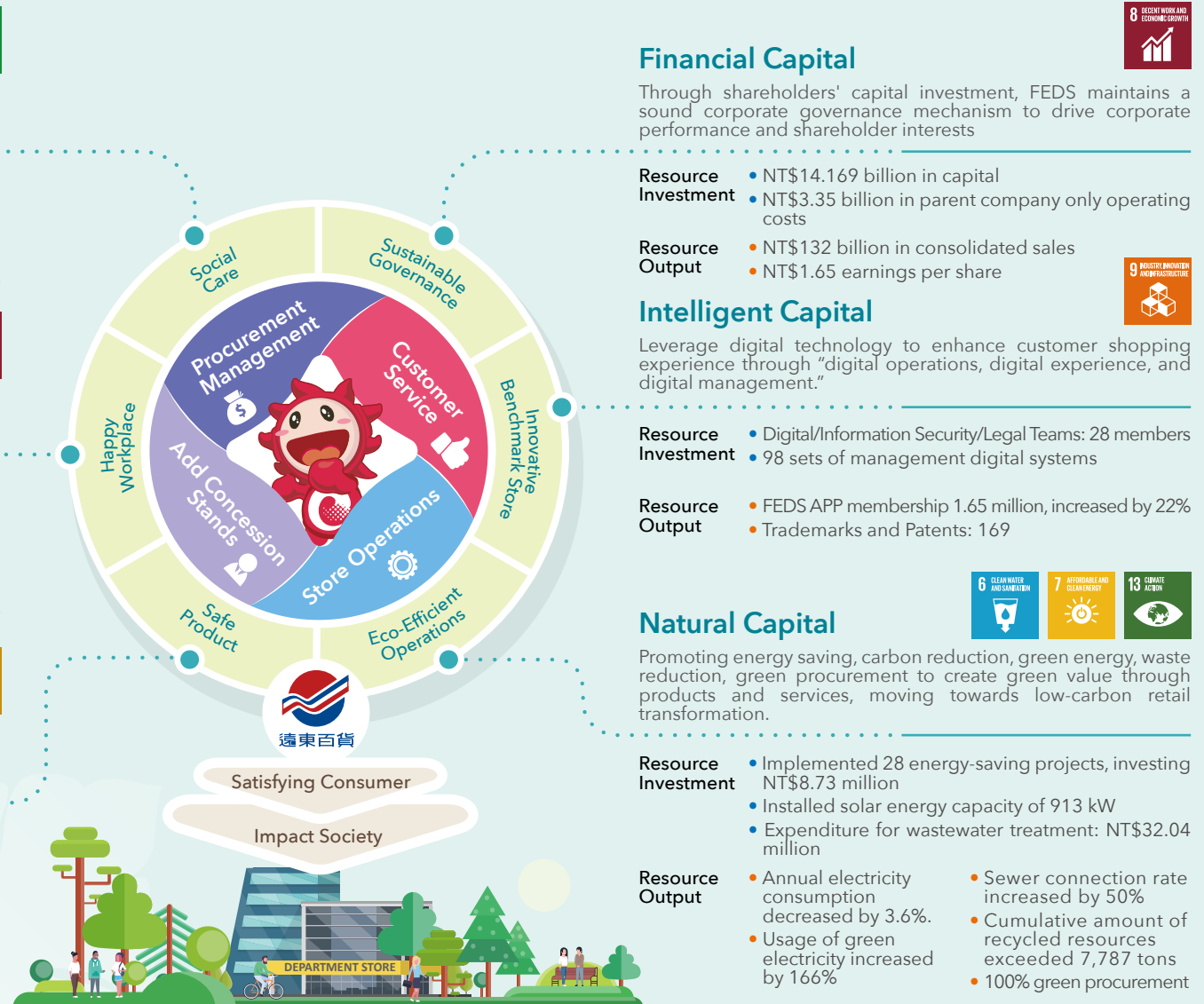
FEDS values talent development and retention, offering competitive compensation to foster employee growth and establish a sustainable and inclusive workplace

- Resource Investment**
- A total of 1,241 employees
 - Employee salary expenses: NT\$1.04 billion
- Resource Output**
- Average monthly salary of employees is 1.39 times higher than that of the retail industry
 - Increased employee benefits for 8 consecutive years, with a total increase of 82%
 - On average, employees received 25.8 hours of training, an increase of 4%

Working Capital

FEDS develops business in various regions, works with partners to provide high-quality products, and establishes safe shopping environments

- Resource Investment**
- There are 12 stores in Taiwan, with a total operating area of 971,229 m².
- Resource Output**
- 17,136 business partners
 - A total of 1,646 Supplier CSR Commitment Letters have been signed.
 - 100% of all stores are AED certified "Safe Places"



Financial Capital

Through shareholders' capital investment, FEDS maintains a sound corporate governance mechanism to drive corporate performance and shareholder interests

- Resource Investment**
- NT\$14.169 billion in capital
 - NT\$3.35 billion in parent company only operating costs
- Resource Output**
- NT\$132 billion in consolidated sales
 - NT\$1.65 earnings per share

Intelligent Capital

Leverage digital technology to enhance customer shopping experience through "digital operations, digital experience, and digital management."

- Resource Investment**
- Digital/Information Security/Legal Teams: 28 members
 - 98 sets of management digital systems
- Resource Output**
- FEDS APP membership 1.65 million, increased by 22%
 - Trademarks and Patents: 169

Natural Capital

Promoting energy saving, carbon reduction, green energy, waste reduction, green procurement to create green value through products and services, moving towards low-carbon retail transformation.

- Resource Investment**
- Implemented 28 energy-saving projects, investing NT\$8.73 million
 - Installed solar energy capacity of 913 kW
 - Expenditure for wastewater treatment: NT\$32.04 million
- Resource Output**
- Annual electricity consumption decreased by 3.6%.
 - Usage of green electricity increased by 166%
 - Sewer connection rate increased by 50%
 - Cumulative amount of recycled resources exceeded 7,787 tons
 - 100% green procurement

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Exerting Sustainable Influence

FEDS adheres to the principle of “Thinking Globally, Acting Locally” and aligns itself with international sustainable trends. By leveraging its core competencies, the company undertakes appropriate responsive actions that connect with the UN SDGs. It implements localized sustainable actions and contributes to the sustainable development of the economy, environment, and society through concrete sustainable practices, thereby creating a win-win model for sustainable growth.



SUSTAINABLE
DEVELOPMENT
GOALS

UN SDGs	Taiwan SDGs	FEDS Management Approach	Project Promotion and Results
	Enhancing social and economic security care services for vulnerable groups	Donated supplies to disadvantaged groups to meet basic living needs	<ul style="list-style-type: none">For 16 consecutive years, FEDS has held a Christmas charity lighting event, gifting them brand-new athletic shoes. To date, more than 3,500 children have received shoes P.104Every year, FEDS donates supplies during major traditional festivals. In 2024, 1,261 gift boxes were donated P.106
	Ensure food security, eliminate hunger, and promote sustainable agriculture.	Organizing farmers' markets to promote quality agricultural products and foster sustainable agriculture	<ul style="list-style-type: none">A total of 69 farmers' markets were held, featuring 800 booths and selling 5,946 items P.111
	Ensure and promote healthy living and well-being across all age groups	Promote and facilitate various activities that enhance health and encourage a healthy lifestyle	<ul style="list-style-type: none">In response to the annual "Donate a Bag of Blood, Save a Life" campaign, FEDS held 136 blood donation events, collecting over 5.35 million cc of blood P.112Promoting healthy leisure, FEDS has sponsored the National High Schools Dance Competition for seven consecutive years. In 2024, over 800 students registered to participate P.112Breakdancing has become an Olympic event. FEDS Zhubei Store has co-hosted a breakdancing competition for three consecutive years P.112
	Ensure comprehensive, equitable, and high-quality education, and promote lifelong learning	Establish a training blueprint to systematically cultivate industry talent	<ul style="list-style-type: none">Annual employee training program (in-person courses and digital learning) reached 47,938 participants P.89Implemented "Industry-Academia Talent Reserve Training Program," recruiting a total of 276 interns to date P.92










UN SDGs	Taiwan SDGs	FEDS Management Approach	Project Promotion and Results
	Achieving gender equality and the empowerment of all women	Establish and implement gender equality policies to create a friendly and respectful workplace	<ul style="list-style-type: none">Conducted gender equality training courses, with a total of 483 participants trained this year and 1,440 participants over three years. P.94Implementing DEI and realizing diverse employee composition, equitable treatment and development, and an inclusive workplace environment P.87
	Ensure environmental quality and sustainable management of environmental resources	Improve the water environment, enhance water use efficiency, and address water resource shortages	<ul style="list-style-type: none">Regularly maintain drinking water facilities and perform quarterly water quality testing. Ensure that 100% of test results meet the required standards P.48A total of four branches have established rainwater harvesting systems, with a total capacity of 3,063 metric tons P.60Promote water conservation measures to achieve water usage efficiency that exceeds industry performance by 11%. NT\$32.04 million has been invested in wastewater treatment P.60
	Ensure that everyone has access to affordable, stable, sustainable, and modern energy	Support green energy, enhance energy efficiency, and reduce energy intensity	<ul style="list-style-type: none">Implemented 28 energy-saving projects with a total investment of NT\$8.73 million, achieving electricity savings of 3,001,708 kWh P.59Electricity consumption per unit of sales has decreased by 18% compared to 2017 P.59Solar photovoltaic systems installation has increased capacity to 913 kW, a 950% increase P.56
	Promote inclusive and sustainable economic growth, enhance labor productivity, and ensure that all individuals have access to quality employment opportunities	Adjust the business model, enhance operational performance, increase employment opportunities, and promote economic growth	<ul style="list-style-type: none">Promote economic development, adapt business models in line with current trends, and continue to generate profits while distributing dividends P.22Promote management innovation by implementing 51 management action projects to enhance accountability, agility, operational capability, and strategic capability P.23

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UN SDGs	Taiwan SDGs	FEDS Management Approach	Project Promotion and Results	UN SDGs	Taiwan SDGs	FEDS Management Approach	Project Promotion and Results
	Establish a transportation system that is affordable for the public, safe, environmentally friendly, resilient, and sustainable	Promote digital transformation and use technology to create a new shopping journey and consumer experience for customers	<ul style="list-style-type: none"> FEDS APP membership increased by 22%. Through big data analysis, consumer preferences are identified to enable personalized and precise marketing P.40 Provided 12 major categories of diverse payment options, electronic vouchers, and other digital services to establish a convenient and rapid smart consumption platform P.41 Established 98 digital management systems aimed at enhancing the operational efficiency of various business management and service operations P.42 		Comprehensive mitigation and adaptation actions to address climate change and its impacts	Developing climate change risk management actions to seek opportunities for green transformation	<ul style="list-style-type: none"> Establish medium and long term goals for greenhouse gas reduction, complete a comprehensive greenhouse gas inventory and verification, achieving a coverage rate of 100% P.56 Total carbon emissions (Scope 1 + Scope 2) decreased by 1,169 metric tons compared to the previous year, a reduction of 1.5% P.57
	Reduce domestic and international inequality	Take appropriate actions to eliminate discrimination and reduce inequality	<ul style="list-style-type: none"> Implementing responsible retail by selling environmentally friendly coffee, practicing environmental protection, social equity, and economic viability P.73 Chiayi Store was awarded the "Elderly and Middle-Aged Employment Friendly Workplace Certification" P.11 		Conserve and sustainably utilize marine ecosystems to ensure biodiversity and prevent the degradation of the marine environment	Promoting environmental education and conserving marine ecology	<ul style="list-style-type: none"> Call on employees to participate in beach cleanups, collecting litter that pollutes the marine environment, and to protect marine ecology P.114 FEDS XinYi A13 hosted the Plastic Ocean Photography Exhibition to promote marine environmental education P.109
	Building cities and villages with inclusive, safe, resilient, and sustainable characteristics	Develop environmentally friendly buildings, increase urban green spaces, and provide safe commercial areas	<ul style="list-style-type: none"> Utilize the four principles of ecology, energy conservation, waste reduction, and health to create green buildings. Currently, there are five green buildings under FEDS management P.64 Investing funds and manpower to adopt the street trees and park green spaces surrounding the stores, covering a total area of 11,340 square meters P.64 All stores have obtained 100% "Safe Place" certification and conduct regular employee training to ensure the safety of both customers and staff P.48 		Conserve and sustainably utilize marine ecosystems to ensure biodiversity and prevent the degradation of the terrestrial environment	Promoting environmental education and protecting terrestrial ecology	<ul style="list-style-type: none"> In the first year of the tree-planting initiative, 40 native Taiwan incense-cedars (<i>Calocedrus formosana</i>) were planted P.110 Initiated activities such as recycling cosmetic bottles, old clothes, and eco-friendly shopping bags P.109
	Promote a green economy to ensure sustainable consumption and production patterns	Promote green consumption, provide environmentally friendly services, and enhance resource sustainability	<ul style="list-style-type: none"> For ten consecutive years, FEDS has promoted green consumer services based on the 3R's and 3E's, including packaging and printing reduction, to minimize the environmental impact of consumer behavior P.65 All procurement prioritizes green purchasing. In 2024, green procurement accounted for 100%, achieving the planned target P.65 Recycling of reusable resources: In 2024, FEDS recycled 1,490 tons of reusable resources, an increase of 8.6% P.61 		Promote a peaceful and diverse society, ensure judicial equality, and establish a credible system that incorporates public opinion	Promote peace and justice, and reduce the occurrence of all forms of violence	<ul style="list-style-type: none"> Taoyuan Store responded with "International Children's Rights Day" Event P.102 Hualien Store hosted interactive exhibition on domestic violence prevention P.106
					Establish diverse partnerships to collaboratively promote a vision of sustainability	Establish multiple partnerships, exert positive influence, and enhance sustainable power.	<ul style="list-style-type: none"> Joined 49 public associations and organizations to exert influence P.28 The only representative from Taiwan to join the IGDS, implementing the IGDS CSR Code together with 44 global members P.28

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Awards and Honors



Corporate Sustainability

- **National Model Retail Enterprise Award**
Federation of Asia-Pacific Retailers Associations (FAPRA)
- **Asia Responsible Enterprise Awards - Corporate Sustainability Reporting**
Enterprise Asia
- **Global Corporate Sustainability Awards - Bronze Award for Sustainability Report**
Taiwan Institute for Sustainable Energy
- **18th Place in the Large Enterprise Service Category of the CommonWealth Sustainable Citizen Awards**
CommonWealth Magazine
- **Model Award for Department Store Retail Enterprises**
Retailers Association of Chinese Taipei
- **Taiwan Top 100 Corporate Sustainability Award**
Taiwan Institute for Sustainable Energy
- **Taiwan Corporate Sustainability Awards - Innovative Growth Leader**
Taiwan Institute for Sustainable Energy
- **Taiwan Corporate Sustainability Awards - Creative Communication Leader**
Taiwan Institute for Sustainable Energy
- **100MVP Manager (Finance Department nominated)**
Manager Today
- **Taiwan Corporate Sustainability Awards - Sustainability Report**
Taiwan Institute for Sustainable Energy

Social Inclusion

- **Asia Responsible Enterprise Awards - Social Empowerment**
Enterprise Asia
- **Global Corporate Sustainability Awards - Best Practices**
Taiwan Institute for Sustainable Energy
- **Public Art Award - Honorable Mention (FEDS Zhubei)**
Ministry of Culture
- **National Excellent Health Workplace Award (FEDS XinYi A13)**
Health Promotion Administration, Ministry of Health and Welfare
- **Friendly Parenting Business Award - Financial Support Measures Group (FEDS XinYi A13)**
Taipei City Government
- **Taiwan Corporate Sustainability Awards - Gender Equality**
Taiwan Institute for Sustainable Energy
- **"Little Labor Hero Fortunate Enterprise - City of Warm Hearts" Happy Enterprise Award (Kaohsiung Store)**
Kaohsiung City Government Labor Bureau
- **Hualien County Happy and Friendly Workplace - Excellent Business Unit (Hualien Branch)**
Hualien County Government
- **Silver Award, Taiwan Sustainability Action Awards (Taoyuan Store)**
Taiwan Institute for Sustainable Energy
- **Bronze Award, Taiwan Sustainability Action Awards (Hsinchu Store)**
Taiwan Institute for Sustainable Energy
- **Bronze Award, Taiwan Sustainability Action Awards (Hualien Store)**
Taiwan Institute for Sustainable Energy
- **Healthy Corporate Citizen Award - Healthy 99 Enterprise**
CommonHealth Magazine

Environmental Protection

- **Zero Carbon Benchmark Award (FEDS XinYi A13)**
Taipei City Government
- **Excellent Water Conservation Unit (FEDS Zhubei)**
Ministry of Economic Affairs
- **2024 Ideal Green**
Edenred Pte. Ltd., Taiwan Branch (Singapore)
- **Taiwan Corporate Sustainability Awards - Climate Leader**
Taiwan Institute for Sustainable Energy
- **3rd Asia-Pacific Sustainability Expo Green Design Award**
Taiwan Institute for Sustainable Energy
- **Outstanding Private Enterprises and Organizations in Green Procurement (Hualien Store)**
Hualien County Government
- **National Enterprise Environmental Protection Award (Hualien Store)**
Ministry of Environment
- **Excellent Enterprise for Adopting E-invoice (Taoyuan Store)**
National Taxation Bureau of the Northern Area
- **Excellence in Green Purchasing**
New Taipei City Government
- **Excellence in Green Purchasing (Taoyuan Store)**
Taoyuan City Government

Certifications and Labels

- **ISO 27001:2022 Information Security Management System**
- **ISO 9001 : 2015 Quality Management Systems**
BanQiao Store, Hsinchu Store, Tainan Store, Kaohsiung Store
- **Healthy Workplace Certification**
Headquarters and 12 Stores in Taiwan (Coverage Rate: 100%)
- **AED Safe Places Certification**
12 locations across Taiwan (Coverage Rate: 100%)
- **Sports Enterprise Certification**
Headquarters, FEDS XinYi A13, Hsinchu Store, Chiayi Store, Tainan Store, FEDS Zhubei, Top City Taichung Store, Kaohsiung Store, Hualien Store
- **Dementia-Friendly Business Certification**
Mega City BanQiao Store, BanQiao Store
- **Elderly and Middle-Aged Employment Friendly Workplace Certification**
Chiayi Store
- **ISO 50001:2018 Energy Management System**
Headquarters, Mega City BanQiao Store, Tainan Store
- **ISO 14046:2014 Water Footprint**
Taoyuan Store
- **ISO 14064-1:2018 Greenhouse Gas Inventory**
Headquarters and 12 Stores in Taiwan (Coverage Rate: 100%)
- **Green Building Gold Level Certification**
FEDS Zhubei
- **Indoor Air Quality Self-Management Label "Good" Level**
12 Stores in Taiwan (Coverage Rate: 100%)
- **Outstanding Public Restrooms Certification**
12 Stores in Taiwan (Coverage Rate: 100%)
- **1.5°C Temperature Control Target Compliance Label**
CommonWealth Magazine

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Materiality Assessment (GRI 2-29, 3-1, 3-2, 3-3)

FEDS references the AA1000 Accountability Principles, GRI Sustainability Standards, domestic and international sustainability development trends, as well as topics of concern to domestic industry peers and stakeholders as the basis for materiality assessment and report disclosure. FEDS conducts an annual review of material topics, evaluating their impacts on economic, environmental, and social (including human rights), and uses the identification results as a reference for sustainability management actions and to enhance the quality of sustainability decision-making.

Understanding organizational context

1 Stakeholder identification: **6** major categories of stakeholders

According to the AA1000 SES stakeholder engagement principles—dependence, responsibility, influence, diversity of perspectives, and level of concern—FEDS has identified six major categories of stakeholders: consumers, employees, business partners (counter vendors and suppliers), shareholders/financial institutions, government, and society (media and community).

Identification of actual and potential impacts

2 Collection of **38** sustainability issues

Referring to domestic and international sustainability regulations and standards, industry environmental changes, company development goals, and stakeholder concerns, 38 sustainability issues were identified. After discussion by the Corporate Sustainability Committee Executive Office and consideration of related sustainability risks, these were refined to 13 sustainability issues, which were then subjected to a questionnaire survey.

Assessment of impact severity

4 Confirmation of materiality: **13** key material topics

Based on a comprehensive analysis of internal and external survey results, as well as a review of management policies, implementation measures, and sustainability outcomes, 13 material topics were ultimately identified, including 7 key topics, 3 important topics, and 3 basic topics.

Compared to the previous year: "Social Welfare" was added; "Energy Management" and "Water and Waste Management" were consolidated into "Energy and Resource Management"; "Integrity Management" and "Regulatory Compliance" were consolidated into "Integrity Management and Regulatory Compliance."

Regarding material changes: "Integrity Management and Regulatory Compliance," "Occupational Safety and Health," and "Business Performance and Innovation Strategy" have been elevated from important topics to key topics. "Talent Development and Retention" has been downgraded from an important topic to a basic topic. The materiality of the remaining nine topics remains unchanged.

3 Impact assessment: **861** questionnaires

Through a questionnaire survey, FEDS assessed the impact of sustainability issues on the external economy, environment, and people (including human rights) as perceived by six major stakeholder groups. Although 765 questionnaires were originally planned for distribution, a total of 842 were actually collected, comprising consumers (337), employees (295), business partners (127), shareholders/financial institutions (23), government (17), and society (43). Additionally, 19 internal management questionnaires were conducted to evaluate the extent of sustainability issues' impact on the company's operations.

Ranking impact severity and disclosure

5 Impact ranking

Sent the "Impact Assessment Questionnaire" to 12 department heads to rate the positive and negative impact levels of major topics on external economy, environment, and people (including human rights). The impact assessment considered both the likelihood of occurrence and the scale and scope of impact, and was submitted for the approval of the President.

6 Regular review and disclosure Corresponding to **17** GRI Standards

Conducted final confirmation and review of material topics, continuously monitoring the positive and negative impacts caused by these material topics, and considering stakeholders' expectations. This will serve as a reference for the appropriateness of material topics for the following year, while ensuring that sustainability information and performance are fully disclosed.

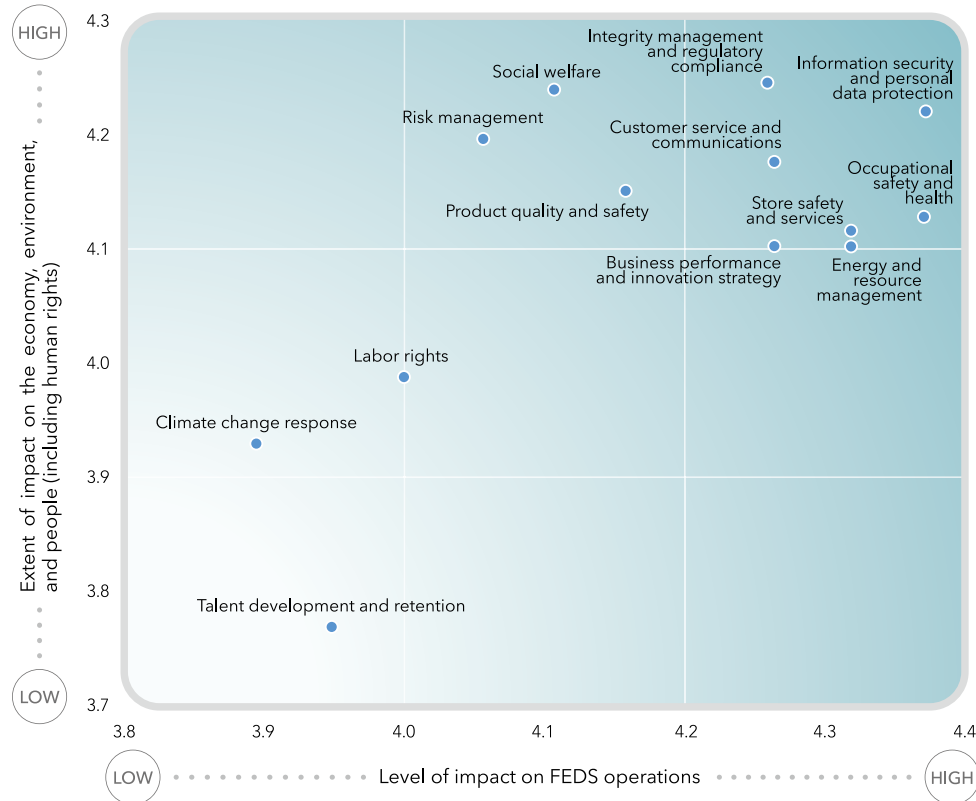
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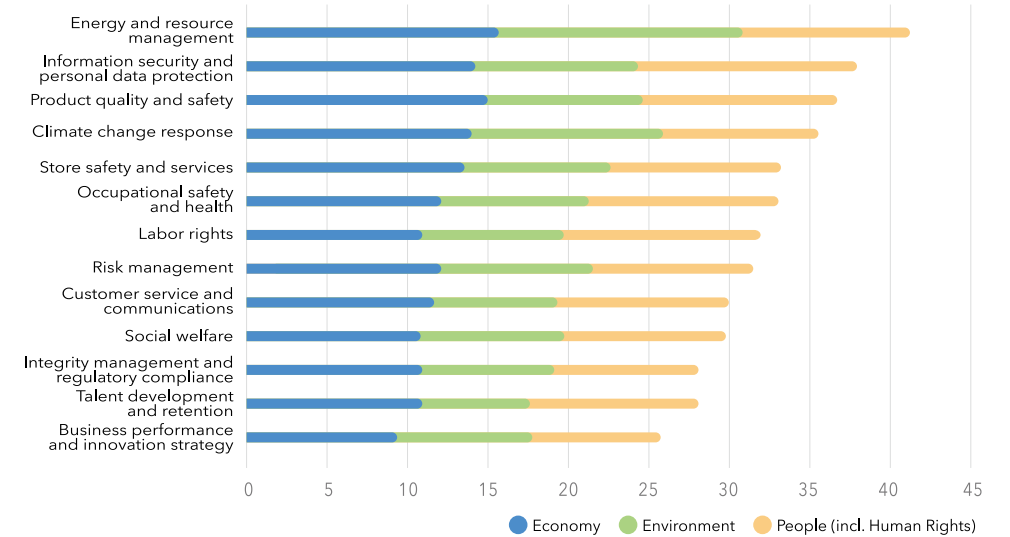
Impact Assessment



FEDS adopts the Double Materiality principle, identifying 13 material topics. Through comprehensive analysis, the impact levels of these topics were ranked, including the top five impacts across various dimensions. Among them, "Climate Change Response" was identified as having the highest positive impact, prompting the enhancement of management policies to expand positive effects. Conversely, "Energy and Resource Management" was found to have greater negative impacts than positive ones, leading to strengthened management actions to reduce the environmental negative impacts of operational activities.

In February 2025, a gas explosion occurred in the department store industry in Taichung, marking a major public safety incident. Following the incident, local governments across various cities launched public safety inspection projects to prevent similar accidents. All FEDS branches throughout Taiwan passed the safety inspections with no safety deficiencies found. At the same time, FEDS initiated internal patrols to ensure safety and health of the workplace and the store. This allowed customers to shop with confidence and staff to work securely.

Impact Assessment Results of Material Topics



Top 5 in Terms of Economic, Environmental and Human Rights Impacts



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◆ Impact Description and Management

Material topics	Policy and Commitments	Impact Description	Changes in Ranking	Relevant Information
Energy and resource management	Promote actions in energy conservation, carbon reduction, green energy, and waste reduction to improve energy efficiency, implement resource sustainability, and reduce environmental impact.	Energy consumption not only affects operating costs but is also a major source of carbon emissions. Improving energy efficiency and the proportion of renewable energy will have positive impacts on both the economy and the environment.	⬆️	3.2 Intelligent Energy and Resource Management
Information security and personal data protection	Establish cybersecurity procedures and standards to carefully protect corporate information security and ensure the safety of critical information.	Establish a cybersecurity alert and reporting mechanism to reduce the risks of cybersecurity breaches and personal data leaks, positively impacting the economy and human rights.	➡️	1.3 Sound Risk Management
Product quality and safety	To ensure consumers receive high-quality products, FEDS complies with laws and regulations regarding the inspection, labeling, and management of the goods sold, allowing customers to shop with confidence.	Providing safe and high-quality products ensures the health and safety of customers, earns their trust, and avoids related legal risks.	⬆️	4.1 Carefully Selected High-Quality Products
Climate change response	Establish a climate risk assessment and management mechanism to enhance climate resilience and advance toward low-carbon sustainability.	Properly managing strategies related to climate change issues can reduce impacts on revenue, costs, assets, and operations, yielding positive economic and environmental benefits.	⬆️	3.1 Towards a Net-Zero Future
Store safety and services	Create a shopping environment that is safe, convenient, healthy, and environmentally friendly, providing consumers with a comfortable and enjoyable shopping experience.	Make detailed arrangements in facilities, traffic flow planning, and service design to provide a safe shopping environment and services while reducing negative environmental impact.	⬇️	2.3 Optimized Space
Occupational safety and health	Establish the Occupational Safety and Health Committee to promote health programs and provide employees with a friendly and safe working environment.	Promote various workplace safety and health programs to create a safe working environment and enhance positive impacts on the economy and human rights.	➡️	5.3 Considerate and Friendly Workplace
Labor rights	FEDS values labor rights, establishes and implements related policies, provides a dignified and safe working environment, and protects labor rights.	Failure to uphold labor rights will affect corporate reputation and employee loyalty. Comprehensive management measures can protect the rights and interests of employees and other stakeholders.	⬆️	5.3 Considerate and Friendly Workplace
Risk management	Established the Risk Management Policy to effectively identify, measure, monitor, and control various risks, ensuring that company operations remain unaffected by disruptions.	Establish a sound risk management mechanism to mitigate the economic, environmental, and social impacts that the company's operations and future development may face.	⬆️	1.3 Sound Risk Management
Customer service and communications	Establish a comprehensive service system, attentively listen to customer needs, and treat every customer with kindness, enthusiasm, and professionalism.	FEDS has established effective service procedures and communication channels to maintain long-term trust with customers, thereby indirectly promoting economic growth.	⬆️	2.2 Professional Services
Social welfare	Adhering to the spirit of "taking from society and giving back to society," FEDS has transformed each of its business locations into a "public welfare platform" to promote various charitable activities.	Leveraging its distribution network, FEDS utilizes resources to invest in social welfare, focusing on rural areas, women and children, and environmental issues. The company collaborates with charitable organizations and business partners to create shared social benefits.	⬆️	6.3 Local Social Welfare and Care
Integrity management and regulatory compliance	Establish the "Code of Ethical Management" and other regulations to prevent unethical behavior. All business activities must comply with legal regulations to maintain the reputation and ensure sound operations.	Reducing the risk of corruption has a positive impact on economic activities. If the company is penalized, it will not only affect the interests of stakeholders but also result in financial losses and reputational damage.	⬇️	1.3 Sound Risk Management
Talent development and retention	Cultivate employees' professionalism to improve working capabilities while offering compensation and benefits superior to peers so that employees can receive incentive and competitive remuneration.	Develop a comprehensive talent training blueprint and design a competitive compensation and benefits system to attract and retain outstanding talent, ensuring more stable corporate development.	⬇️	5.1 Compensation and Benefits Superior to Peers 5.2. Integrated Talent Cultivation
Business performance and innovation strategy	FEDS enhances profitability through innovative, transformative and diversified business strategies, while striving to have a positive impact throughout its operations and continuously improving sustainable management practices and outcomes.	As the only department store in Taiwan featuring five generations of store transformation, FEDS has pioneered a new environmentally friendly shopping mall model, generating a positive economic impact while reducing negative environmental effects.	⬇️	1.1 Forward-Looking Innovative Management

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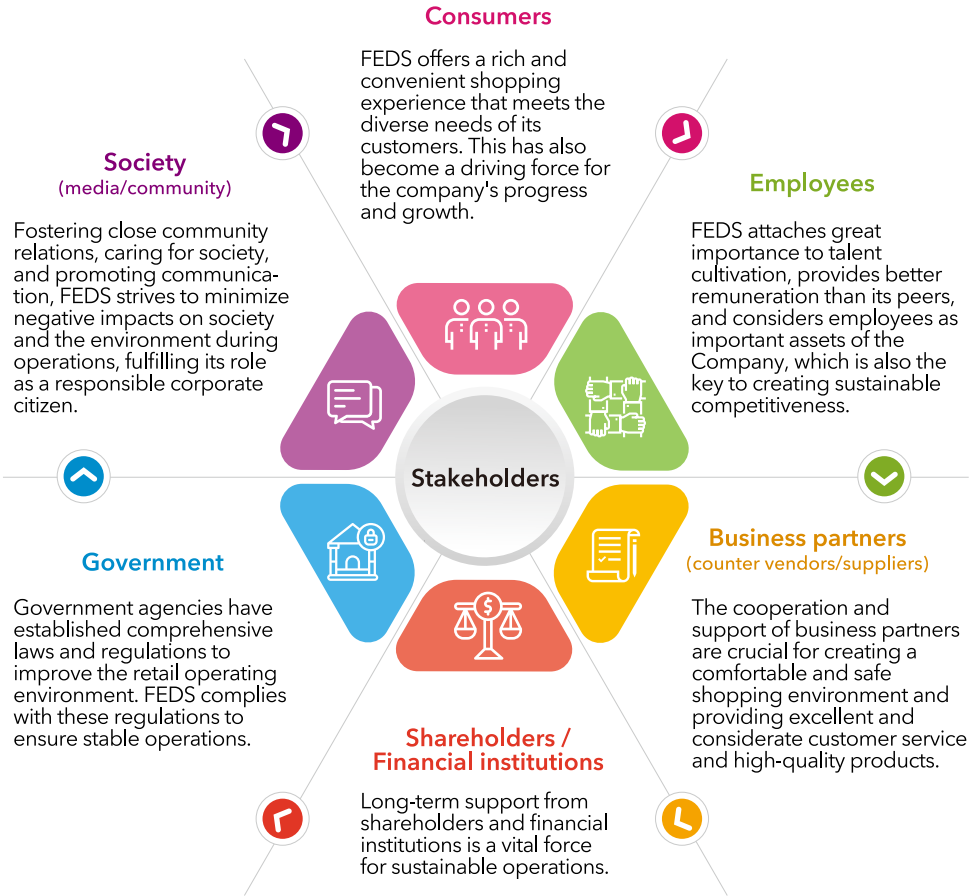
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Communication with Stakeholders (GRI 2-12, 2-29)

In line with the service spirit of the retail industry, FEDS adheres to the AA1000 Stakeholder Engagement Standard, establishing communication strategies and maintaining good communication with stakeholders through various channels to understand their needs. FEDS also addresses significant issues of concern to stakeholders promptly, developing management plans and action strategies accordingly to meet stakeholders' needs and expectations.



	Consumers	Employees
Material topics of concern	<ul style="list-style-type: none">• Social welfare• Integrity management and regulatory compliance• Information security and personal data protection	<ul style="list-style-type: none">• Social welfare• Integrity management and regulatory compliance• Risk management
Communication strategy	We operate with the wishes of consumers in mind to provide quality services, improve customer satisfaction, and create a good sustainable life.	We establish smooth communication channels and create a healthy and happy workplace where employees can work with peace of mind and grow together with the Company.
Channels and frequency of communication	<p>Regular</p> <p>FEDS APP/event DM/social media</p> <p>Irregular</p> <p>TV commercials/satisfaction survey/customer service hotline/suggestion mailbox</p> <p>Contact Unit: All Branches</p> <p>Telephone: Toll-free hotline, please refer to the website: https://www.feds.com.tw/tw/ContactUs</p>	<p>Regular</p> <p>Department meeting/labor-management meeting/Employee Welfare Committee/Occupational Safety and Health Committee/questionnaire survey</p> <p>Irregular</p> <p>Internal announcement/email/employee suggestion mailbox</p> <p>Contact Unit: Human Resources Department</p> <p>Telephone: 02-7727-8168</p>
Corresponding chapters	<ol style="list-style-type: none">1. Sustainable Management and Governance6. Heartwarming Social Care	<ol style="list-style-type: none">1. Sustainable Management and Governance6. Heartwarming Social Care
Communication achievements	<ul style="list-style-type: none">• 153.9 million followers on social media• 707 customer feedback responses processed• POS Machine Push Notification Messages: 3,966 thousand• Monthly traffic on the official website reached 275 million people	<ul style="list-style-type: none">• 4 labor-management meetings• 4 meetings of the Employee Welfare Committee• 4 meetings of the Occupational Safety and Health Committee• 505 internal announcements• 6,465 employee survey questionnaires





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	Business partners (counter vendors/suppliers) 	Shareholders / Financial institutions 	Government 	Society (media/community) 
Material topics of concern	<ul style="list-style-type: none"> Information security and personal data protection Product quality and safety Integrity management and regulatory compliance 	<ul style="list-style-type: none"> Customer service and communications Integrity management and regulatory compliance Energy and resource management Product quality and safety Risk management 	<ul style="list-style-type: none"> Social welfare Efficient Environmental Protection Operations Information security and personal data protection 	<ul style="list-style-type: none"> Efficient Environmental Protection Operations Product quality and safety Risk management
Communication strategy	We create the best partnership and provide high-quality products and services through sustainable supply chain to meet customer needs and enrich the consumer experience.	We deliver excellent profitability performance and fulfill our corporate social responsibility to achieve sustainable management.	We comply with laws and regulations and strengthen corporate governance to ensure stable operations of the Company.	We communicate and give back to stakeholders to establish and exert a positive social influence.
Channels and frequency of communication	Regular Morning meeting/vendor conference Irregular Coordination meeting/promotion meeting/sales visit/phone call/email Contact Units: Product Planning Office, Procurement Department Telephone: 02-7727-8168	Regular Shareholders' meeting/annual report/financial statement/Market Observation Post System Irregular Investor conference/phone call/email Contact Unit: Investor Relations Office Email: ir@feds.com.tw	Irregular Forum/seminar/safety inspection/on-site audit/phone call/email Contact Unit: All Business Departments Telephone: 02-7727-8168	Irregular Press conference/brand event/in-person visit/phone call/email Contact Units : Marketing Planning Office, Branch Offices Telephone: 02-7727-8168. Each branch has a toll-free hotline, for details please refer to the website: https://www.feds.com.tw/tw/ContactUs
Corresponding chapters	1. Sustainable Management and Governance 4. Safe Product Management	1. Sustainable Management and Governance 2. Innovative Benchmark Store 3. Efficient Environmental Protection Operations 4. Safe Product Management	1. Sustainable Management and Governance 6. Heartwarming Social Care	1. Sustainable Management and Governance 4. Safe Product Management
Communication achievements	<ul style="list-style-type: none"> Held 1 annual vendor conference A total of 1,646 Supplier CSR Commitment Letters have been signed Encouraged food and beverage counters to obtain 109 GHP certifications, a 21% increase 10,996 training sessions for counter staff 	<ul style="list-style-type: none"> 1 Annual Shareholders' Meeting (hybrid format with video assistance) Held 1 investor conference Released 44 material information of the Company in both Chinese and English Responding to shareholder inquiries via telephone and email 	<ul style="list-style-type: none"> Participated in the 11th Corporate Governance Evaluation Promptly responded to inquiries from regulatory authorities Participated in symposiums, briefings, and other communication meetings. 	<ul style="list-style-type: none"> 1,051 public welfare activities Received 195 certificates of gratitude 52 employee volunteer service events with a total of 1,593 hours

Note: The topics of concern are the top three significant issues that stakeholders prioritize.

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Prioritization of Material Topics and Identification of Impact Scope

Topics		The Significance of Sustainability for FEDS	Corresponding to GRI Standards	Corresponding Chapters	Page Number	Scope of impact		
						Upstream (suppliers, counter vendors)	FEDS (Subsidiary)	Downstream (Consumers)
Key Topic	Information security and personal data protection	Establish information security systems and management mechanisms, conduct regular audits and drills to ensure information security and personal data protection, thereby fostering trust with customers.	418-1	1.3 Sound Risk Management	30	○	○	○
	Efficient Environmental Protection Operations	Establishing a culture of integrity and honesty, and implementing compliance management, are fundamental to sustainable operations.	205-1 ~ 205-3	1.3 Sound Risk Management	30	○	○	
	Occupational safety and health	Enhance workplace safety and hygiene to promote employees' physical and mental health, ensuring they can work with peace of mind.	403-1 ~ 403-6、403-8 ~ 403-10	5.3 Considerate and Friendly Workplace	93	○	○	
	Customer service and communications	Through comprehensive training programs to enhance service quality, FEDS has established multiple channels to maintain communication with customers, thereby sustaining strong customer relationships and satisfaction.	417-3	2.2 Professional Services	43	○	○	○
	Store safety and services	Regularly conduct store safety and facility inspections, and carry out internal staff communication training to ensure mall safety and service quality, thereby protecting the company's reputation.	416-1、416-2	2.3 Optimized Space	46	○	○	○
	Energy and resource management	Implement energy-saving measures, review water consumption, wastewater discharge, and operational waste generation, and formulate management objectives and plans to reduce environmental impact.	302-1、302-3 ~ 302-5、303-1 ~ 303-5、306-1 ~ 306-5	3.2 Intelligent Energy and Resource Management	58	○	○	
Important Topic	Business performance and innovation strategy	Innovating and transforming in step with the times to drive operational performance and enhance profitability are key factors for the continued development of FEDS.	201-1	1.1 Forward-Looking Innovative Management	21		○	
	Product quality and safety	Product labeling and quality inspection comply with relevant health and safety regulations, providing high-quality products to ensure customer health and safety.	416-1、416-2、417-1、417-2	4.1 Carefully Selected High-Quality Products	70		○	
	Social welfare	Integrating resources to transform each business location into a local public welfare platform, thereby creating the greatest overall social impact.	NA	6.3. Local Public Welfare and Care	104	○	○	○
Basic Topic	Risk management	A sound risk management system is essential to ensure the smooth operation of all business activities and to reduce impacts on the economy, environment, and society.	NA	1.3 Sound Risk Management	30	○	○	
	Labor rights	Formulate and implement human rights management policy, protect the rights and interests of employees, and create a workplace environment that respects diversity, equality, and inclusion.	405-1、405-2、406-1、407-1、409-1	5.3 Considerate and Friendly Workplace	93	○	○	
	Climate change response	Identify climate change risks and opportunities, enhance climate resilience and adaptive capacity, and advance toward low-carbon retail development with the goal of achieving net zero by 2050.	201-2、305-1、305-2、305-4 ~ 305-6	3.1 Towards a Net-Zero Future	54	○	○	
	Talent development and retention	Cultivate employees' professional skills and offer competitive compensation to attract and retain talent, ensuring the stable development of the company.	202-1、202-2、401-1 ~ 401-3、404-1 ~ 404-3	5.2. Integrated Talent Cultivation	89		○	

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① Sustainable Management and Governance

FEDS is Taiwan's longest-operating, most widely located, most localized, and continuously transforming department store. As the only department store in Taiwan with five generations of transformation, FEDS demonstrates outstanding operational capabilities, continuously keeping pace with the times, innovating for growth, adjusting business models, and cultivating corporate sustainability. Looking ahead, FEDS will continue to integrate ESG strategies into its operations, taking a macroscopic view and adopting forward-looking strategies and sustainable thinking to innovate corporate value and create a socially sustainable future.

1.1 Forward-Looking Innovative Management

- 1.1.1 Creating a New Retail Landscape
- 1.1.2 Create Business Performance
- 1.1.3 Towards Excellence in Management

1.2 Robust Sustainable Governance

- 1.2.1 Sustainable Governance Framework
- 1.2.2 Enhancing the Functions of the Board of Directors
- 1.2.3 Prosperous Industry Development

1.3 Sound Risk Management

- 1.3.1 Ethical Management to Mitigate Risks
- 1.3.2 Systemic and Non-Systemic Risk Management and Response



In Response to 4 Material Topics

- Information Security and Personal Data Protection
- Ethical Management and Regulatory Compliance
- Business Performance and Innovation Strategy
- Risk Management

In Response to Stakeholders

- Employees
- Business Partners (Counter Vendors/Suppliers)
- Shareholders/Financial Institutions
- Government



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2024 Highlights and Performance

NT\$132 Billion in Consolidated Sales
NT\$1.65 Earnings Per Share
Achieving Outstanding Business Results

Sustainability Honors
FAPRA Awarded FEDS
the National Model
Retail Enterprise Award

Implementing Gender Diversity
Among Board Members
Proportion of Female Directors is 67%
3.7 Times Tigger Than the Proportion of
Female Directors in Publicly Listed Companies

Ranked in the Top 20%
in the Corporate
Governance Evaluation
for Listed and OTC Companies

Enhancing Cybersecurity and
Information Security Resilience
Implementation of ISO 27001 and BS 10012
to Comply with International Safety Standards

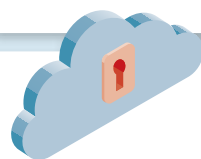
Internal Performance Evaluation of the Board
of Directors: Exceeded Standards.
Evaluation Results from External Specialist Organizations:
"Good" and "Excellent"

Sound Risk Management
Carried out of
87 Audit Project Plans
Conducted 3,199 Hours
of ESG Training

Continuous Innovation
and Growth Employee
Productivity Has
Increased by 36%
Over the Past Five Years

Establish a Sustainability-Oriented
Management Model
Implemented 68 ESG
Management Indicators
Conducted 3,199 Hours
of ESG Training

Enhancing International
Visibility in the Industry
Taiwan's Only Representative
in the Intercontinental Group
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Management Objectives and Actions

Target Plans	2024 Performance Results	Future Medium- to Long-Term Goals
 <div>Improve Corporate Governance</div>	<ul style="list-style-type: none">The company's governance evaluation score ranks among the top 20% of publicly listed companiesEstablish a Corporate Governance Task Force to monitor the current situation based on evaluation results and propose improvement recommendations	Top 5% in Corporate Governance Review of Listed Companies
 <div>Strengthening Risk Management and Operations</div>	<ul style="list-style-type: none">Board of Directors approved the Risk Management Policy to enhance the risk management mechanism and achieve the goal of rationalizing risk and reward	Conduct regular risk management projects annually to strengthen risk management and maintain sound governance
 <div>Enhancing Cybersecurity and Information Security Resilience</div>	<ul style="list-style-type: none">Achieved ISO 27001:2022 certification with 100% coverage of member management system scopeAchieved BS 10012 certification, with a coverage rate of 25%, with the remaining coverage to be gradually implemented in 2025	Regularly conduct cybersecurity education and training to enhance information security management systems, thereby preventing significant information security incidents that could impact operations
 <div>Establish a Sustainable Management Model</div>	<ul style="list-style-type: none">Established a Corporate Sustainability Committee directly under the Board of Directors to deepen corporate sustainable development and enhance corporate sustainability valueEstablished 68 ESG indicators to integrate the company's ESG values into management details	Establish a continuous improvement cycle to drive the company's strong sustainable development performance and maintain its leadership position in the industry



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1.1 Forward-Looking Innovative Management

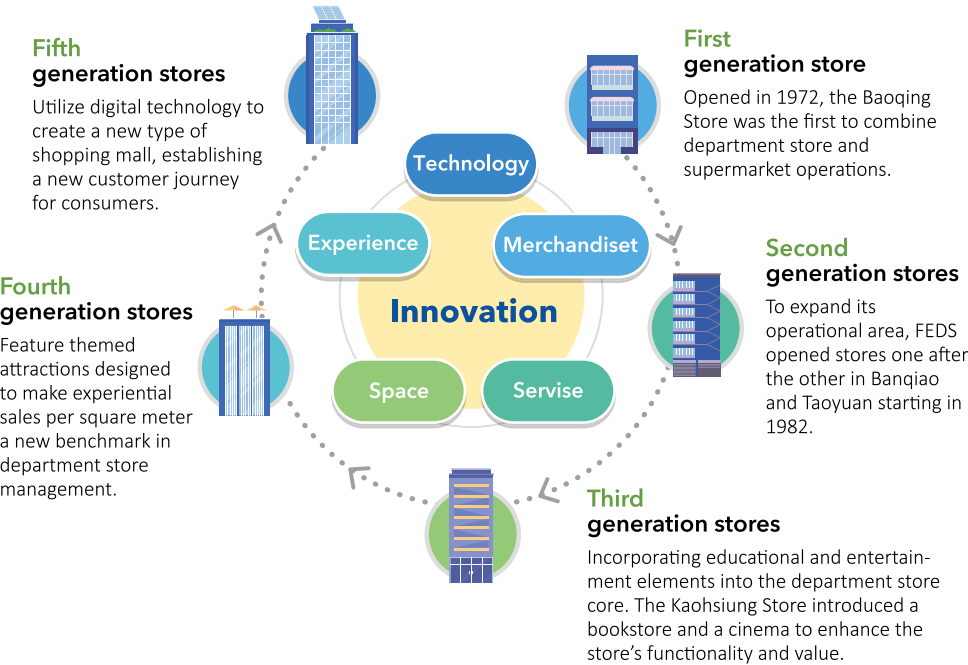
In response to the rapidly changing business environment, FEDS has been agile in adapting, bravely facing challenges, and maintaining financial stability through innovative, transformative, and diversified business strategies. This approach has enhanced profitability while actively promoting positive impacts in environmental, social, and corporate governance aspects. FEDS is committed to sustainable management practices, laying a solid foundation for continued growth and sustainable operations.

1.1.1 Creating a New Retail Landscape (GRI 2-1, 2-6)

Innovative Transformation: The Only Department Store Featuring Five Generations of Transformation

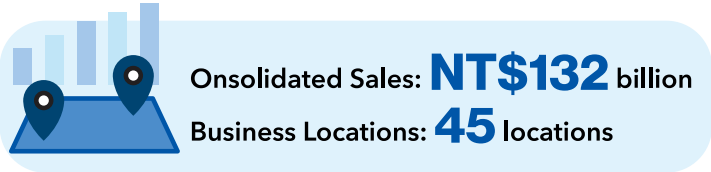
FEDS seeks innovation and change, continuously adapting to shifts in the business environment and consumer generations. Each generation's transformation plan is rooted in sustainability and innovation, showcasing new creativity in products, services, spatial design, architecture, and more. FEDS consistently integrates diverse elements such as leisure, entertainment, environmental protection, and experiential offerings in its department store operations, pioneering a fresh business model in Taiwan's department store industry.

The Evolution of Generational Stores



Diversified Operations: Multifaceted Development to Meet the Retail Needs of the Public

While driving innovation and growth in its department store business, FEDS has also diversified into various retail sectors. Currently, within the FEDS retail system, there are four main formats including department stores, shopping centers, hypermarkets, and premium supermarkets, offering a comprehensive range of lifestyle consumer choices for the local population. In 2024, there were 45 operating locations with a combined sales of NT\$132 billion, establishing FEDS as a large-scale retail conglomerate with an international presence.



Continuous Store Expansion: Expanding Retail Footprint and Increasing Market Share

In 2024, FEDS continued its growth momentum by expanding its retail footprint and increasing market share. In addition to maintaining steady growth in existing stores, FEDS actively invested in and developed new markets. The first-generation Baoqing Store has commenced renovation and planned to open a new store in New Taipei City. The TAIPEI Garden City opened in sections, with the first themed dining area shining in May 2024. The full opening is expected in 2025, making it the largest shopping mall in downtown Taipei. In mainland China, Far Eastern City also began trial operations in May 2024, driving growth momentum in the mainland.



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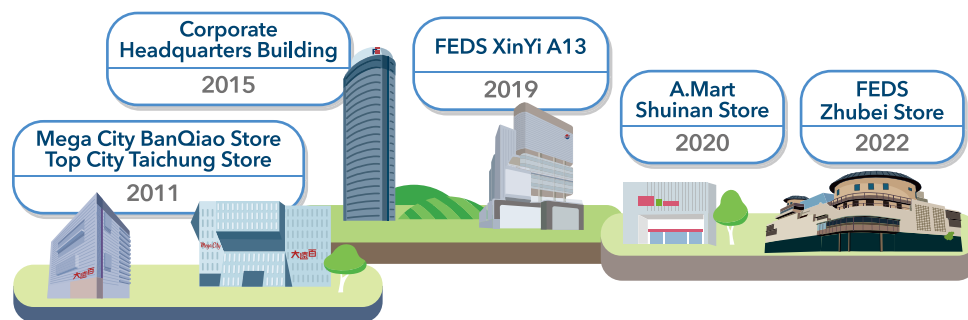
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Environmental Sustainability: Fourth Generation Store 100% Committed to Creating a New Type of Eco-Friendly Department Store

In preparing for the fourth-generation stores, FEDS has incorporated "green building" into the store planning, focusing on the four pillars of "ecology, energy conservation, waste reduction, and health" to create a new environmentally friendly department store. As of the end of 2024, FEDS owns five green buildings. Subsidiary A.Mart has one green building, located at Shuinan Store in Taichung, which opened in September 2020 as the first green building hypermarket in Taiwan.

◆ FEDS Retail System Green Buildings

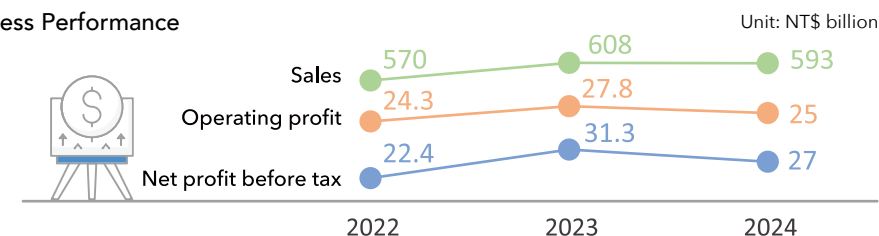


1.1.2 Create Business Performance (GRI 201-1)

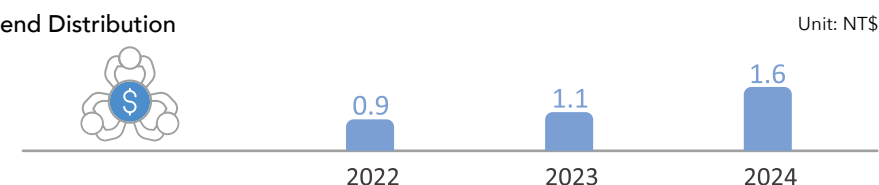
In response to the rapidly changing business environment, FEDS has kept pace with the changes, considered corresponding strategies, adjusted operational models, and created opportunities for corporate growth. In 2024, Top City Taichung Store and Mega City BanQiao Store completed renovation projects after more than a decade of operation, introducing multiple uniquely styled brands to offer customers a fresh shopping experience. Across all 12 stores in Taiwan, FEDS actively engaged in various marketing activities to precisely attract consumer attention, increase foot traffic, and boost performance.

In 2024, FEDS reported a consolidated sales of NT\$132 billion, with a consolidated net profit of NT\$28.7 billion. The net profit attributable to the parent company was NT\$23.3 billion, resulting in earnings per share of NT\$1.65 and a cash dividend per share of NT\$1.35, demonstrating a continued commitment to delivering excellent returns to shareholders. In terms of standalone sales, FEDS achieved sales of NT\$59.3 billion, operating profit of NT\$2.5 billion, and pre-tax net profit of NT\$2.7 billion in 2024. In a challenging and fiercely competitive market environment, the company successfully navigated headwinds, spread its wings, and consistently delivered impressive operational results.

◆ Business Performance



◆ Dividend Distribution



Note: Operating performance includes the core business of FEDS and excludes reinvestment income. The dividend distribution (cash dividends) represents the distribution of the previous year's earnings.

◆ Financial Performance

		Unit: NT\$ thousands		
Item		2022	2023	2024
Operating ability	Total assets	126,901,554	133,831,038	142,263,215
	Total liabilities	86,354,290	96,357,230	104,872,178
	Total shareholders' equity	40,547,264	37,473,808	37,391,037
	Operating revenue	35,863,910	36,725,103	35,006,753
	Net profit after tax (Attributable to the parent company)	1,930,174	2,752,303	2,325,717
Economic value distributed	Employee remuneration and benefits	3,821,341	4,015,387	3,859,643
	Distribution of shareholder dividends	2,601,915	4,171,505	3,113,470
	Interest paid	220,561	327,572	390,333
	Paying government income tax	540,354	628,672	1,129,805
	Community investment	2,400	2,163	3,417
Profitability	Return on assets (%)	2.64	3.63	2.96
	Return on equity (%)	6.73	10.15	7.67
	Earnings per share (NT\$)	1.37	1.95	1.65

Note: The information listed under "Economic value distributed" is the consolidated information of five companies, namely FEDS, Far Eastern SOGO, The Mall, City Super and A.Mart. The information provided includes employee salaries and benefits, director remuneration, transportation expenses, and Far Eastern SOGO training costs. The community investment is only listed under the parent company, Far Eastern Department Stores.

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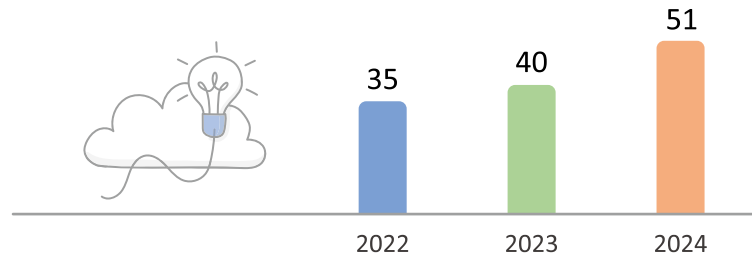
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1.1.3 Towards Excellence in Management

FEDS has integrated innovative and differentiated thinking into its management actions. Since 2018, FEDS has been implementing management innovation projects, with a total of 350 projects executed to date. By establishing and collaborating through cross-department project organizations, action plans are formulated to enhance management efficiency and boost operational performance. In 2024, FEDS continued to drive 51 management-oriented action projects, strengthening organizational accountability, agility, operational capabilities, and strategic prowess. This enables FEDS to continuously innovate and grow.

◆ Number of Management Innovation Action Projects



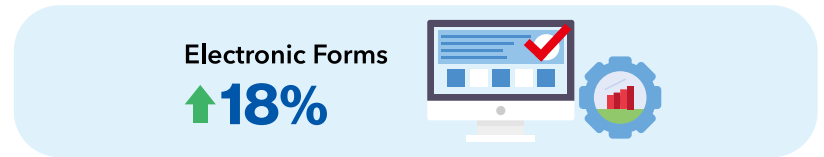
Regular Meetings and Accountability Management

FEDS tracks work outcomes through internal meeting, views outcomes from the perspective of stakeholders, and encourages employees to go the extra mile for better results, thereby fostering a culture of accountability and implementing responsible management. In addition to holding regular operational meetings, store manager meetings, and assistant manager meetings each month, the head office management department convenes weekly meetings involving 12 units to facilitate communication and discussion, promoting collaboration, and achieving company goals together.



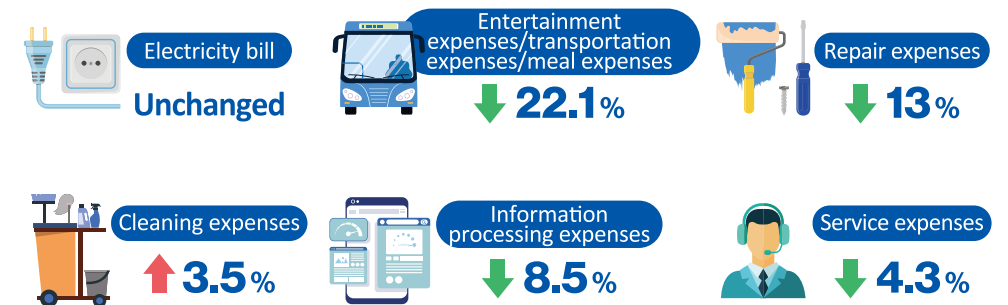
Mobile Office, Agile Organization

FEDS has implemented mobile office policy for five years. In 2024, a total of 28 electronic forms were added, continuing the growth of paperless forms. Through digital platforms, real-time information dissemination reduces communication costs. Various digital services significantly reduce document approval turnaround time. The number of E-forms at FEDS increased by 18% in 2024.



Data Analysis Enhances Business Efficiency

To reduce fixed costs and enhance operational efficiency, FEDS established the Budget Committee to implement target budget management plans for various operating expenses. The Accounting Department tracks monthly budget performance, reviews reasons for overspending, and effectively manages operating expenses through monthly KPI data. In 2024, management adjusted budget control measures flexibly in response to rising prices. Despite an increase in cleaning labor costs due to the raise in minimum wage and marginal stability in electricity costs following two rate hikes by Taiwan Power Company, savings were achieved ranging from 4.3% to 22% in other categories.



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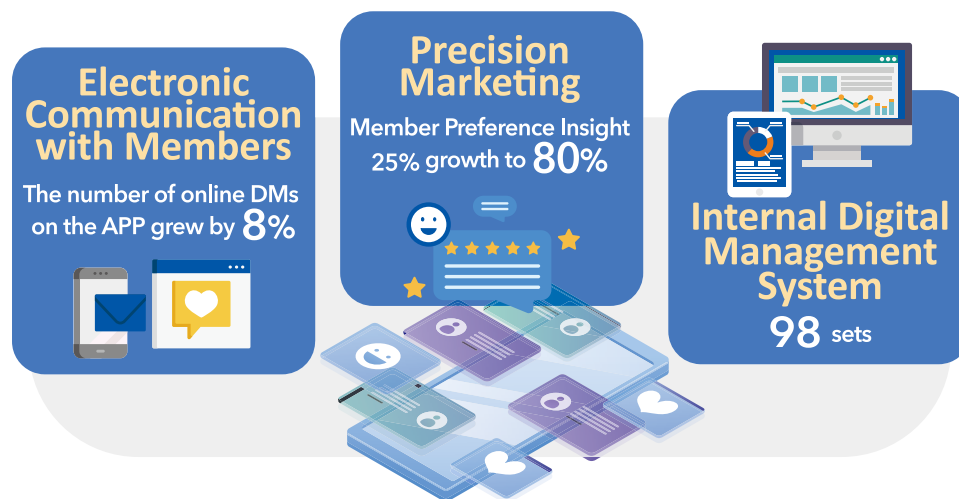
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Digital Transformation into Smart Retail

In response to rapidly changing consumer demands, FEDS's Digital Transformation Office continues to optimize digital services from the perspective of customer needs and convenience, enhancing digital operations. Since its launch in 2021, the FEDS APP 3.0 has achieved a membership target of 1.65 million by 2024. With a significant increase in membership and consumption data, FEDS has improved its understanding of member spending preferences from 25% to 80% through data analysis and utilization.

In accordance with the principles of sustainable business, FEDS plans to enhance its digital transformation efforts while also working towards carbon reduction goals. By integrating the well-established APP, POS system, and CRM system, the company aims to achieve the core objective of establishing an energy-efficient and carbon-reducing marketplace. It will progressively implement three transformation strategies, namely electronic communication with members, precision marketing, and internal digital management, to promote sustainability through digitalization.

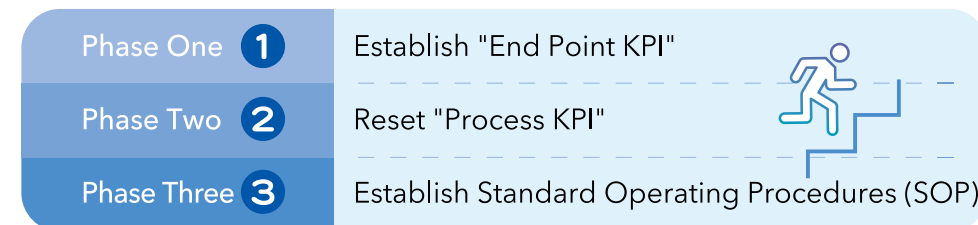


Sustainable KPIs - Implementing Sustainable Management

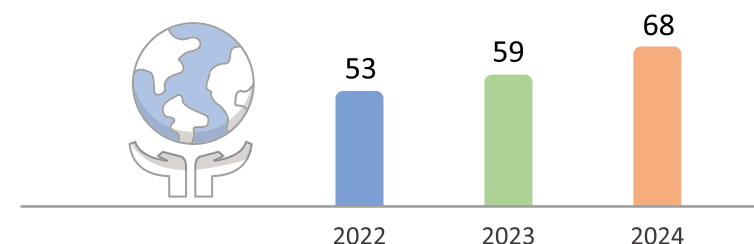
Establishing a sustainable management model, the management department has set 68 ESG indicators, aiming to integrate the ESG values into operational details and embody the spirit of "Retail is Detail." In addition to regular monthly tracking of implementation, key success factors will be identified for units with outstanding performance, followed by the design of standard operating procedures for emulation

by each branch. At the end of the year, the indicators will be adjusted according to the company's future development direction. Through sustainable management, FEDS aims to drive excellent performance in sustainable operations.

KPI Management Model



Number of ESG Indicators



To enhance employees' awareness of international benchmark enterprises promoting sustainable KPIs and further internalize it as a driving force to improve corporate sustainability governance and effectiveness, FEDS held internal ESG-themed advocacy and training. The company encouraged employees to participate in external ESG training courses. By 2024, FEDS had accumulated 211 staff members participating in the Taiwan Corporate Sustainability Awards (TCSA) volunteer reviewer program, conducted 3,199 hours of internal ESG-themed training courses, with employee participation accounting for 82% of the total workforce.

A total of **82%** of Employees participate in Sustainability Education



A Total of **211** Employees Participated in Judging Activities for TCSA Report Award



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1.2 Robust Sustainable Governance

FEDS has established a sound governance framework, implementing corporate governance through specialized division of labor and responsible operations. The company emphasizes the functions of the Board of Directors and information transparency, setting up functional committees to assist in enhancing governance efficiency. FEDS also participates in domestic and international retail organizations to broaden its governance perspective, exert industry influence, safeguard shareholder rights, and move towards sustainable business operations.

1.2.1 Sustainable Governance Framework (GRI 2-9, 2-12, 405-1)

FEDS has established "Corporate Governance Principles" that are appropriately linked to the governance mechanisms of its subsidiaries to implement corporate governance in a responsible manner. The Board of Directors serves as the highest governance body of the company, with relevant functional committees and an audit office established to assist in carrying out governance functions.

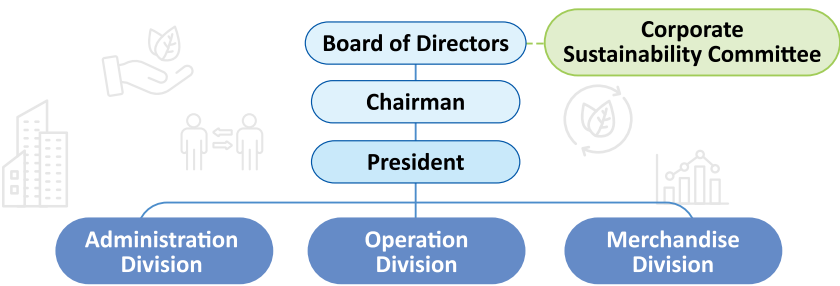
Corporate Governance Principles

Corporate Sustainability Committee Driving Sustainability (GRI 2-14, 2-16)

To achieve sustainable development goals and strengthen sustainable governance, FEDS established the "Corporate Sustainability Committee" . In August 2024, the committee was further elevated to report directly to the Board of Directors, comprising one director and two independent directors. Operating under the principle of corporate sustainability, the committee aims to guide the implementation of corporate governance, sustainable environmental development, social welfare maintenance, and enhanced disclosure of sustainable development information. It is mandated to convene at least one meeting annually to assist FEDS in promoting and developing matters related to corporate sustainability.

Sustainability Principles Corporate Sustainability Committee Organization Chart

Corporate Sustainability Committee Organization Chart



Functional Committee Enhancing Governance Effectiveness

FEDS established a functional committee to enhance the board's functions, strengthen management capabilities, implement governance norms, and establish an effective governance framework for the benefit of shareholders and other stakeholders.

Name	Meeting Frequency	Management Aspect
Board of Directors	Four times a year	● ● ●
Audit Committee	Four times a year	●
Remuneration Committee	Four times a year	●
Corporate Sustainability Committee	At least once a year	● ● ●
Human Resources Arbitration Committee	Ad hoc	●
Budget Committee	Ad hoc	●
Market Development Committee	Ad hoc	●

● Environmental ● Social ● Governance

Resolutions and Communication Highlights of the Board of Directors and Committees

Continuously Improve Corporate Governance Mechanisms

Since 2019, FEDS has established a Corporate Governance Officer to assist in promoting corporate governance activities and enhancing governance mechanisms. The main responsibilities include: handling matters related to board and shareholder meetings in accordance with the law, preparing minutes of board and shareholder meetings, assisting directors in appointment and ongoing education, providing necessary information for directors to carry out their duties, assisting directors in compliance with laws and regulations, reporting to the board on the examination results of the qualifications of independent directors during nomination, appointment, and tenure, handling matters related to changes in directors, and other matters stipulated in the company's articles of association or contracts in eight categories.

In 2024, FEDS continued to enhance corporate governance standards by revising the "Board Meeting Rules," "Audit Committee Organizational Charter," "Financial Business Operations Norms for Related Parties," "Sustainability Report Compilation and Assurance Procedures" and "Risk Management Policy," to further strengthen the corporate governance framework.

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Enhancing Information Transparency to Facilitate Communication with Stakeholders

FEDS has established an Investor Relations Department and a mailbox to facilitate direct and real-time communication with investors and stakeholders. Additionally, a dedicated team is responsible for information gathering and disclosure, with a spokesperson system in place to ensure timely and proper disclosure of information that may impact shareholders and stakeholders' decision-making. The company website features an "Investor Relations" section disclosing financial reports, revenue data, and corporate governance details to enhance information transparency and facilitate stakeholder communication.

In terms of tax governance information, FEDS adheres to the principle of operating with integrity. Tax policies comply with the local tax regulations of each operating location, filing and paying taxes, and regularly disclosing tax information through public channels such as financial reports and annual reports.

Investor Section

1.2.2 Enhancing the Functions of the Board of Directors
(GRI 2-10, 2-11, 2-13)

The Board of Directors is the highest governing body of the company, responsible for appointing and supervising the management team, overseeing operational performance, preventing conflicts of interest, ensuring compliance with various laws, and maximizing shareholder value. In 2024, FEDS had nine board members, with independent directors accounting for 33% of the total. The nomination and selection of board members follow a candidate nomination system, to ensure the professionalism, independence, and implementation of diversity policies within the board.

Directors' Main Educational Backgrounds, Work Experiences, and Implementation of Diversification Policies







Regular Performance Evaluation of the Board of Directors
(GRI 2-18, 2-19, 2-20)

In 2016, FEDS established the "Board of Directors Performance Evaluation Measures" to implement corporate governance and enhance the board's functions. Each year, board members and board committees conduct performance evaluations through internal self-assessment. In 2019, the evaluation scope was expanded to include functional committees, and it was stipulated that an external professional independent organization should be engaged for evaluation at least once every three years to promote the objectivity of the board evaluation.

In November 2024, FEDS conducted an internal assessment of the Board of Directors' performance, with the overall evaluation result being "exceeding standards with over 90%." Board members and various functional committees demonstrated a clear understanding of their responsibilities, familiarity with the company's operations and environment, thereby enhancing the overall quality of the Board's decision-making. This indicates the company's continuous efforts in strengthening the operational effectiveness of the Board.

In addition to conducting an internal assessment of board performance, FEDS also engaged EY to carry out an external evaluation of board performance in 2024. The performance evaluation framework included three main aspects: board structure, members, and processes, as well as information. Evaluation was conducted through document review, director self-assessment questionnaires, and on-site interviews. FEDS achieved ratings of "advanced," "advanced," and "benchmark" in the three aspects. The evaluation report presented three key recommendations (as shown in the table below) and FEDS will develop response plans for each recommendation.

Recommendations for External Evaluation of the Board of Directors' Performance

Purpose	Recommended Actions	
Effectively execute supervision		Establish a functional committee for risk management and corporate integrity operations 
Enhancing diversity		Continuously establish a talent database through diverse channels 
Timely informed of all adverse trends		Establish a reporting mechanism for risk identification 

More Information about the Performance Evaluation of the Board of Directors

FEDS paid director remuneration in accordance with Article 27 of the company's Articles of Incorporation, allocating up to 2.5% of annual profits for this purpose. The actual distribution of director remuneration is determined by the board of directors and reported to the shareholders' meeting. In 2024, director remuneration totaled NT\$69,415 million, representing 0.90% for the chairman, 1.67% for directors, and 0.40% for independent directors.

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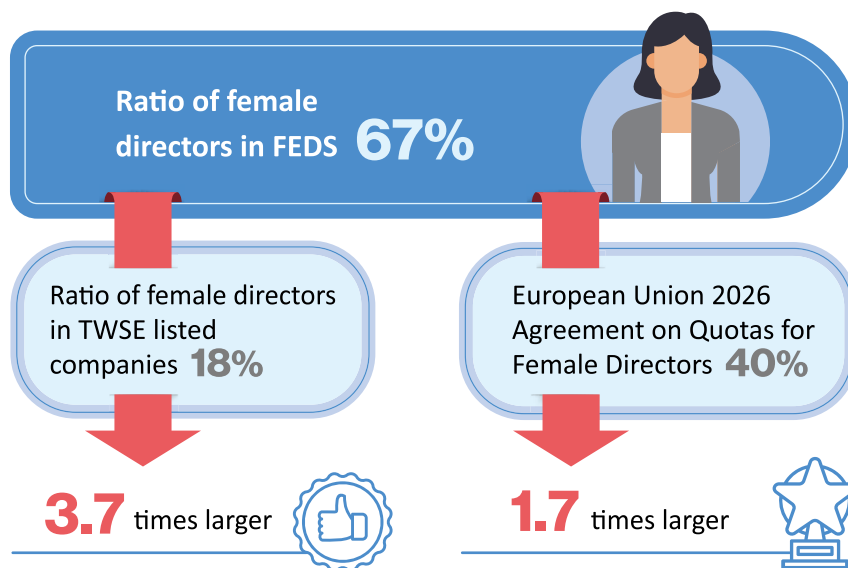
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Implementing Gender Diversity among Board Members

To promote the sound development of the Board of Directors' composition, FEDS has enhanced gender diversity among directors and implemented a policy where six female directors held 67% of board seats in 2024, surpassing the company's target of having over 20% female directors. This approach enables FEDS, operating in the retail sector primarily serving female consumers, to make decisions that are closely aligned with customer needs.



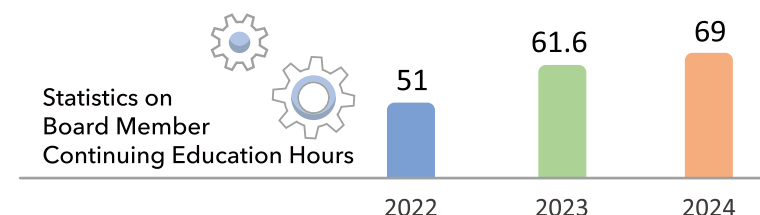
Independence and Expertise of the Board of Directors (GRI 2-17)

The FEDS Board of Directors emphasizes independent operation and transparency. All three independent directors comply with the "Regulations Governing the Establishment of Independent Directors and Compliance Matters for Public Companies," and all directors meet the independence requirements of the Securities and Exchange Act.

In terms of expertise, board members possess the necessary knowledge, skills, and qualities to fulfill their duties. FEDS also plans various professional courses to ensure that directors and executives can promptly adapt to changes in the industry environment and corporate governance regulations.

In 2024, board members continued to participate in training courses designated by the "Guidelines for Continuing Education for Directors and Supervisors of Listed and OTC Companies," with all directors completing over 6 hours of training, exceeding legal requirements.

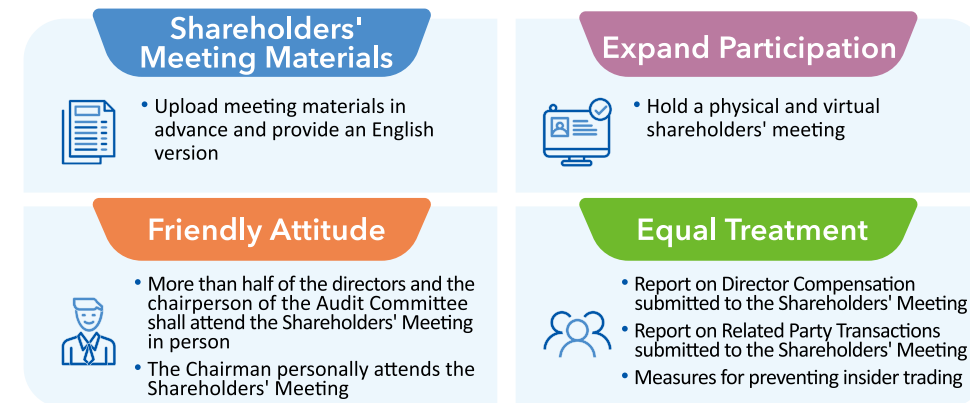
Statistics on Board Member Continuing Education Hours



Protecting Shareholder Rights

FEDS values the rights of every shareholder, adheres to the Company Act and other relevant regulations, treats all shareholders equally, and held director elections in June 2024. The elections utilized a cumulative voting system beneficial to minority shareholders. Dividend notifications were sent electronically through the eNotice platform for shareholder affairs, enhancing communication efficiency. A total of 4,183 users were recorded, marking a 358% annual increase.

Enhancing Shareholder Rights Promotion



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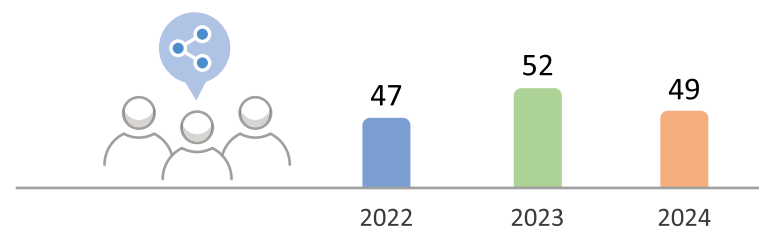
1.2.3 Prosperous Industry Development (GRI 2-28)

FEDS participates in domestic and foreign industry associations to expand its business horizons and contribute to its influence. FEDS is the sole Taiwan representative in the Intercontinental Group of Department Stores (IGDS) and regularly communicates with the international department store industry every year to promote the prosperous development of the industry and become a staunch force for internationalization and modernization of the department store industry in Taiwan.

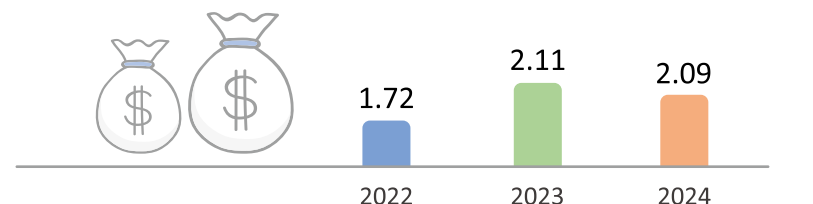
Collaborating with Industry Partners to Boost the Economy

In 2024, FEDS participated in a total of 49 public associations, with expenses totaling approximately NT\$2.09 million. FEDS held director and supervisor positions in five associations, including the Retailers Association of Chinese Taipei, Taiwan Council of Shopping Centers and Commercial Real Estate, Center for Corporate Sustainability, Chinese National Association of Industry and Commerce, and Taipei Department Stores Association, driving industry development. FEDS aims to enhance industry communication and cooperation, promote industry prosperity, and boost sustainable development through the power of organizations.

◆ Number of Public Associations Participated



◆ Expense of Joining the Public Associations



Joining IGDS to Enhance International Vision

Intercontinental Group of Department Stores (IGDS) is the world's largest department store association, serving 44 leading department stores from around the globe to provide insights into retail trends, development, and innovation. FEDS became the first Asian department store to join IGDS in 1988 and has been the sole representative from Taiwan for many years. By participating in IGDS events annually, FEDS gains access to the latest global retail market information and promotes Taiwan's department store industry development and operational models worldwide, enhancing the internationalization and visibility of Taiwan's department store sector.

In September 2024, FEDS participated in the 15th World Department Store Summit (WDSS 2024) held in Berlin, with the theme "Embracing Experiential Retailing." Chairman Douglas Hsu personally attended the international retail event, leading the team to engage with senior executives from renowned department stores worldwide to exchange crucial experiences, establish connections, and share forward-thinking ideas.

Implementing IGDS Code of CSR Conduct

FEDS, together with 44 IGDS members, participates in various corporate social responsibility and sustainable development efforts, and recognizes the need to effectively manage department store operations to balance the interests of stakeholders. Within these scopes, FEDS strives to implement the principles of responsible retailing and sustainable development.



IGDS Code of CSR Conduct

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Leverage Influence and Lead Peer Exchanges

Since assuming the position of Chairperson of the Retailers Association of Chinese Taipei (RACT) in January 2016, FEDS President Nancy Hsu has organized over 161 events, leading the association to become a platform for industry exchange and serving as a think tank by providing retail policy recommendations to the government to enhance innovation and added value in the retail sector. In 2024, RACT had 8 group members, represented by 36 individuals, and 61 individual members, hosting a total of 16 events.



Attending the 21st APRCE in Sri Lanka



The 21st Asia-Pacific Retailers Convention & Expo was held in Colombo, the capital of Sri Lanka, in September 2024. The event attracted over 350 retail industry leaders from 18 regions and countries. Together, they witnessed the thriving development of the retail industry in the Asia-Pacific region and took the opportunity to exchange rich experiences and insights in retail.



The Taiwan-Japan Department Store Association Initiates First Exchange

In November 2024, RACT Nancy Hsu, Chairperson, led representatives from 23 member companies to Tokyo to visit the Japan Department Stores Association. The delegation was received by Executive Director Nishisaka Yoshiharu and other representatives of the Japan Department Stores Association. They also met with senior executives from Takashimaya, Isetan, and GSIX, and visited department stores such as Takashimaya Nihonbashi Store, Isetan Shinjuku Main Store, and GINZA SIX to gain a deeper understanding of each store's unique operational characteristics and exceptional customer service practices, thereby fostering pioneering communication and friendship bridges for Taiwan-Japan department store exchanges.



The Taiwan-Japan Department Store Association held its inaugural exchange. Representatives from Far Eastern Department Store, Shin Kong Mitsukoshi, 101 Shopping Center, Hanshin Department Store seized the opportunity to ask questions. They exchanged views with relevant Japanese department store executives on topics such as digitalization initiatives, ESG strategies, customer service, and product planning. This interaction deepened their understanding into the differences in operational models between Taiwanese and Japanese department stores.

During this conference, FEDS was honored in the "Country Awards" by FAPRA for its outstanding performance, recognizing retail enterprises with innovative and excellent achievements across various regions and countries. This marks FEDS' second win, following its receipt of the "Best Corporate Social Responsibility" award in 2019, making it the only department store in Taiwan to achieve the dual titles of "Country Awards" and "Best Corporate Social Responsibility" from FAPRA.

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1.3 Sound Risk Management

FEDS has long recognized operational risks through a robust risk management mechanism, with risk management and response conducted by responsible departments, and management norms established for control. In the digital technology trend, the Audit Department utilized three digital audit information systems to assess potential risks identified by self-assessment teams in various units. In 2024, 87 planned cases were implemented, providing audit findings and recommendations to assist FEDS in risk prevention and stable operations.

1.3.1 Ethical Management to Mitigate Risks (GRI 2-26, 205-1, 205-2, 205-3)

FEDS operates on the principle of integrity, establishing policies based on integrity to promote good corporate governance and risk management mechanisms. FEDS has formulated regulations such as the "Ethical Business Guidelines," "Code of Ethical Conduct," "Ethical Business Procedures and Behavioral Guidelines," serving as standards for the ethical behavior of all employees. Reporting any illegal or unethical behavior is encouraged. Annual internal control self-assessments are conducted to implement early warning mechanisms, requiring all units to evaluate whether business practices align with the company's integrity and ethical values. In 2024, no significant corruption risks violating laws were identified.

FEDS Ethical Management Related Regulations 

◆ Integrity Management and Ethical Conduct Implementation Status



Applicable Parties

- The company, subsidiaries, group organizations or businesses with direct or indirect donations exceeding 50% of the total funds accumulated.



Communication Channels

- If any violations are found, they may be reported to the Audit Committee, management, corporate governance officer, HR department, or other appropriate supervisor.



Promotions

- Company website and electronic bulletins
- Internal meetings and training
- Group publications



Education and Training

- A total of 1,775 hours of training were conducted, with 2,193 individuals completing it, representing an increase of 114% in the number of participants.



Regular Audits

- Department managers conduct regular reviews to manage operations, ensuring integrity and minimizing the risk of corruption.



Procedures

- Any risk of dishonest conduct shall be reported in accordance with the procedures.
- The case shall be handled confidentially to fully protect the whistleblower.
- The relevant units are responsible for proposing measures to prevent this conduct from recurring.

The Internal Control Self-Assessments Prioritize Integrity and Ethical Values as Key Items

FEDS includes integrity and ethical values as important self-assessment questionnaire items in the internal control self-assessment (CSA) system, with a total of 21 control points. Board members, senior executives, managers, and employees are requested to self-assess. For example: emphasizing the importance of integrity and ethical values, establishing standards for integrity and ethical values, informing all members of the organization to understand and implement, and dealing with company and business partners. In 2024, FEDS and its subsidiaries participated in the integrity and ethical self-assessment questionnaire at the overall level of the CSA system, with a total of 907 respondents, accumulating to 6,929 respondents.

Integrity and Ethical Values
 Design to **21** Control Points



Continuously Enhance Internal Control Governance

FEDS continued to align with legal requirements such as sustainability information updates, digital management, and internal operational procedure optimization. The revised internal control items were presented to the Board for approval in November 2024 and announced on the company's internal EIP website in January 2025, enhancing audit procedures to achieve risk prevention and corporate governance objectives.

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1.3.2 Systemic and Non-Systemic Risk Management and Response

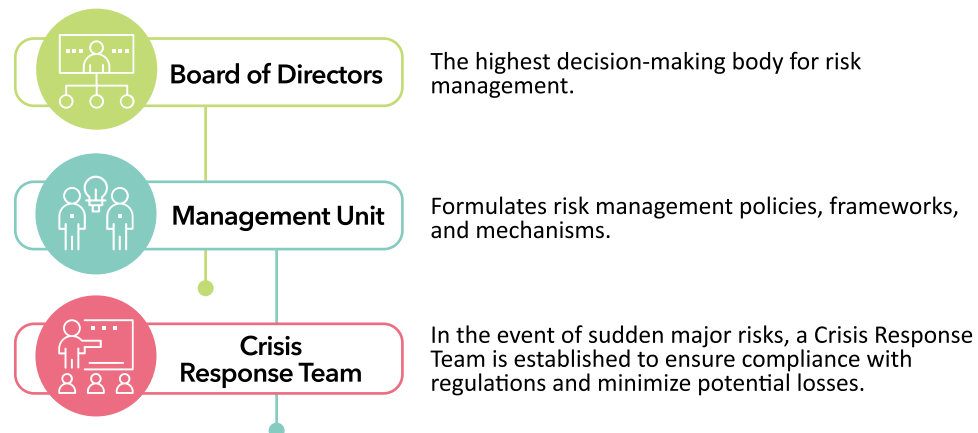
FEDS has established a "Risk Management Policy" to comprehensively manage and respond to various types of risks based on the causes of "systemic risk" and "non-systemic risk," carried out by responsible units or cross-departmental functional organizations. To ensure the implementation of various operations under a sound risk management system, we regularly evaluate business activities and execution risks, take preventive measures to prevent risks and minimize the impact of risk occurrence.

Establishing a Comprehensive Management Mechanism to Effectively Control Risks

To ensure the sustainable operation, mitigate losses, and enhance business interests, FEDS conducts various operations. It is necessary to appropriately assess risks and opportunities, effectively identify, and control various risks, and keep potential risks within manageable limits to achieve the rationalization of risk and return.

The Board of Directors is the highest decision-making body for risk management, overseen by the Audit Committee to ensure the effectiveness of risk management policies and mechanisms. Management units are responsible for risk management, developing the Risk Management Policy, framework, and mechanisms, and establishing qualitative and quantitative management standards. Risk control must be reviewed annually, and a risk management report must be submitted to the Board of Directors at least once a year.

Risk Management Framework



Our risk management process includes the following seven procedures.

Risk Management Procedure



Financial Risk Management

Financial management faces systematic risks, including political, economic, and social factors such as economic fluctuations, currency inflation, and government policy directions, leading to financial market volatility. In 2024, FEDS encountered central bank interest rate hikes and reserve ratio adjustments, along with international political and economic fluctuations like wars and the U.S. presidential election, impacting financial market performance, scale, and the company's cash flow changes. FEDS closely monitors financial market trends, convening weekly risk management team meetings to review changes in asset and liability values, adjusting operational cash flow adequacy ratios in a timely manner to reduce the impact of systematic financial risks.

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Financial management faces non-systemic risks, including operational errors and unexpected events, leading to losses for FEDS. The Group has established internal control mechanisms to mitigate such non-systemic risks, involving activities such as lending funds to others, endorsing guarantees, and disposing of assets, which must adhere to the "Operating Procedures" approved by the Board of Directors and Shareholders' Meeting. Additionally, through the "Funds Dispatch System" and the "Branch Audit Application System," digitizing processes to enhance financial and accounting operational efficiency and reduce human errors, aiming to achieve risk management objectives.

Regulatory Risk Management (GRI 2-27, 416-2, 417-2, 417-3)

FEDS has long been attentive to revisions in various legal regulations, aiming to reduce the impact of systemic legal risks. Through the three aspects of establishing systems, implementing management, and educating employees, FEDS has formulated a direction to promote corporate compliance with regulations, in order to prevent systemic legal risks. FEDS has established strict measures for operations, processes, products, and services in the operation of department stores, ensuring compliance with various government regulations. This approach aims to minimise the company's risk of legal violations, thereby avoiding unnecessary financial and reputational losses.

Promoting Awareness of New legal Regulations and Update

To strengthen managers' awareness of risk management and improve their risk prevention and management capabilities, FEDS has set up a legal unit to promote legislation, evaluate legal compliance and update changes to legislation. At the same time, the regulations, administrative rules, and announced draft amendments to the laws and regulations related to the operation of the Company, etc., will be announced to managers at all levels every week via the "Regulatory News", so that the unit managers can master the changes and updates of laws and regulations. We also share the key laws and regulations in the regular management meetings, assist the management unit to take actions in response to the changes in laws and regulations.

◆ Status of Legal Promotion and Advocacy

	2022	2023	2024
Number of cases in Regulatory News	375	495	217
Number of interpretations in Regulatory News	119	65	1

Managing Contract Risks

Since 2022, FEDS Legal Department has established a standardized document repository, digitizing selected contracts to create standardized documents. Utilizing restricted editing functions, only fields such as dates and amounts are accessible. By the end of 2024, 416 standardized documents were available, reducing the average contract review process for each branch by approximately 64%, achieving efficiency gains and lowering labor costs. Additionally, since October 2019, the Legal Department has transitioned to electronic approval processes. As of 2024, a total of 3,679 documents have been processed, with 585 in 2024 alone.

Created 416 Contract Standard Documents



In 2024, FEDS proactively addressed and rectified a significant violation resulting in a fine exceeding NT\$150,000 to prevent recurrence, with no non-monetary penalty violations occurring.

In March 2024, the food safety incident occurred at Polam Kopitam, a space leased by FEDS to Food Republic Plaza, which then subleased the space to Polam Kopitam. The case is currently being handled by the Taipei City Government Consumer Protection Officer. There were no incidents involving FEDS' own products and services violating health and safety regulations, causing harm to customer rights.

◆ Significant Violations of Regulations

Time	July 2024
Event Description	Top City Taichung Store Not meeting discharge standards, violating Article 7, Paragraph 1 of the Water Pollution Control Act and other related laws and regulations, resulting in a fine of NT\$474,500 and requiring a 6-hour environmental training session.
Improvement Measures	1. The branch has allocated NT\$17 million for sewage pipeline improvement works. The construction plan has been submitted to the city government for approval and road excavation permits. 2. New meters have been installed, and daily inspections using the Inspection App have been strengthened to monitor the operating readings closely.

Note: Significant regulatory violations resulting in fines over NT\$150,000.

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Information Security Risk (GRI 418-1)

FEDS places great emphasis on information security management, establishing rigorous internal processes and standards. The company has set up the "Information and Communication Security and Personal Data Protection Management Committee." In November 2022, it established internal control system processing guidelines for publicly traded companies. The committee includes a Chief Information Security Officer, an Information Security Team, a Security Supervisor, and two dedicated security personnel. Their responsibilities include coordinating, planning, monitoring, and executing all information security management operations.

Suppliers and vendors of FEDS are obligated to fulfill their cybersecurity obligations as stated in the contracts and commitment letters. Counter personnel stationed at FEDS must adhere to the FEDS management regulations for counter service personnel and sign a consent form for the protection of consumer personal data. FEDS also offers comprehensive training to newly recruited counter personnel and holds daily huddles before stores open to raise awareness of day-to-day cybersecurity-related issues.

FEDS continues to raise internal staff awareness of information security by conducting periodic information security awareness campaigns and holding annual information security courses for all employees. In addition to headquarters management units, frontline cashiers and service staff also receive training to increase their relevant knowledge and reduce operational risks.

In recent years, due to frequent incidents of information security breaches in the industry, FEDS initiated the implementation plan of ISMS (Information Security Management System) in November 2023. Simultaneously, the company continued to review its internal core systems, making adjustments to system architecture and upgrading security measures to defend against external intrusions, thereby reducing the risks of operational disruptions and data breaches. Regarding the management processes for the collection, processing, and utilization of personal data of members using online shopping platforms (FEDS APP, FEDS official website), FEDS obtained ISO 27001:2022 certification in September 2024 and is expected to obtain BS 10012 certification by 2025. The scope includes FEDS headquarters, Mega City Banqiao Store, and Top City Taichung Store, with other branches scheduled to implement these certifications in 2025. Through the effective implementation of the information security management system, FEDS experienced no incidents of information security breaches, data leaks, or personal data theft in 2024.




Enhancing network security and cybersecurity resilience to meet international security standards implemented the ISO 27001 and BS 10012 management systems

Maintaining Personal Data Management

FEDS' "Information Security and Personal Data Protection Management Committee" assisted in reviewing the use and storage of personal data within various internal units to ensure proper protection and management of all personal data. In early 2024, FEDS established the "FEDS Personal Data File Security Maintenance Plan" in accordance with relevant laws such as the "Personal Data Protection Act" and the "Comprehensive Retail Industry Personal Data File Security Maintenance Management Measures," and formally implemented the ISO 27001 and BS 10012 management systems crucial for information security and personal data protection. This initiative aimed to establish a management system for FEDS' information security and personal data, conducting personal data inventory and risk identification accordingly.

Regarding customer data for the "Happy Go Points Collection Card," FEDS only retains a member number cross-reference file for future matching with data on the Happy Go Card bonus points platform. The company is unable to access member data or verify member identities in any way. In accordance with FEDS' "Happy Go Points Card Management Measures," relevant processes for the collection, processing, utilization, and file security maintenance of customer personal data have been established to effectively manage the protection of customer data during the card application process. FEDS stores customer data on the Happy Go Card bonus points platform operated by Ding Ding Integrated Marketing Service Co., Ltd. The Happy Go Card bonus points platform has obtained ISO 27001 (ISMS) certification and complies with Taiwan's Personal Information Protection Act System (TPIPAS), holding certification for data privacy protection (DP Mark). All customer data is strictly encrypted and safeguarded on the Happy Go Card bonus points platform.

For information on the privacy policy of Ding Ding Integrated Marketing Service Co., Ltd. 

To enhance the management of personal data for FEDS members, FEDS revised the process of deleting member data to be system-controlled in 2020. In 2021, system education training was conducted for customer service personnel at various branches, along with the update of operation manuals to facilitate on-site staff in implementing personal data protection regulations. Starting from July 2023, FEDS collaborated with the Taipei City Criminal Investigation Division to periodically track and report fake FEDS Facebook fan pages, working together with public agencies to combat fraud. In September 2023, all employees were invited to attend an anti-fraud awareness course conducted by prosecutors from the New Taipei District Prosecutors Office and the chief of the Banqiao Investigation Station in New Taipei City. This was aimed at strengthening individual awareness of information security protection. In 2024, with the implementation of the ISO 27001 and BS 10012 management systems, in addition to all colleagues receiving education and training on information security and personal data protection, a record of information destruction was established by the end of 2024 to ensure the integrity of personal data processing.

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Risk Management-Oriented Audit Operations

The audit unit conducts audits annually in addition to those required by laws and regulations, taking into account the results of operational risk assessments within the company. It supervises and manages the financial and business information of subsidiaries in accordance with laws and regulations. If internal control deficiencies are identified, responsible units are required to propose improvements, and the progress of improvements is continuously monitored.

Audit reports are submitted to independent directors for review by the end of the following month upon completion in accordance with regulations. Business summaries are presented quarterly to the Audit Committee and the Board of Directors. Additionally, as needed, ad-hoc discussions are held, ensuring smooth communication channels.

Organizational Chart of the Audit Unit

Professional Auditing and Risk Management Enhancement

Risk Type	Audit Focus Area
 Product and Food Safety Risk	<ul style="list-style-type: none">Timely inspect product labeling and expiration dates in accordance with laws, verify insurance coverage for food vendors, and ensure the quality and safety of food products.
 Store Operations Risk	<ul style="list-style-type: none">Audit the operation of the control room, warehouse, fire extinguisher equipment, inventory of cosmetics, and outsourced management to ensure the safety of the store and reduce the risk of operational asset loss.Inspect online shopping shelf information, counter sales, gift voucher sales operations, etc., to comply with business integrity and ensure sales for FEDS.Analyze abnormal data through the audit system to verify abnormal accumulation and supplementary posting of Happy Go card points.
 Human Resource Management Risk	<ul style="list-style-type: none">Verify the accuracy of attendance, number of employees, types of leave requests, and management of outings to comply with legal regulations.
 Procurement Acceptance Payment Management Risk	<ul style="list-style-type: none">Supervise and review the procurement price negotiation and the reasonableness of the unit price of amended work items.Conduct capital expenditure acceptance inspections to ensure asset safety and meet payment requirements.A total of 6,510 cases relating to the supervision of procurement price negotiations have been conducted.
 Information Security Management Risk	<ul style="list-style-type: none">Supervise the procurement, acceptance inspection and assist in reviewing information device disposal operations.Verify the company's mobile application procurement process and the security of the computer room to safeguard system security and data integrity.
 Legal Compliance Risk	<ul style="list-style-type: none">Execute the annual audit plan and the internal audit reporting operations in accordance with the regulations.Rivise the internal control system and audit implementation guidelines in response to the amendments to the regulations.Timely stay abreast of the latest information, and conduct inspections in accordance with the latest regulations.
 Financial Management Risk	<ul style="list-style-type: none">Remind the financial management unit to comply with the requirements and conduct financial operations audits, including loans, guarantees, related-party transactions, etc.Coordinate with the finance department to monitor random checks on stamp management, manage financial turnover, and control treasury security.

Digital Risk Identification and Strengthening the Audit Program

The annual audit plan is mainly based on the amendments to laws and regulations, emerging sustainability issues, the company's digitalization progress, and supplemented by a risk-oriented audit digital information system, such as the evaluation of the risk level and results of each control point in the CSA system, automated anomaly data screening in ACL audit programs, statistical analysis of risk matrices and types of audit deficiencies in the RAP system. In 2024, the Audit Department completed 69 annual audit cases and 18 digital project-based ad hoc audits, totaling 87 cases, assisting in effectively identifying risks.

Optimizing the Audit Cloud Platform to Enhance Digital Internal Control

In 2024, the Audit Department continued to deepen its digital audit strategy, focusing on the application and optimization of the ACL continuous computer audit system, as well as cross-system integration operations, to comprehensively enhance audit efficiency and risk management capabilities.

Internal Control Self-Assessment System: In a total update of 1,032 control points to enhance the breadth of internal control self-assessment.

Continuous Computer Audit System: Developed 157 automated audit components, with a total of 522 verification programs, resulting in 430 audit reports.

Risk-based Audit Platform: Implemented 21 online operational audit projects, a 17% increase on the previous year.

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2 Innovative Benchmark Stores

By leveraging digital technology, FEDS aims to provide customers with a convenient, diverse, and enjoyable shopping experience. It is working towards establishing an integrated omni-channel shopping journey that combines the virtual and physical realms. Additionally, the store strives to offer attentive and professional services, create safe and comfortable shopping environments, and stay up-to-date with the latest trends to innovate the appearance of department stores. FEDS continuously innovates and transforms the retail landscape, working together with customers toward smart retailing and an enhanced quality of life.

2.1 Digital Department Stores

- 2.1.1 Embracing Smart Retail
- 2.1.2 Creating a New Shopping Journey
- 2.1.3 Experiencing Digital Convenience



2.2 Professional Services

- 2.2.1 Building Quality Services
- 2.2.2 Responding Promptly to Needs

2.3 Optimized Space

- 2.3.1 Ensuring Store Safety
- 2.3.2 Creating a Friendly Environment

In Response to 3 Material Topics

- Customer Service and Communications
- Store Safety and Services
- Business Performance and Innovation Strategy

In Response to Stakeholders

- Consumers
- Business Partners (Counter Vendors/Suppliers)
- Government



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Expanding the Membership of the FEDS APP
Membership Increased by 22%

Leveraging Data Analysis
Consumer Preference Insights Increased by 220%

Safe Drinking Water in Commercial Spaces
All Water Quality Test Results Comply with Legal Regulations

Enhance Digital Marketing
Social Media Followers Increased by 39%
Online Direct Marketing Increased by 8%

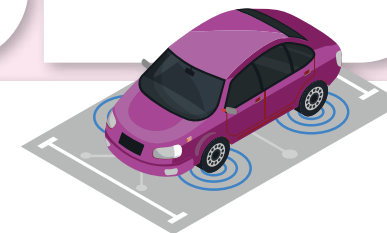
Professional Training Elevates Service Quality
Customer Service Personnel Received an Average of 7.9 Hours of Training



Precision Marketing
Delivered Nearly 4 Million Targeted Messages via POS Systems



All Stores Across Taiwan Fully Implementation Smart Parking Services



"Safe Place" Stores
All Stores Have Obtained "Safe Place" Certification

Good Indoor Air Quality in Stores
All Stores Across Taiwan Have Obtained "Good" Grade Certification



Convenient Digital Services
Provided 12 Categories of Diversified Payment Tools
Issued 9,523,377 Digital Vouchers
Issuance Rate of E-invoice Is 68%

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Management Objectives and Actions

Target Plans	2024 Performance Results	Future Medium- to Long-Term Goals
 <div>Expand the Member Operations of the FEDS APP</div>	<ul style="list-style-type: none">Continuously promote FEDS APP downloads, with a 22% increase in membership numbersFEDS launched the new "Points Plus Cash" feature on its mobile APP, with over 20 million points redeemed, attracting a younger customer base accustomed to digital tools	By continuously enhancing the understanding of members' consumption preferences through big data analysis and utilization, FEDS has maintained operations with a million-member scale
 <div>Implementation of Smart Parking Services</div>	<ul style="list-style-type: none">All stores have implemented intelligent parking service system, which integrates various discounts at the cash register and automatic payment machine, making more convenient	In response to customer needs, we will provide more convenient parking services and increase the number of electric vehicle charging stations, setting a target that exceeds regulatory requirements by 1.2%
 <div>Providing a Convenient Digital Experience</div>	<ul style="list-style-type: none">A total of 9,523,377 digital vouchers were issuedProvided 12 major categories of diversified payment toolsIssued 19,761,718 E-invoice	Continue using AI and digital technology to provide consumers with a seamless digital experience into the consumer journey
 <div>Establishing a Safe Shopping Environment</div>	<ul style="list-style-type: none">At the end of last year, the annual "Automated Inspection Plan" was completed, and performance evaluations for safety and health management in our stores are conducted quarterly according to the planAll stores have achieved 100% environmental certification	Regularly review the reporting process and improvement mechanisms for incidents in stores to create a safe, convenient, healthy, and environmentally friendly shopping environment
 <div>Maintain Good Customer Relationships</div>	<ul style="list-style-type: none">A total of 166 customer service personnel across Taiwan conducted training sessions for 1,791 individuals over 1,317 training hoursHandled and responded to 707 customer feedback cases	Enhance customer service quality, deepen training for service personnel, and provide friendly and warm high quality service

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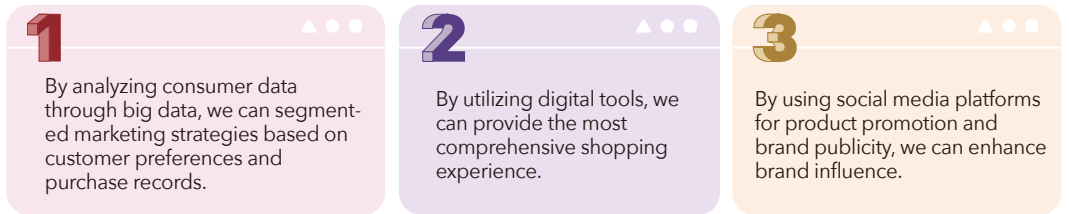
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2.1 Digital Department Stores

FEDS proactively embraced digital trends by establishing the Digital Transformation Office in 2019, focusing on the research and implementation of smart retail. This initiative involved a thorough review and adjustment of existing department store operations, management, and service processes to create new customer journeys that align with customer expectations and fulfill their needs, advancing towards a more customer-centric department store operating model.

2.1.1 Embracing Smart Retail

Smart retail is an important trend in the transformation and upgrading of the retail industry. Currently, it is mainly applied in the department store industry in the following three directions:



FEDS is developing three main directions: Digital Operations, Digital Experience, and Digital Management. We continue to upgrade various digital systems and infrastructure, injecting digital technology elements into the consumer process, and creating a more convenient, engaging, and enriching shopping experience. The latest fifth-generation FEDS stores, including the FEDS XinYi A13 and FEDS Zhubei , incorporate digital ingenuity in every aspect, from spatial design to service processes, creating an innovative digital store for consumers and providing a more unique and convenient shopping experience.

◆ Direction of the Digital Transformation



FEDS operates across Taiwan, currently with 12 locations in 10 cities, each situated in distinct commercial districts with unique consumer attributes. The direct collection of customer data from these locations serves as a solid foundation for FEDS' big data analysis in digital transformation. Long-term cooperation and technical support from affiliated enterprises further position FEDS at the forefront of digital transformation. In recent years, the pandemic has accelerated digital transformation. FEDS has strategically utilized various channels such as APPs, social media, online shopping, and mobile payments, complemented by segmented marketing , offline experiences, and meticulous in-store customer service. This integrated approach has strengthened customer loyalty while attracting digital-native younger consumers.

FEDS has been implementing digital transformation for many years. The fifth-generation stores, FEDS XinYi A13 and FEDS Zhubei, are smart department stores equipped with APPs, POS machines, and electronic billboards. Through the analysis and utilization of big data, FEDS has increased its understanding of member consumption preferences from 25% to 80%.



2.1.2 Creating a New Shopping Journey

FEDS innovates the shopping journey, striving to optimize the consumer shopping experience, allowing customers to experience the convenience of online shopping while shopping at the department store. Based on consumers' online shopping behaviors, FEDS has designed the industry's first customer journey that integrates consumer shopping logic, utilizing big data analysis and applications to create a digital experience in physical stores. We outline the consumer trajectory and actual needs before, during, and after entering the store, incorporating hardware facilities and software services from a department store management perspective to address potential shopping issues and design five major digital experiences.

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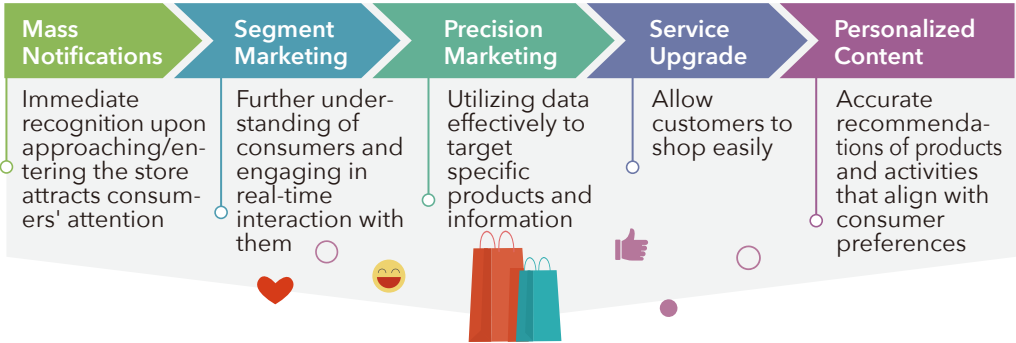
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◆ Five Major Digital Experiences Enriching the Consumer Journey



FEDS categorizes members into different consumer groups based on APP membership consumption information and utilizes APP push notifications, electronic direct marketing, and member texts to stimulate target groups, achieving "segmented marketing". In addition, FEDS also conducts "personalized marketing" by analyzing members' consumption information to identify their preferred brands and products, recommending other product information after member consumption to achieve more precise marketing.

To achieve precision marketing by providing products and event information closer to customer needs, FEDS has continued the POS machine push model since 2022. In 2024, POS machines recommended nearly 23,000 products and promotional campaign information. During customer transactions, based on past consumption history, selected products were pushed to customers through the FEDS APP, totaling 3.966 million pushes, representing a growth of approximately 10% compared to the previous year.

Besides promoting product information, we also use POS machines to share information about environmental actions and charity activities with customers. We continue promoting electronic receipts and supporting the Down Syndrome Foundation Charity Code from last year, we have also add breast cancer prevention, government public announcements to support social causes.



FEDS will continue to optimize digital operations, including: upgrading personalized precision marketing, establishing the "Shop In APP X Omni-channel Shopping Journey" (OMO), and linking social media marketing (LINE OA) FEDS will also evaluate adding self-checkout machines and food court ordering systems in stores. These new services will better meet customer needs and make shopping easier.

The Digital Transformation Office will focus on promoting customized services by integrating online and offline channels through the FEDS APP. This can utilize digital signage and POS machines within the store to push suitable products and information to different consumers as the primary communication tool. Our short term plan is to develop a new online shopping platform in 2025 and implement a fast checkout system, combining staff, online shopping, and LINE community for omnichannel marketing. The medium to long-term strategy involves developing personalized marketing by analyzing member purchase records and shopping trajectories through CRM data to provide a more customized consumer experience.

Boosted Vitality in Newly Renovated Flagship Store

In 2024, FEDS actively collaborated with domestic and foreign government agencies to host European, Thai, Korean, and Japanese exhibitions to attract more foot traffic. Simultaneously, FEDS partnered with local governments in Tainan and Kaohsiung to promote local agricultural specialties. Particularly noteworthy was the collaboration with the Tainan City Government, where local snacks were showcased in the store through table setups. This initiative not only allowed customers to experience authentic local culture firsthand but also enhanced the vibrancy and liveliness of the store.



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2.1.3 Experiencing Digital Convenience

After the epidemic, the digitization of consumer behavior became more pronounced. FEDS actively utilizes AI and digital technology to enhance the digital convenience for consumers, integrating digital convenience into the consumer journey to meet customer needs and enhance customer satisfaction.

FEDS APP Enriches the Consumer's Life

FEDS has incorporated digital technologies, particularly through its official APP, with the core concept of more frequent use and deeper engagement. This is complemented by promotional events, brand introductions, activity calendars, real-time news, and other trending content provided to encourage consumers to spend more time within the APP through browsing and interaction. Through these digital strategies, FEDS can enhance CRM by accurately analyzing member preferences and shopping behaviors, enabling precise segmentation and the introduction of product proposals that better meet customer needs.

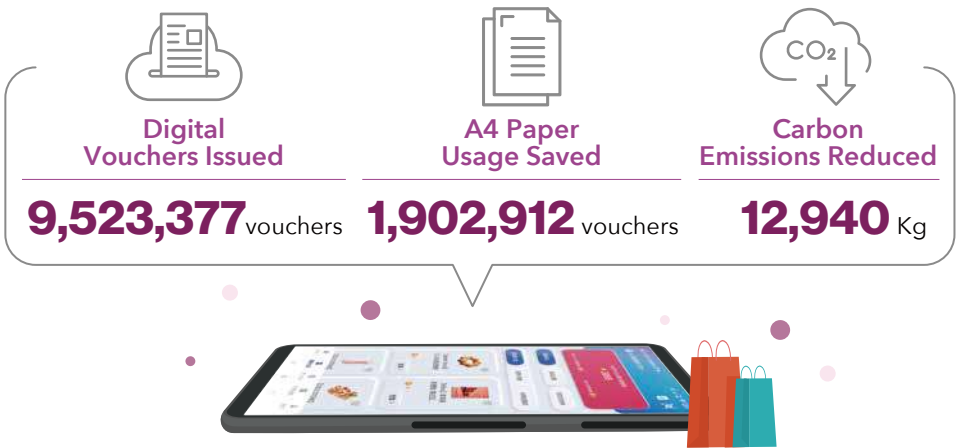
Since launching version 3.0 of the FEDS APP with points redemption functionality , annual redemptions have exceeded 20 million points. In 2024, FEDS gradually adjusted its marketing strategy to reduce point costs while expanding product variety. Beyond existing instant vouchers, the fourth quarter introduced a new Points Plus Cash system featuring department store brands. This expansion increased brand partnerships from 2023 to 37 in 2024, with total products reaching 236—both categories achieving nearly 200% growth.

FEDS APP Data



Digital Coupons Provide Convenient Digital Service

In recent years, as part of the digital transformation initiative, traditional paper-based vouchers such as coupons, lucky draw tickets, product vouchers, and bonus vouchers have gradually transitioned to electronic formats. Moreover, there has been a higher willingness among younger consumers to actively join the FEDS APP membership compared to other generations, resulting in the highest number and proportion of digital electronic voucher redemptions through the APP in history.



A.Mart Digital Services Issues Electronic Shopping Vouchers

We have enhanced the digitalization of our entire membership system at A.Mart hypermarkets, utilizing the A.Mart APP for product marketing. The company analyzes consumption data of various customer segments to better understand consumer behavior and potential needs.

In 2024, A.Mart issued electronic vouchers through the A.Mart APP distributes discount vouchers. Consumers could enjoy direct discounts regardless of purchase amount, promoting both consumer benefits and environmental sustainability. The campaign successfully saved 100,001,500 sheets of paper throughout the year.

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Using Mobile Payment to Create Smart Consumption

FEDS has been continuously optimizing its mobile payment services. Compared to traditional card, this saves waiting and checkout processing time. Additionally, integrating the electronic coupon feature of the FEDS APP saves the time spent exchanging paper vouchers and merchandise coupons. This enables customers to shop and checkout in the store using just their smartphones, without any obstacles.

In 2024, FEDS continued to offer a diverse range of 12 payment methods and optimized its system platform to enhance customer satisfaction. To further improve checkout services and ensure transaction security, the Finance Department of FEDS conducted educational training on topics such as "Points Plus Cash" for branch cashiers," with a total of 651 participants receiving in-person training.

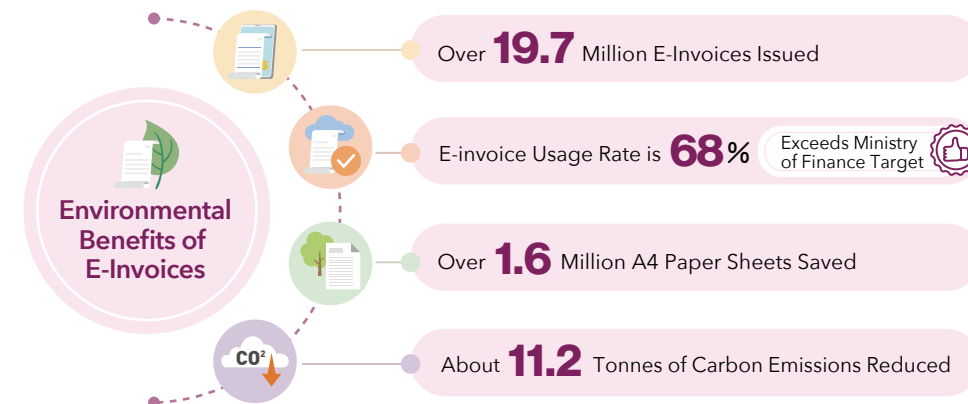


Convenient and Eco-Friendly E-Invoices

Since 2018, FEDS has been promoting the government's E-invoice policy. This initiative guides customers to store their invoices using digital carriers at checkout, fostering a green consumption habits of carbon reduction and paper saving. In the past 7 years, FEDS has issued over 82.53 million E-invoice, equivalent to saving more than 6.87 million sheets of A4 paper and reducing carbon emissions by 46,767 kilograms. In 2024, all branches continued to promote E-invoice activities, achieving an issuance rate of 68%, an increase of six percentage points from the previous year.

FEDS has been advancing the digitization of credit card receipts, continuously integrating paperless and digital processes into the customer transaction process. By using card terminals with digital signature pads, credit card receipts no longer need to be printed out, reducing the costs of paper receipts. In 2024, FEDS processed 12.79 million electronic receipts, equivalent to saving over 1.06 million sheets of A4 paper and reducing carbon emissions by 7,248 kilograms.

Environmental Benefits of Digital Invoice in 2024



Note: Carbon emissions are calculated with reference to the Carbon Footprint Information Platform website, with each piece of A4 paper equating to 6.8g of carbon emissions.



Received the Prestigious "100MVP Manager" Digital Innovation Award

The 17th "100MVP Manager" identified five transformation pathways: sustainable operations, digital innovation, product services, marketing and sales, and organizational management. The event evaluated relevance, performance, innovation and leadership, influence, and execution to select 100 outstanding managers who led business performance growth.

FEDS' Finance Department developed a branch audit system, digitizing the audit process and continuously optimizing system functions. After the system was implemented in all branches across Taiwan, it effectively saved 40% of reconciliation operation time and significantly improved data accuracy. As a result, the company was honored with the Digital Innovation Award at the 17th Manager Today "100MVP Manager" in 2024.



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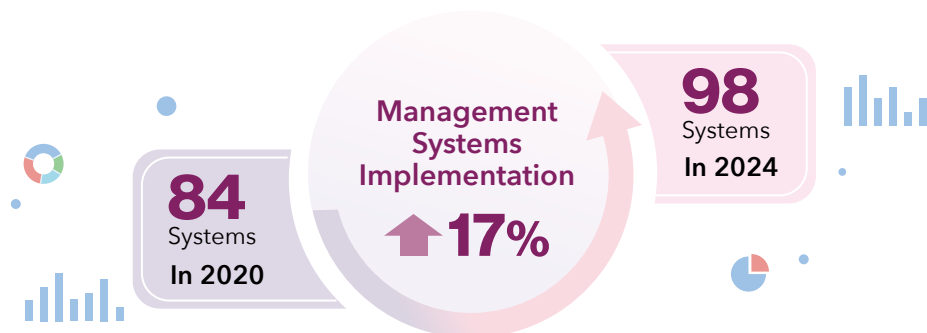
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Digital Management Improves Operational Efficiency

Since 2015, FEDS has been promoting digital management and initiating various digitalization projects to improve work efficiency and equipment effectiveness. The digital management infrastructure has enabled FEDS to establish a mobile office, allowing all employees and counter staff to work together without time or location constraints. By the end of 2024, FEDS had completed 98 digital management systems in operations, services, accounting, and human resources categories, FEDS aims to enhance operational management and service efficiency.



Department stores undergo periodic renovation projects to introduce popular brands or renovate public areas to enhance customer shopping experience and comfort. In order to improve the efficiency of various renovation processes, FEDS officially launched the "Graphic Management System" in 2024, transitioning renovation graphic applications and approvals, from paper-based to electronic approval. This change saves approximately 15,875 sheets of paper annually, and effectively enhances administrative efficiency.



Asset Reutilization: Evolving Towards Greater Efficiency

To enhance the reusability of store assets and facilitate the sharing of common equipment resources, FEDS initiated the establishment of an "Asset Reuse Platform." Initially, over 1,000 asset items from the FEDS Baoqing Store were imported into the system, allowing requesting units to apply for use instead of prioritizing procurement, thereby maximizing the reuse of assets.

Subsequently, a comprehensive inventory of assets and equipment at both the headquarters and branch offices was initiated. Through cross-system data integration and functional consolidation, operational processes were restructured to allow users to easily and quickly perform import, requisition, disposal, and inventory tasks on a single platform, ensuring that every asset is effectively and accurately managed to maximize utility.



Full-Scale Implementation of Smart Parking

Since 2019, FEDS has been implementing a new smart parking service system, transitioning parking services towards paperless and smart system management. This initiative has been progressively rolled out, with all parking lots at FEDS stores completing the smart parking system implementation in 2024. Customers can present a barcode for parking fee discounts and make direct payments via their mobile phones, enhancing the convenience of parking services at department stores.



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2.2 Professional Services

FEDS adheres to the concept of "operating based on consumers' desires," seizing every opportunity to create excellent service. We have established a sound service process, continuously innovating to enhance the quality of customer service, deepen staff training, and provide friendly, warm, high-quality service. In response to digital development, FEDS has also optimized digital service experiences, and dedicatedly created high-quality services that meet customer expectations.

2.2.1 Building Quality Services

By implementing the ISO management system and promoting professional training for staff, FEDS controls the quality of service processes, establishes a high-quality service system, achieves consistent service performance and standards, enabling a positive service experience that encourages customers to return.

Implementing the ISO Quality Management System

FEDS values customer service quality and has been implementing a quality management system since 2007, obtaining ISO 9001 certification and gradually introducing it to other branches. By establishing a quality management system, we aim to maintain excellent customer service quality and sustain long-term trust with customers. In 2024, four FEDS branches continued to pass the ISO 9001:2015 recertification audits conducted by Afnor International Limited, focusing on quality management system processes, operational environment of customer-related processes, and contractor management.

Passed ISO Quality Management System Certification



Professional Training Elevates Service Quality

Perfect service comes from solid professional training. FEDS has established a "Customer Service Personnel Handbook" and designed a standardized training process to ensure that staff can adhere to the service creed under professional training, with punctuality, grooming, and neatness as basic service requirements, and welcoming each customer with a cordial, professional, and enthusiastic attitude.

FEDS arranged orientation training course for newly recruited customer service personnel in 2024, providing professional skills training including service etiquette, customer reception, exchange operations, and digital system operation. Through the experience sharing from senior colleagues and diverse development courses, employees received comprehensive training.

Customer Service Training Implementation Status

Year	2022	2023	2024
Number of Service Personnel	194	174	166
Number of People Trained	1,762	1,819	1,791
Training Hours	1,738	1,665	1,317
Average Training Hours	9.0	9.6	7.9

The Content of Customer Service Training

Orientation Training

- Corporate Cculture
- Attendance Standards
- Insurance and Benefits
- Occupational Safety

Professional Skills

- Store Information and Details
- Service Etiquette
- Customer Complaints Handling
- Gift Redemption Operation
- System Operations

Inheritance of Experience

- Custom Complaints Handling Experience
- Customer Service Standards
- Service Philosophy

Personal Development

- Stress Relief
- Health Management
- Popular Information
- External Training
- Cybersecurity Protection

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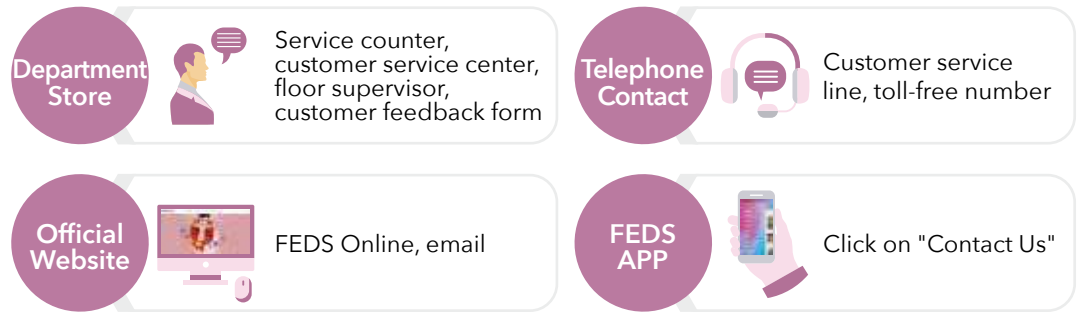
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2.2.2 Responding Promptly to Needs (GRI 2-26)

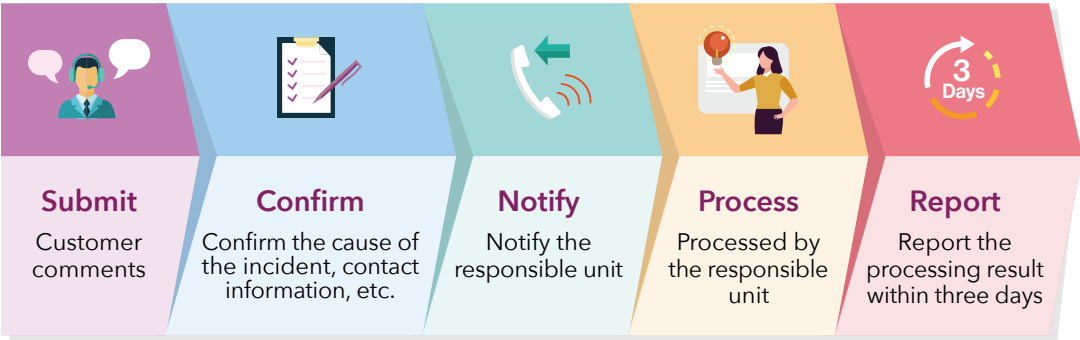
FEDS recognizes that customers are our best teachers, and every suggestion and feedback will help us improve. FEDS has established operational guidelines such as the "Customer Satisfaction Procedures," "On-site Customer Opinion Handling Measures," and "Customer Product Service Management Regulations" to ensure that every customer's feedback receives a prompt response, enhancing satisfaction with the company.

The company has established multiple communication channels to carefully listen to suggestions and continuously optimize improvements, cultivating positive interactions with customers in efforts to provide the highest quality service. Personnel handling customer feedback adhere to a prompt, attentive, empathetic, and customer-centric approach to assist customers in addressing their concerns promptly.

Customer Feedback Channel



Customer Feedback Processing Procedures



In 2024, FEDS received a total of 707 feedback emails, with 89 categorized as feedback with praise (13%). Additionally, there was a decrease of 88 pieces of feedback emails compared to previous years, with the majority of feedback focusing on insufficient training for some support staff and delayed deliveries during peak periods.



In response to customer feedback, we handle all concerns in accordance with the customer feedback handling procedures, conducting reviews and implementing improvements. Regarding personnel service issues, for newly hired customer service personnel, branches will arrange basic service etiquette and business-related training to provide customers with professional and friendly service. For occasional special cases, branches will conduct periodic training for personnel based on individual cases or share practices from other branches to enhance strengthen training and ensure service quality improvement.

Customer Feedback Statistics

	2022	2023	2024
Customer Compliment (A)	97	76	89
Number of Customer Opinions (B)	819	747	618
Total Customer Feedback (C=A+B)	916	823	707
Percentage of Compliment (A/C)	11%	9%	13%
Percentage of Opinions (B/C)	89%	91%	87%

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Leveraging Digital Marketing to Increase Customer Engagement

In 2024, the segmentation of social media users became increasingly apparent. Line remained the most widely used communication APP across all age groups. Those aged 40 and above preferred Facebook, while the 30-somethings favored YouTube and Instagram. Users under 25 showed a clear preference for TikTok and RedNote. Threads emerged as a rising star in Taiwan, swiftly capturing social media attention. Rapidly attracting consumer attention and sharing content will be a key focus of future operations.



Facebook

In 2024, through various content such as posts, short and long videos, and limited-time statuses, the number of users on the Facebook page reached 975,000, representing a 2% growth compared to the previous year.



Line

The messenger APP Line has a high penetration rate in Taiwan, its weekly usage rate exceeds 90%. In response, FEDS launched an official account at the end of 2023, combining it with APP membership linkage to increase the opening rate. This strategy positions Line as a gateway to APP membership, enhancing opportunities to open the official website and APP. The number of Line friends increased by over 400,000 in 2024, reaching a total of 563,000 friends.

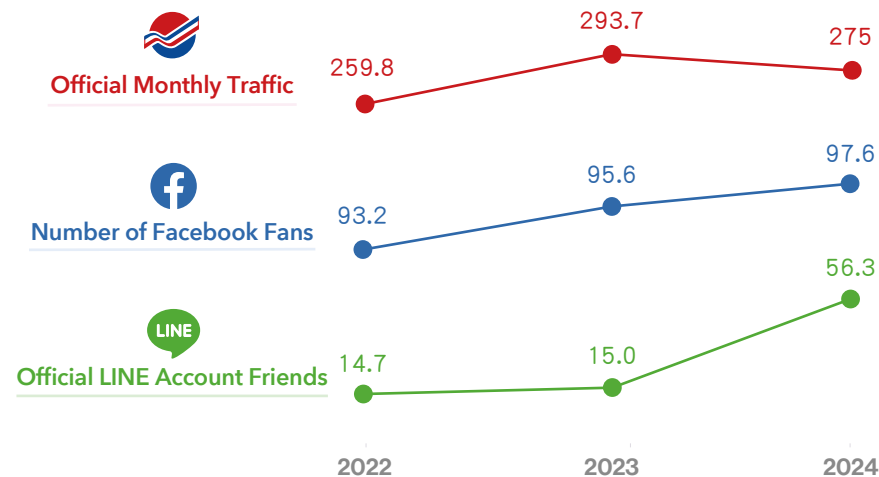


YouTube/
IG Reels

Online video has gradually become an important social channel in people's lives, especially for the new generation of consumers who enjoy using and sharing quick and interesting video content. FEDS actively establishes new communication channels with customers through YouTube and Instagram, integrating lifestyle topics and fashion trends that appeal to young people. Vertical short videos are launched according to user habits to expand the market among Generation Z.

Social Media Management Status

Unit: Ten Thousand People



City'Super Wins Gold Award for 10th Consecutive Year

City'Super has been operating in Taiwan for 20 years, accumulating 100,000 members. This year, it once again won the "2024 Taiwan Service Industry Excellence Awards" Chain Supermarket Gold Award, marking its tenth consecutive win. Upholding a customer-first approach as its core service philosophy, City'Super provides attentive and caring service. Moving forward, the company will continue to offer a high-quality environment, sustainable products, and meticulous service. It organizes 5-6 promotional and experiential events monthly, maintains customer relationships through Line groups, and differentiates itself from competitors by offering convenient delivery services. These efforts aim to enhance the shopping experience and unique market value.



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2.3 Optimized Space

FEDS' stylish shopping environment caters to diverse consumer needs. In 2024, we continued implementing management measures including facility upgrades and staff training, based on principles of safety, convenience, health, and environmental protection. This creates a comfortable, clean shopping environment where customers enjoy a relaxed and pleasant experience.

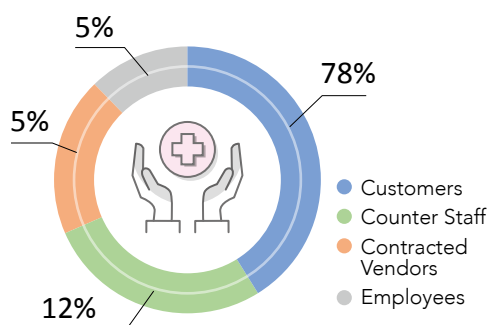
2.3.1 Ensuring Store Safety (GRI 2-25, 416-1)

FEDS annually formulates the following year's "Automatic Inspection Plan" by the end of each year. According to the plan, quarterly performance audits are conducted on store safety and hygiene management. If any deficiencies are found, in addition to requiring subsidiaries to make improvements within a specified period, they will also be listed as important items for weekly routine inspections to reduce safety concerns in stores.

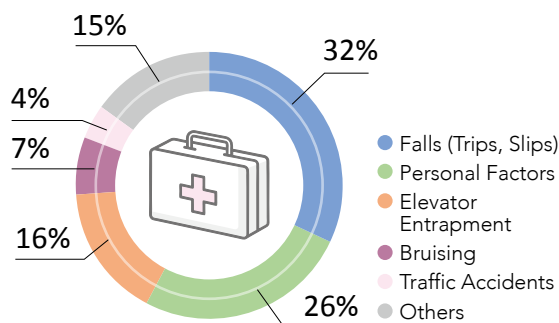
Immediate Reporting of Incidents

FEDS has established a comprehensive incident reporting process for accidents that occur within stores. In 2018, the company formulated the "Operating Site Accident Handling Standard" and implemented the "Online Incident Reporting System" in 2019 to streamline reporting channels. FEDS has also established a system for reviewing and improving operations. Through regular floor inspections, timely broadcast reminders, and enhanced safety training for counter personnel, the company aims to prevent accidents from happening.

Statistics of Accidents



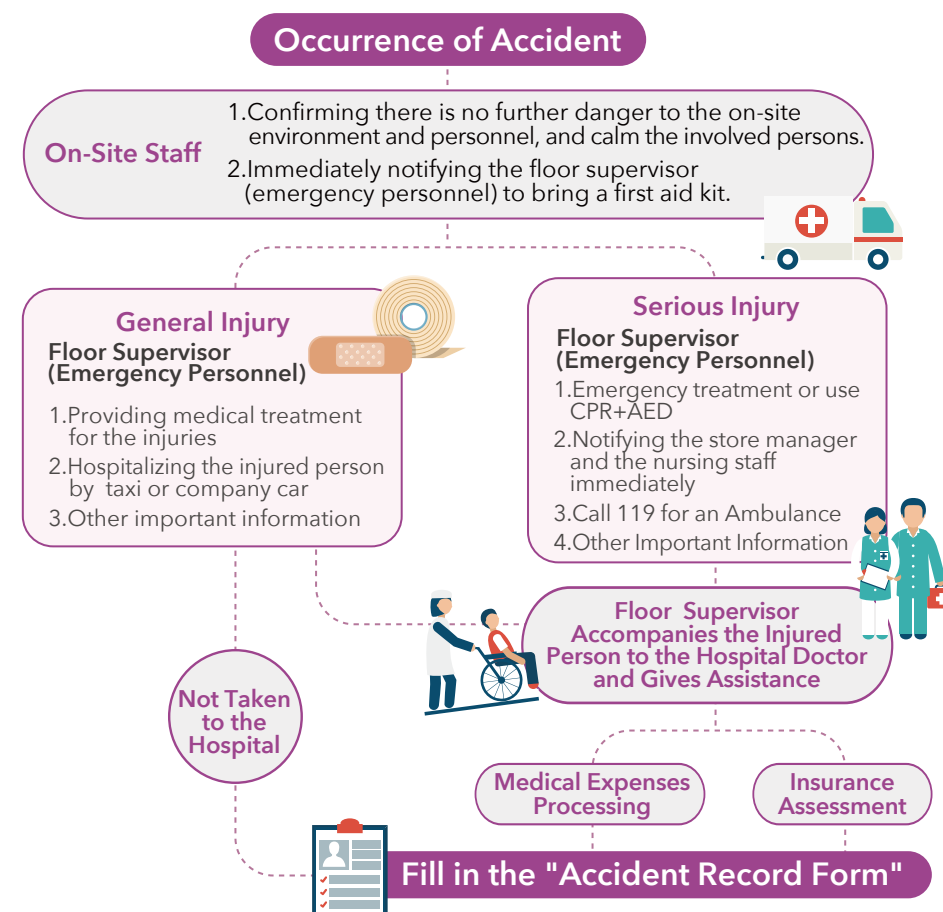
Accident Categories and Statistics



Note: Personal factors primarily include physical discomfort; other factors include: puncture wounds, crush injuries, burns, and reports of property damage.

In 2024, the incidents at various branches of FEDS were primarily directed towards customers (78%), followed by counter staff (12%). FEDS has dedicated units to analyze the causes of these incidents and propose improvement plans. Additionally, they have enhanced training on incident reporting procedures for staff to promptly address issues and ensure a safe shopping environment for customers. Furthermore, following active promotion of traffic safety among employees in 2024, the number of traffic accidents decreased by 5% compared to the previous year.

Standard Operating Procedure for Accidents



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◆ Improvement Countermeasures for Accidents

Party Involved	Main Category	Improvement Countermeasures
 Customers	Falls (Trips, Slips) Personal factors Elevator Entrapment	<ul style="list-style-type: none">• Training on the incident reporting process• Strengthening emergency response drills• Floor supervisors continuously inspect floors• Enhance elevator maintenance• Strengthening the promotion of the SOP• Representatives continuously remind customers not to run
 Contracted Vendors	Falls (Trips, Slips) Personal factors	<ul style="list-style-type: none">• Comply with standard operating procedures• Remind contractors to strengthen health management
 Counter Staff	Falls (Trips, Slips) Personal factors	<ul style="list-style-type: none">• Remind counter vendors to strengthen health management• Training on the incident reporting process
 Employees	Elevator Entrapment Traffic accidents	<ul style="list-style-type: none">• Continuous safe driving promotion• Training on the incident reporting process• Enhance elevator maintenance• Strengthening the promotion of the SOP



Incident Reporting Training Course

The Legal Affairs Department conducted an online training course on "Incident Reporting" in 2024. The course explored various case studies of unexpected incidents to help employees understand the risks associated with different types of incidents. Through the analysis of these cases, employees not only learned the operating procedures for handling unexpected incidents but also key safety management measures, thereby improving the overall safety of the shopping environment.

After the completion of the course, an online assessment was conducted to evaluate the learning outcomes for various departments. A total of 521 employees successfully completed the assessment, achieving an average score of 81. This indicates that the participants have a good grasp of the course content and that it has contributed to enhancing their understanding and operational capabilities in emergency response to incidents.

Implementation of Fire Safety Management

FEDS installs essential equipment in accordance with the regulations of the "Fire Safety Equipment Inspection and Declarations", inspection and declaration are completed every six months and are required to pass re-inspection to ensure the safety of the stores.

All stores across Taiwan have designated fire safety managers in accordance with the law, responsible for fire prevention planning and related tasks. Each store holds disaster prevention education and training sessions every quarter or every half year. In 2024, the Banqiao Mega City Store once again conducted a fire drill in collaboration with the New Taipei City Fire Department, involving approximately 203 participants. Additionally, in response to the increasing popularity of electric vehicles, FEDS conducted training and on-site operational drills by the end of 2024 to enhance the overall disaster response capabilities of all staff.

To further ensure the maintenance of the store environment and safety, FEDS utilizes the Property Management APP for more real-time intelligent management. This system controls various safety measures and equipment operations. In 2024, the system was further optimized to introduce and implement automatic alert push notifications. Through this feature, all 8,570 in-use fire extinguishers are registered in the system, with scheduled checks for replacement. 180 days before the scheduled replacement, the system automatically sends alert reminders to management personnel to ensure the safe use of fire extinguishers.

In January and October 2024, the Audit Department conducted audits and inspections on the safety and security measures of the commercial premises to prevent risks. The audit scope covered: 910 equipment rooms, 177 warehouses, 124 elevators, and 137 emergency stairways. Following the audit findings, branches and relevant departments were requested to implement fire safety inspections to ensure the safety of the stores.

Environmental Health and Safety Testing

FEDS establishes an "Automatic Inspection Plan" at the end of each year. Branch office occupational safety office staff conduct weekly inspections of the stores and floors. The head office labor safety department conducts safety and health management performance audits at the branches quarterly. In 2024, in compliance with legal amendments, FEDS strengthened the management of High-Altitude Work Vehicle Operator Licenses and operational checkpoints to reduce the occurrence rate of major accidents.

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In ensuring safe drinking water at stores, FEDS conducts monthly replacement and maintenance of water purifier filters, and water quality testing every three months. In 2024, a total of 492 water quality tests were conducted at both the main and branch offices, along with 259 water quality tests at 191 food counters, all of which met legal requirements.

FEDS conducts air quality testing for carbon dioxide, carbon monoxide, formaldehyde, suspended particles, etc. every two years in accordance with the "Indoor Air Quality Management Act. " Additionally, measures such as enhancing natural ventilation, maintaining a tidy and dry environment, and avoiding overcrowding are implemented. In 2024, all stores obtained the "Good" grade indoor air quality certification.

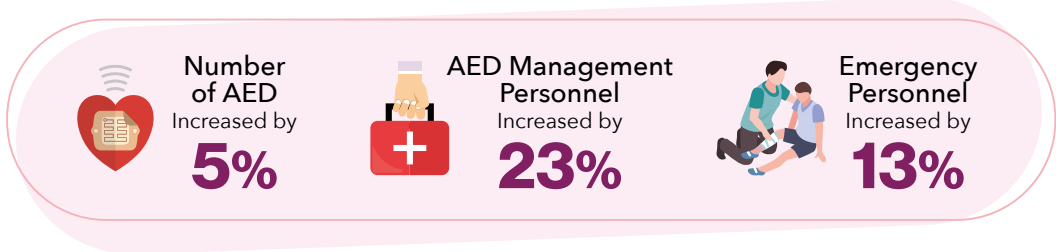


Obtaining AED Certification to Create a Safe Place

FEDS has a total of 22 Automated External Defibrillators (AEDs) installed at all its stores across Taiwan, each of which has been certified as an "AED Safe Place." To enhance employee skills training, equipment management, and provide a safe environment, FEDS has appointed 16 AED management personnel, representing a 23% increase from the previous year. Additionally, over 70% of employees at each branch have completed AED and Cardiopulmonary Resuscitation (CPR) training courses, familiarizing themselves with relevant emergency procedures.



Additionally, FEDS has established first aid personnel at each of its operating locations in compliance with the law, ensuring they receive safety and health education and training as required by law. FEDS surpasses the standard required by regulations in the allocation of first aid personnel, with 93 first aid personnel deployed in 2024, representing a 13% increase from the previous year. This exceeds the legally mandated number by 45 personnel, demonstrating FEDS' commitment to safeguarding customer safety.



AED Facilities and Emergency Personnel

	AED Facilities		Emergency Personnel		
	Quantity	Management Personnel	Statutory Number of People	Actual Number of People	More Than the Statutory Number of People
Headquarters	0	1	4	7	3
FEDS XinYi A13	2	2	3	6	3
Mega City Banqiao Store	3	1	6	7	1
Banqiao Store	2	1	3	5	2
Taoyuan Store	1	1	2	17	15
Hsinchu Store	2	2	3	8	5
FEDS Zhubei	3	2	4	5	1
Top City Taichung Store	4	1	9	13	4
Chiayi Store	1	1	1	2	1
Tainan Store	2	2	7	11	4
Kaohsiung Store	1	1	4	7	3
Hualien Store	1	1	2	5	3
Total	22	16	48	93	45

Note: The headquarters doesn't have a separate AED due to sharing facilities with the office building (Baiyang Building).

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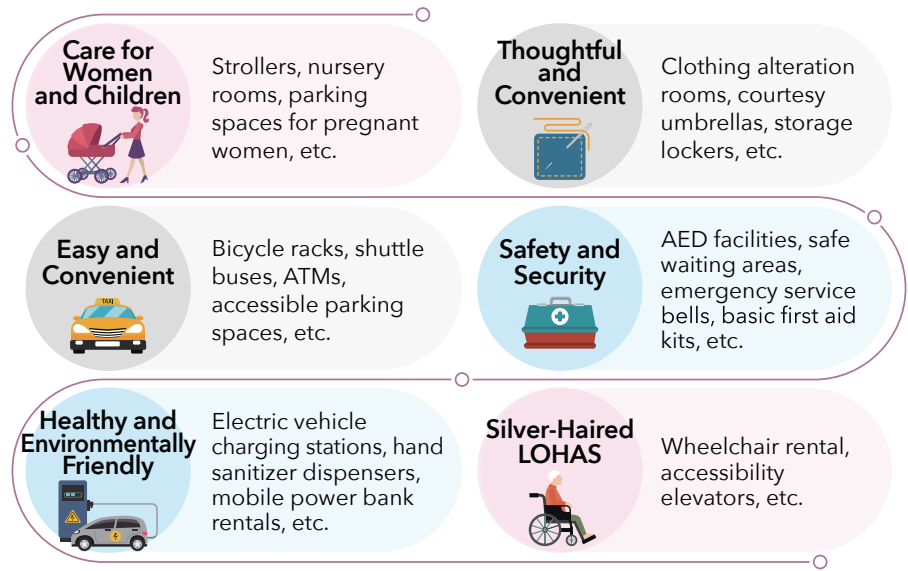
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2.3.2 Creating a Friendly Environment

Convenient Facilities for Comfortable Shopping

Considering the wide age range of customers of FEDS, we have made a lot of careful planning in the three major aspects of store facilities, traffic flow arrangement, and service design. We also provide services such as parent-child toilets, wheelchair rental, and accessibility facilities for the individual needs of mothers, infants, children, and seniors. We take care of the needs of different customer groups and create a shopping environment suitable for the whole family and all ages.

Comprehensive Service Facilities



Note: For more information on the service facilities, please refer to the official website (<https://www.feds.com.tw/en/OverSea>)

FEDS has gradually been providing sustainable and convenient eco-friendly services. In the era where consumer electronics are indispensable, FEDS assists customers by addressing the inconvenience of running out of battery while shopping. In 2024, 8 stores (including large in-store counters) have introduced a "shared power bank" rental service, with a total of 452 power banks, representing a 9% increase, to promote the sustainable concept of "renting instead of purchasing."

Additionally, FEDS has installed 81 electric vehicle charging stations across 10 branches, marking a 31% growth from the previous year. Going forward, FEDS will continue to assess the number of electric vehicle charging stations, currently exceeding regulatory requirements at 1.2%, to offer customers more convenient and environmentally friendly green services.

Number of Shared Mobile Power Banks Installed in Each Store

Number of Shared Mobile Power Banks Installed

Total 452

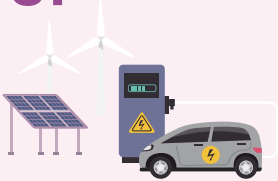


FEDS XinYi A13	60	FEDS Zhubei	11
Mega City Banqiao Store	55	Top City Taichung Store	135
Banqiao Store	30	Tainan Store	20
Taoyuan Store	65	Kaohsiung Store	76

Number of Electric Vehicle Charging Stations Installed at Each Store

Number of Electric Vehicle Charging Stations Installed

Total 81



FEDS XinYi A13	6	FEDS Zhubei	27
Mega City Banqiao Store	4	Top City Taichung Store	14
Banqiao Store	2	Tainan Store	8
Taoyuan Store	2	Kaohsiung Store	9
Hsinchu Store	3	Hualien Store	6



A.Mart Provides Shared Transportation Services

As more consumers opt for a rental instead of purchase model and share transportation with others, experiencing the convenience of on-demand services, A.Mart Nanya Store offers WeMo Scooter rental service, providing consumers with a reassuring ride on electric scooters. In 2024, the successful rental usage was 732 times, illuminating a sustainable new lifestyle through the sharing economy.

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Thoughtful Service and a Friendly Environment

FEDS values the shopping experience of every customer, demonstrating meticulous care for women, infants, young children, the elderly, and those with mobility challenges through details such as providing nursing rooms, designated parking spaces, clean restroom environments, and dementia-friendly business certification. By offering high-quality customer service and well-maintained facilities, FEDS creates a friendly and thoughtful shopping environment.



High-Quality Nursing Room

All FEDS stores across Taiwan are equipped with nursing rooms, which are maintained and managed in accordance with the Ministry of Health and Welfare's "Standards for the Establishment and Management of Breastfeeding Rooms in Public Places." In 2024, the nursing rooms at FEDS XinYi A13 and Hsinchu Store were rated as "outstanding," while the nursing room at Chiayi Store was rated as "excellent," providing customers with a more comfortable and comprehensive environment for infant care.

Establishment
of Nursing
Rooms
24 rooms



Dementia-Friendly store

In 2020, Hualien Store took the lead in responding to the "Dementia-Friendly Community Program" to conduct relevant educational training courses. In 2022, Mega City Banqiao Store and Banqiao Store followed suit, receiving training on dementia-related knowledge, becoming dementia-friendly businesses.



Priority Parking for Families with Children

FEDS has set up parent and child parking spaces in convenient and safe areas near parking lot elevators, etc., with clear identification signs. In 2024, a total of 173 priority parking spaces were established across all branches in Taiwan, providing thoughtful services for women and children.

Establishment of Parent
and Child Parking Spaces
173 spaces



Establishing Accessible Friendly Elevators

To enhance convenience and user-friendliness, FEDS has designated certain elevators as "Friendly Elevators." Through signage and gentle reminders, customers are encouraged to prioritize individuals in need, creating a welcoming environment where seniors, pregnant women, children, and individuals with disabilities can comfortably ride.



Provide a Clean Toilet Environment

FEDS is committed to maintaining restroom environments by providing alcohol wipes to replace toilet seat covers, creating cleaner and more hygienic restroom spaces. Daily cleaning management includes scheduled inspections by cleaning staff at fixed times to maintain restroom cleanliness. Inspection results and facility conditions are recorded by scanning QR codes on the property management APP, and additional staff are deployed during peak times to ensure cleanliness.

Quality Public
Restrooms
Rated as
"Outstanding" for **4**
Consecutive Years



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3 Efficient Environmental Protection Operations

Retail is detail. FEDS are focuses on the daily operational details, creating green value for society through products and services, and embodying a low-carbon environmental spirit. In response to global climate change, FEDS is committed to building department stores that combine sustainability with fashion, gradually transitioning to low-carbon operations, and moving towards green retail.

- 3.1 Towards a Net-Zero Future**
 - 3.1.1 Climate Change Response
 - 3.1.2 Greenhouse Gas Inventory

3.2 Intelligent Energy and Resource Management
 - 3.2.1 Improving Energy Efficiency
 - 3.2.2 Efficient Water Conservation
 - 3.2.3 Strengthening Waste Management

3.3 Persistent Green Actions
 - 3.3.1 Supporting Green Transport
 - 3.3.2 Creating Green Department Store Buildings
 - 3.3.3 Sustainable Green Lifestyles



- In Response to **2** Material Topics

 - Energy and Resource Management
 - Climate Change Response
- In Response to Stakeholders

 - Consumers
 - Employees
 - Business Partners (Counter Vendors/Suppliers)
 - Government
 - Government, Society (Media, Community)



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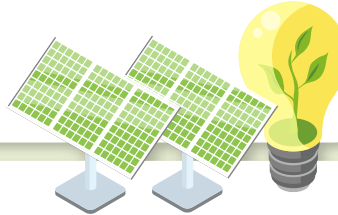
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Greenhouse Gas Emissions (Scope 1 and Scope 2)
Totalled 76,393 Metric Tons
Down 1.5% From Last Year



8.021 Million kwh in Electricity Usage
Energy Saved by 3.6%



Implemented 28 Energy-Saving Projects
Investmen NT\$8.73 million
Savings Energy 3,001,708 kWh

Supporting Green Consumption
100% Eco-Friendly Shopping Bags
Packaging Material Usage Down 22%

Third Solar Plant Completed
Estimated Annual Production of 800,000 kwh

Water Consumption per Square Meter of Floor Area
11% Below Industry Average

Implementing Waste Reduction
General Waste Reduced by 2.7%
Resource Recycling Up 8.6%



Reduced Travel Carbon Footprint
77% Business Travelers Used Public Transport

Shuttle Bus Services
0.6 Million Passengers in 5 Years

100% Green Procurement
Received "Excellence in Green Purchasing" Award for 8 Consecutive Years



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Management Objectives and Actions

	Target Plans	2024 Performance Results	Future Medium- to Long-Term Goals
Intelligence Creates a Green Store	 Green Energy	<ul style="list-style-type: none">Green electricity usage increased 1.6-foldHualien Store completed solar photovoltaic systems, increasing capacity 8.5-fold	Evaluate the green energy usage rates, establish procurement plans, and assess the feasibility of installing solar energy equipment, to achieve the goal of a 30% reduction in carbon emissions by 2030
	 Green Procurement	<ul style="list-style-type: none">Green procurement rate reached 100%Received the "Excellence in Green Purchasing" award for 8 consecutive years.	Increase procurement projects, expand green purchasing power, and assist each stores in meeting the "Excellence in Green Purchasing" standards set by governments
	 Green Intelligence	<ul style="list-style-type: none">A total of 98 digital management systems implemented, enhancing operational efficiency and service managementThe "Electrical Inspection APP" and "Property Management APP" added new features for more effective on-site management	Use technology to facilitate department stores' move towards paperless and mobile management, reducing the consumption of paper and other energy resources
Environmentally Friendly Green Services	 Green Consumption	<ul style="list-style-type: none">Implemented "reduction, recycling, and reuse" to minimize the environmental impact of consumer behaviorKids Card digitization is expected to reduce 8,000 plastic cardsRecycled 1,490 metric tons, with cumulative volume exceeding 7,789 tons over the past 7 years	Promote the 3Rs (reduce, reuse, recycle) and 3Es (economic, ecological, equitable) in consumption and work with customers to change the world through the power of consumption
	 Green Transportation	<ul style="list-style-type: none">77% of employees use public transportation for business tripsReplaced 12 official vehicles with new environmentally friendly onesEstablished 81 charging stations with 31% growth	Target 70%+ public transport use for business trips and full electric vehicle replacement by 2040
	 Green Land Maintenance	<ul style="list-style-type: none">Adopting sidewalk trees around the department stores, with 11,319 square metersMaintained the approx. 1,157 m² of aerial gardens at the FEDS Zhubei, enhancing biodiversity	Create a friendly environment, optimize urban green-ing spaces, enhance the area of green landscapes, and complete tree planting activities in 10 cities

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3.1 Towards a Net-Zero Future

FEDS discloses climate-related information based on the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets from the Task Force on Climate-Related Financial Disclosures (TCFD) framework. We set a goal to reduce carbon emissions toward net zero by 2050 to mitigate the environmental impact of greenhouse gas emissions. Through a scientific and systematic approach, we aim to reduce climate risks, enhance climate resilience, and progressively move towards the net zero target.

3.1.1 Climate Change and Response (GRI 201-2)

FEDS has been disclosing climate change-related information since 2019, following the framework outlined in the TCFD guidelines. In 2022, we further aligned with the Taiwan Stock Exchange's regulations, assisting us in more accurately assessing the potential transition and physical risks and opportunities that climate change may pose to our business operations. This enables us to formulate management policies and preventive measures to effectively manage climate change risks and opportunities.

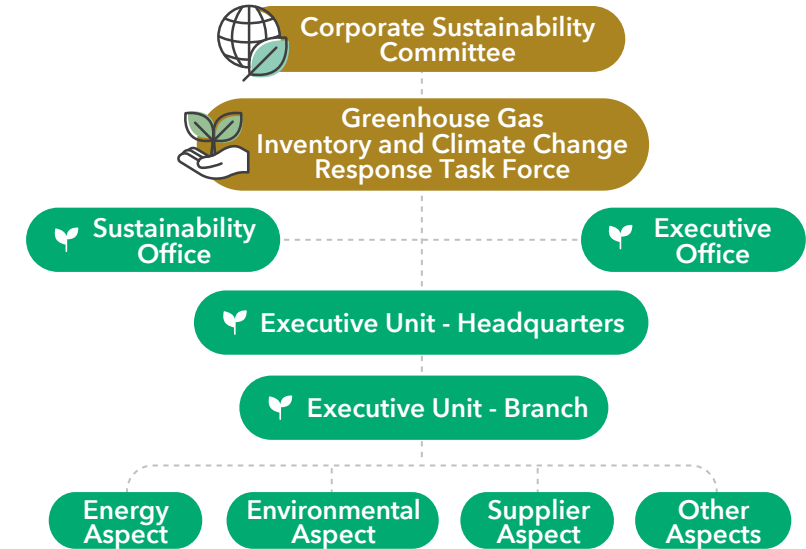
Climate Governance

The climate governance framework of FEDS is overseen by the Board of Directors, which has established a "Greenhouse Gas Inventory and Climate Change Response Task Force." After identifying climate-related impacts, meetings are held to discuss climate-related risks and opportunities, in order to adapt to and mitigate climate financial risks, while also identifying corresponding climate financial opportunities for implementation and policy promotion.

Since 2022, quarterly reports have been submitted to the Board of Directors on the progress of projects such as greenhouse gas inventory and verification. The Board reviews the content and direction of sustainability work and supervises the management team to make appropriate adjustments.

In August 2024, FEDS established the "Corporate Sustainability Committee" under the Board of Directors. The first meeting was held in November 2024, where the management team presented project reports on topics such as energy management and green energy initiatives. This aims to further comprehensively manage climate-related risks and opportunities and their financial impact.

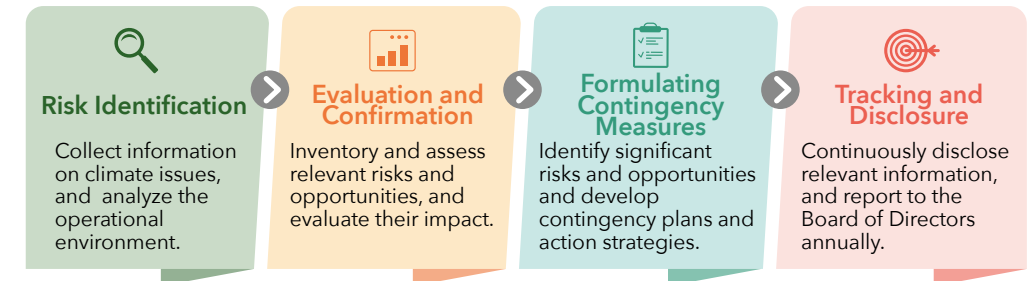
◆ Greenhouse Gas Inventory and Climate Change Response Task Force



Climate Strategy and Risk Management

FEDS identifies, evaluates, and manages climate-related risks and opportunities, referencing the high greenhouse gas emissions scenario SSP5-8.5 published in the sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC). FEDS assesses potential climate hazards, integrates and manages possible influencing factors, establishes strategies related to climate risks and opportunities, implements response measures, and enhances its climate resilience.

◆ Climate Risk and Opportunity Management Process



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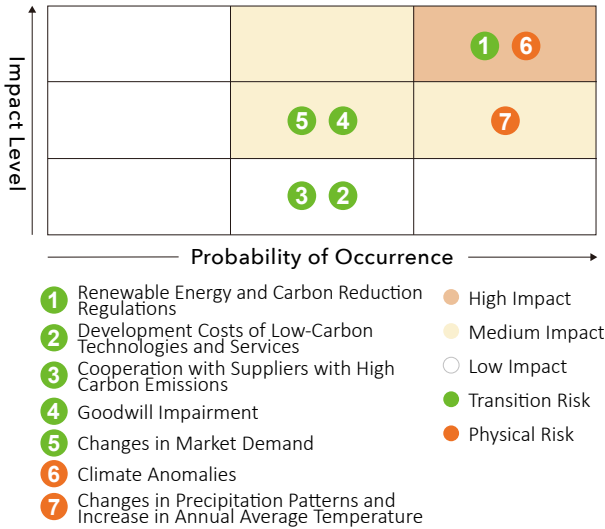
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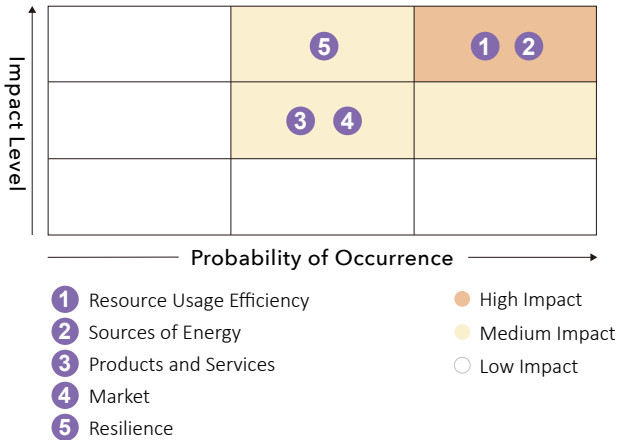
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Based on the probability of occurrence and the impact level, a risk and opportunity matrix has been created. A financial impact analysis has been conducted specifically for risks and opportunities identified as having a high level of impact, along with recommendations for adjustments and responses.

Climate Risk Matrix



Climate Opportunity Matrix



Climate Risk and Opportunity Impact Explanation

	Risk Type	Risk and Opportunity Content	Value Chain Impact	Potential Business and Financial Impacts	Response Measures
Transition Risk	Renewable Energy and Carbon Reduction Regulations	Taiwan's government policies are moving towards achieving net-zero emissions, and carbon reduction outcomes will face higher standard requirements	Suppliers Counter Vendors Company Operations	<ul style="list-style-type: none">Growing demand for green power purchases, and thus increased operating costsFEDS may face future carbon tax requirements	Implementing smart energy-saving tools for more effective electricity conservation
	Development Costs of Low-Carbon Technologies and Services	Department stores primarily rely on electricity as their main energy source, and the development of low-carbon energy and services will inevitably impact company operations	Company Operations	<ul style="list-style-type: none">Replacing energy-consuming devices and procuring energy-saving equipment leads to an increase in operating costsFuture increases in electricity prices may lead to higher operating expenses	Enhancing corporate energy-saving, effectively managing electricity usage efficiency, assessing potential reduction in contracted capacity, installing solar energy equipment
Physical Risk	Climate Anomalies	Climate disasters causing business interruptions, employee absenteeism, logistics disruptions, or damage to buildings and equipment	Counter Vendor Company Operations	<ul style="list-style-type: none">Inability of staff and logistics to reach business locations will result in manpower shortages, inadequate product supply, and a decrease in revenueDamage to buildings and equipment resulting in a decrease in customer traffic and an increase in repair costs	Transferring risks through insurance, simulating support for human resource planning, maintaining multiple suppliers, and implementing disaster prevention education
	Changes in Precipitation Patterns and Increase in Annual Average Temperature	High temperatures reduce the public's willingness to spend outside the home, while changes in precipitation lead to water resource shortages	Company Operations	<ul style="list-style-type: none">The willingness of consumers to visit stores decreases, resulting in a decline in sales revenueWater scarcity leads to an increase in water costs	Adjusting air conditioning capacity and operating hours based on temperature conditions, and establishing an emergency water contingency plan
Opportunity	Resource Usage Efficiency	Implement classification, enhance resource utilization efficiency, and attract consumers with sustainability awareness	Suppliers Company Operations	<ul style="list-style-type: none">Effectively managing waste, enhancing overall environmental quality, and improving customer perception	Establishing resource recycling management indicators, and reducing operational impact on the environment
	Sources of Energy	The implementation of energy-saving equipment effectively reduces energy consumption emissions	Suppliers Company Operations	<ul style="list-style-type: none">Implementing energy-saving technologies for air conditioning to decrease operational energy consumption	Implementing automated management, and enhancing energy utilization efficiency
	Market	Low-carbon operations have a positive brand image, leading to improved capital market opportunities	Company Operations	<ul style="list-style-type: none">Reduction of preferential interest rate finance to lower financing cost	Engagement with financial institutions regarding related business: green revolving funds, green deposits
	Resilience	Establish crisis management and early warning measures for climate disasters to enhance climate risk management capabilities	Company Operations	<ul style="list-style-type: none">Enhanced resilience to climate disasters, increased trust of specialized manufacturers and customers, and reduced business losses	Ensuring regular maintenance and inspection of all hardware and software equipment to guarantee operational continuity

Note: Value chain disruptions reveal highly impacted areas.

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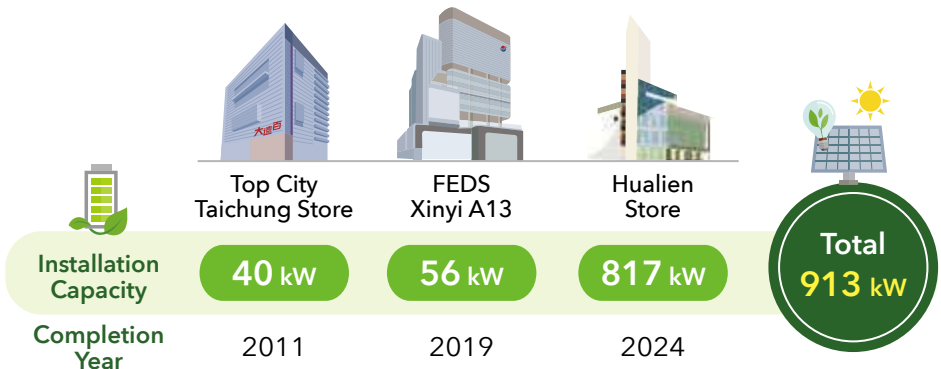
Indicators and Goals

FEDS has established five key action directions: energy conservation, carbon reduction, green energy, waste reduction, and green procurement. FEDS focuses on through energy management and green energy procurement. The mid-term target is a 30% reduction in carbon emissions by 2030, with the long-term goal of achieving net zero emissions by 2050.

Energy Conservation Management Action Plan

 Equipment Aspect	Automated Management	• iAuto Smart Control Platform
	Equipment Replacement	• Replace energy-consuming chillers that are over 20 years old
 Management Aspect	Air Conditioning	• Air conditioning equipment schedule management • Schedule/temperature control for main cooler unit
	Lighting	• Control of veranda/exterior lighting schedule • Control of public area lighting schedule • Control of parking area lighting schedule
	Elevators/Escalators	• Elevator and escalator schedule management
	Degreasing	• Control of degreasing equipment schedule

Establishment of Renewable Energy

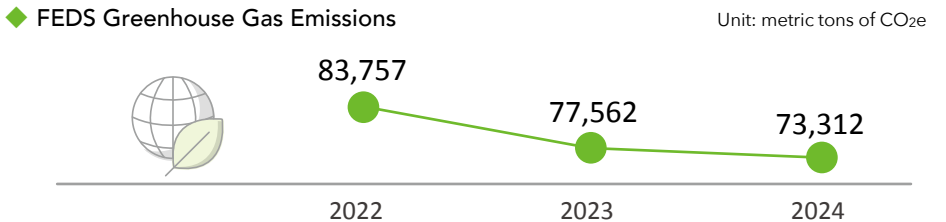


3.1.2 Greenhouse Gas Inventory (GRI 305-1, 305-2, 305-4, 305-5)

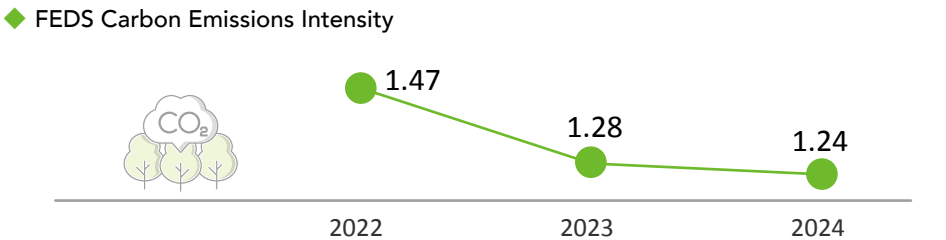
In pursuit of the "net zero carbon" goal, FEDS conducted a greenhouse gas inventory in accordance with the International Organization for Standardization (ISO) standard ISO 14064-1:2018. The inventory was verified by a third party to understand emission levels, enabling further control of major energy-consuming and carbon-emitting activities, and the formulation of decarbonization strategies and specific action plans.

FEDS should have started greenhouse gas inventory in 2023, completed verification in 2024, and the consolidated financial reports of subsidiaries should have completed inventory by 2025. In 2022, greenhouse gas emissions emitted by the company were 100% inventoried and verified by a third party. In 2024, comprehensive greenhouse gas inventory and verification continued, including planning for subsidiary inventory in the consolidated financial statements. Progress on related initiatives is reported quarterly to the Board of Directors.

Following an investigation, FEDS' greenhouse gas emissions in 2024, including Scope 1 and Scope 2, totaled 73,312 metric tons, a decrease of 5.5% compared to the previous year. The carbon intensity was 1.24 metric tons per million New Taiwan Dollars.



Note: Greenhouse gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF₆).



Note: Carbon Emission Intensity = Carbon Emissions (in Metric Tons) ÷ Revenue (in Million New Taiwan Dollars).

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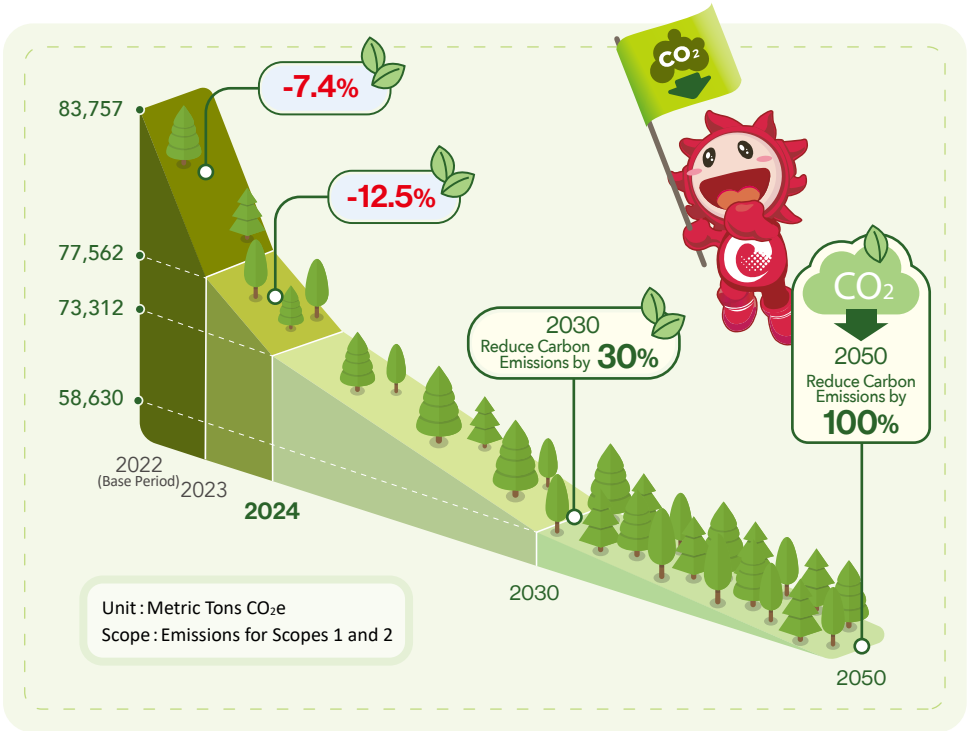
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FEDS' direct greenhouse gas emissions primarily come from air conditioning, ice machines, septic tanks, and gas circuit breakers, accounting for 98.8% of direct emissions. Indirect emissions are assessed based on significance, including purchased electricity emissions, emissions from purchased goods, and emissions from downstream leased assets, with purchased electricity emissions being the main indirect greenhouse gas emission source.

In the consolidated financial report for subsidiaries, greenhouse gas inventory was completed in accordance with regulations. The inventory data was based on the operational control approach, and greenhouse gas reduction targets were proposed based on the inventory results. Both the individual company and the subsidiaries in the consolidated financial report will implement greenhouse gas reduction actions annually starting from 2025 to achieve the goal of reducing carbon emissions by 30% by 2030. For detailed greenhouse gas reduction strategies and specific action plans, please refer to the 2024 Company Annual Report.

◆ Net Zero Roadmap



◆ Greenhouse Gas Inventory Information

		2023		2024	
		Emissions	Intensity	Emissions	Intensity
Parent Company	Scope 1	5,512	1.28	5,381	1.44
	Scope 2	72,050		71,012	
	Subtotal	77,562		76,393	
Consolidated Subsidiaries	Scope 1			21,615	
	Scope 2			96,782	
	Subtotal			118,397	
Total		77,562	1.28	194,790	1.44

Note: 1. Greenhouse gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF₆).
2. Emissions are expressed in metric tons of CO₂e, and emission intensity is expressed in metric tons of CO₂e per million NT dollars of revenue.

◆ Greenhouse Gas Assurance Information

Scope of Assurance		Emissions for 2023	Emissions for 2024
Parent Company	Scope 1	5,512	5,387
	Scope 2	72,050	67,925
	Subtotal	77,562	73,312
	Percentage of Inventory Data Covered	100.00%	100.00%
Assurance Institutions		TUV	TUV
Assurance Explanation		ISO 14064-3:2019 Reasonable /Limited Assurance	ISO 14064-3:2019 Reasonable Assurance
Assurance Opinion		Unqualified Opinion/Conclusion	Unqualified Opinion/Conclusion

Note: 1. Differences between assurance and inventory results are primarily due to the use of different electricity emission factors: 2024 factors (published by the Bureau of Energy, MOEA) for assurance versus 2023 factors for inventory.
2. Emissions are expressed in metric tons of CO₂e.

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3.2 Intelligent Energy and Resource Management

FEDS has established an Energy Policy to implement energy-saving management. Since 2015, the energy management team has been planning energy-saving measures in daily operational processes, setting energy targets, tracking energy-saving results monthly to continuously improve energy efficiency. In 2024, FEDS reduced electricity consumption per unit of revenue by 18% compared to 2017.

3.2.1 Improving Energy Efficiency (GRI 2-23, 2-24, 302-5)

FEDS has adopted a "manufacturing mindset for service industry energy efficiency" approach since 2015. The energy management team established energy performance indicators (KPIs) and conducts regular monthly reviews and analysis of various energy consumption data. Through a dual approach of "software management and hardware maintenance," FEDS continues to enhance energy usage efficiency and improve energy management performance.

Introducing ISO Standards to Improve Management

FEDS has adopted ISO international standards and selected suitable branches as demonstration stores. By leveraging the experience of these demonstration stores and establishing standardized operating procedures, FEDS enables other stores to continuously optimize energy security, energy efficiency, and energy consumption through a diffusion learning model, initiating more effective energy-saving initiatives.

FEDS has introduced the ISO 50001 Energy Management System at its corporate headquarters, Banqiao Store and Tainan Store. In 2024, the implementation procedures of the "Energy Management Action Plan" were updated at the site, completing the "Energy Risk Opportunity Identification Form." Currently, changes in external and internal issues, as well as risks and opportunities related to the energy management system, have been included in the assessment. Significant risks identified from the assessment are used to establish and control energy objectives, serving as the basis for the 2024 energy goals and targets.

Continued Completion
of ISO 50001 in 2024



Implementing
Energy Management

Establishment of Energy KPIs for Regular Monitoring

In 2024, the Engineering Department established 13 KPIs related to energy efficiency and equipment maintenance management. Compared to the previous year's indicators, the changes are as follows: 6 indicators have been retained, 5 indicators have been revised, 2 new indicators have been added, and 1 indicator has been removed, all aimed at implementing energy management actions. FEDS holds monthly energy meetings to improve energy efficiency and establish a better energy management model.

In 2020, the "Mechanical and Electrical Inspection APP" was officially launched. This initiative enhances on-site management efficiency. Digitizing inspection information through the "Mechanical and Electrical Inspection APP" enables management to promptly monitor equipment status and receive immediate alerts for any abnormalities, thereby improving equipment management efficiency and reducing paper usage. According to statistics, the digitalization feature of the "Mechanical and Electrical Inspection APP" saved approximately 3,455 A4 sheets in 2024, resulting in an environmental benefit of about 23 kilograms of carbon reduction.



Effectiveness of Energy Equipment Management

Equipment Inspection Pass Rate	99.2%	96.7%	97.1%
Equipment Inspection Punctuality Rate	99.5%	96.9%	97.3%
	2022	2023	2024

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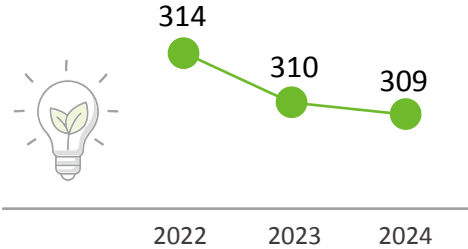
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Energy-saving Measures to Reduce Electricity Consumption (GRI 302-1, 302-3, 302-4)

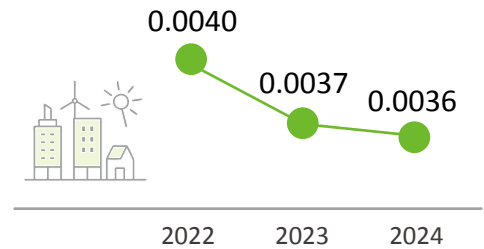
In 2024, FEDS set a target of reducing electricity consumption by 1%. The total electricity consumption, including self-generated green energy, was 214.958 million kWh, a decrease of 8.021 million kWh compared to 2023, achieving an energy-saving rate of 3.6%, surpassing the established goal. In terms of the relationship between revenue and electricity consumption, FEDS consumed 0.0036 kWh for every NT\$1 of revenue generated in 2024, a reduction of 18% compared to 2017, indicating a gradual decrease in energy dependency.

◆ EUI Performance Unit:kWh/m2 per year



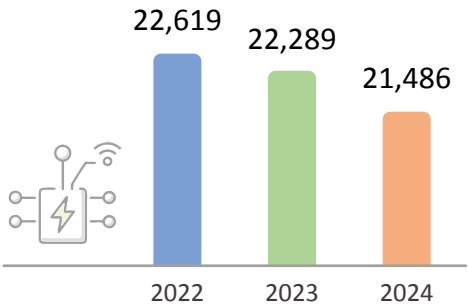
Note: The EUI (Energy Use Intensity) calculation does not include the area of parking lots.

◆ Electricity Intensity



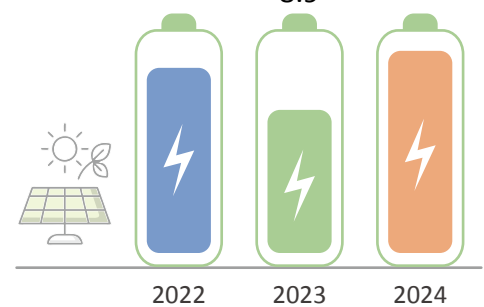
Note: Electricity Intensity=Electricity Consumption(kWh)/Revenue(NT\$).

◆ Electricity Data Unit: 10,000 kWh



Note: 1. The electricity data is for purchased external power.
2. Electricity data usage statistics are less Baoqing Store in 2024 compared to 2023.

◆ Green Power Data Unit: 10,000 kWh



Note: Green energy data (self-generated) is compiled from FEDS XinYi A13, Top City Taichung Store, and the newly added Hualien Store in December 2024.

The Engineering Department continued to promote various energy management and energy-saving improvement projects including off-peak control for elevators, and installing variable frequency automatic deceleration devices on escalators. Additionally, FEDS continued to evaluate the replacement of old chiller units and the implementation of the iAuto Smart Control Platform to manage the air conditioning system. iAuto automatically adjusts the operation frequency of chiller pumps and cooling tower fans to achieve optimal energy-saving control and enhance energy efficiency.

◆ Status of Energy Conservation Project Implementation

Year	2022	2023	2024
Number of Energy-Conservation Projects	24	29	28
Amount Invested (Thousand NT\$)	24,418	4,962	8,730
Energy Savings (kWh)	1,638,001	2,130,841	3,001,708

◆ Energy-Saving Lighting Installation Progress for 2024



● Installation Progress ● Installation Objectives

Note: The installation progress of energy-saving lighting is the installation rate of energy-saving lighting fixtures in the public areas.

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3.2.2 Effective Water Conservation

(GRI 2-23, 2-24, 303-1, 303-2, 303-3, 303-4, 303-5)

FEDS primarily rely on tap water from local reservoirs. In response to potential water shortages due to climate change, FEDS implemented water conservation measures. In 2024, total water usage across all stores reached 2.229 billion liters, a 1.1% annual reduction. The main uses of water at each store are for daily living. Additionally, rainwater harvesting systems have been installed at four branches across Taiwan to utilize recycled rainwater for plant irrigation and cooling tower replenishment, with a total capacity of 3,063 kiloliters, enhancing water conservation efficiency.

◆ Water Consumption Data

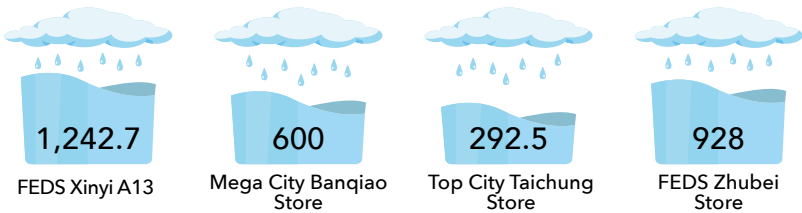
Unit: Million Liters

	2022	2023	2024
Surface Water	0	0	0
Groundwater	0	0	0
Seawater	0	0	0
Produced Water	0	0	0
Third-Party Water	2,076	2,254	2,229
Total Water Intake	2,076	2,254	2,229
Total Water Output	2,076	2,254	2,229
Total Water Consumption	0	0	0

Note: Water usage statistics are less Baoqing Store in 2024 compared to 2023.

◆ Rainwater Recycling Tank Capacity

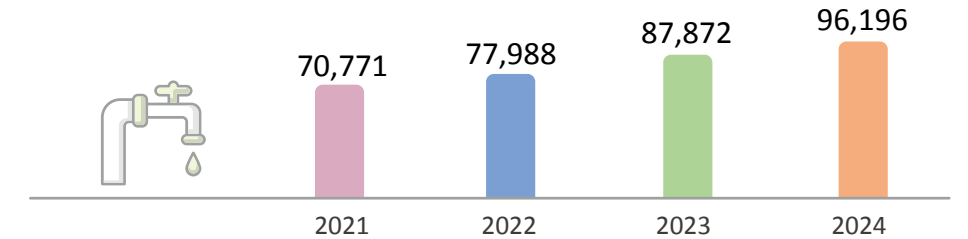
Unit: Kiloliters



To further understand the water consumption during the operation of the department store, FEDS implemented ISO 14046 Water Footprint Certification at Taoyuan Store as a demonstration store starting in 2021. In 2024, Taoyuan Store successfully maintained its ISO 14046 Water Footprint Certification. Through the water footprint analysis, anomalies in water usage for air conditioning and fire protection were identified. Upon confirming equipment damage, immediate contracting for repair work was carried out.

◆ FEDS Taoyuan Store Water Consumption

Unit: Kiloliters



In practical water conservation measures, FEDS water-saving efforts in 2024 primarily involved installing water-saving equipment in restrooms. Additionally, during the 2024 Energy Month meeting, plans were made to install public area water meters in each branch to facilitate comprehensive analysis of water data and water balance diagrams. Overall, FEDS' water usage in 2024 was 11% lower than the recommended water usage for the department store industry, demonstrating our efforts in water management.

◆ Water Efficiency Surpasses Industry Performance



Note: 1. Water Consumption = Daily Water Consumption per Square Meter of Floor Area (Liters).
2. The benchmark for department stores refers to the 2024 recommended values for water conservation excellence units by the Water Resources Agency, Ministry of Economic Affairs. Please refer to: <https://web.wra.gov.tw/wcis/cp.aspx?n=8278>.

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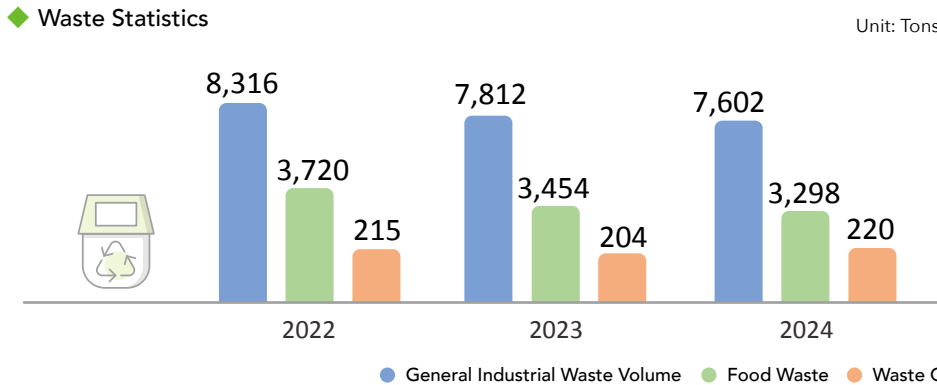
3.2.3 Strengthening Waste Management

(GRI 2-23, 2-24, 306-1, 306-2, 306-3, 306-4, 306-5)

We comply with government initiatives to reduce plastic usage by implementing measures such as prohibiting the use of disposable tableware and single-use plastic straws for dine-in services, aiming to decrease plastic waste and environmental pollution. FEDS has implemented a waste classification system in offices and operational shopping malls, categorizing waste into general waste and recyclables. By strengthening waste classification management, we aim to reduce waste generation, ensuring that all waste disposal practices comply with environmental protection regulations.

Implementing Waste Reduction through Classification

The operational waste of department stores is non-hazardous waste. Under the practice of waste classification, FEDS had a general industrial waste incineration contract clearance volume of 7,602 metric tons in 2024, a decrease of 2.7% from the previous year. All general industrial waste is legally handed over to registered and approved professional waste management companies by the competent authority for clearance, with qualified companies responsible for recycling or incineration.

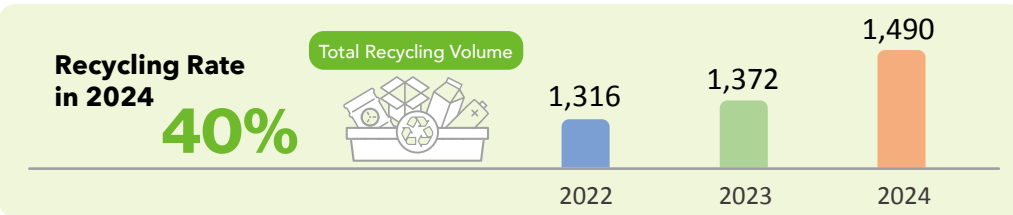
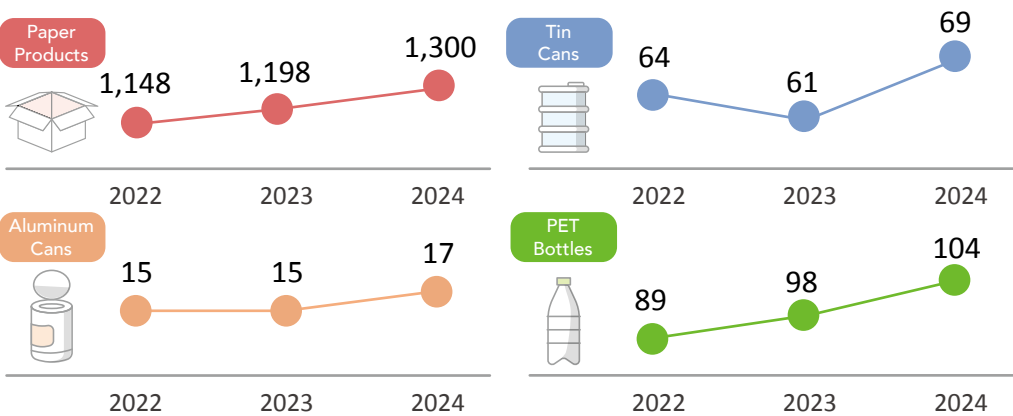


FEDS implemented a "waste reduction at the source" policy and conducted specific promotions in the dining areas of each store to promote environmental protection. They controlled the amount of ingredients used to avoid waste, reducing leftovers and kitchen waste generation. Additionally, each branch of FEDS installed large refrigeration equipment to store kitchen waste, preventing environmental pollution. In 2024, the reduction of kitchen waste showed results, with a decrease of 4.5% compared to the previous year, while waste cooking oil increased by 7.8% due to the growth of dining counters.

Recycling Sustainable Resources

FEDS actively promotes the recycling of recyclable waste resources to facilitate the sustainability of limited resources on Earth. To enhance the effectiveness of resource recovery and recycling, FEDS established subsidiary resource recovery management indicators in 2018. This is to achieve the sustainable goal of resource reuse. In 2024, the amount of recycled resources reached 1,490 metric tons, an increase of 8.6%, with a cumulative recovery volume exceeding 7,789 metric tons.

◆ Total Recycling Over the Years



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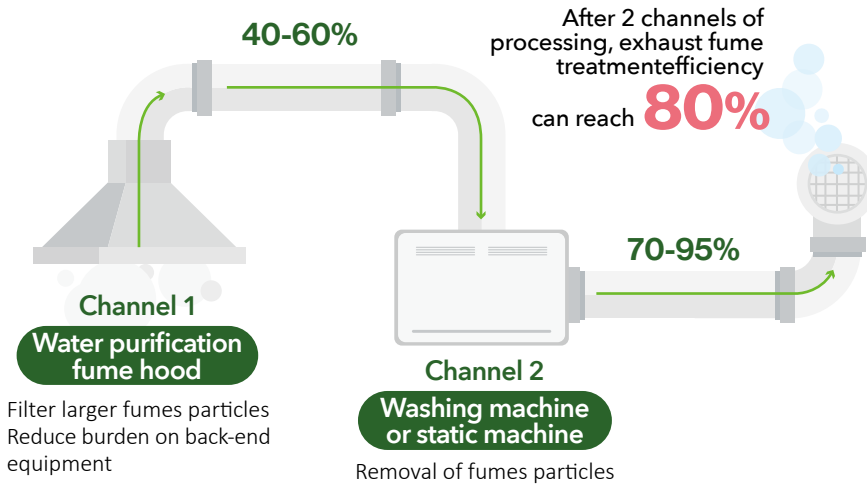
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Improvement in Waste Oil Fume Treatment Efficiency

FEDS utilizes a water purification type oil fume hood system at the front end and a water washing machine system at the back end. The advantages include the ability to treat oil fumes at the front end through water purification, preventing the accumulation of grease in vertical exhaust pipes, and achieving the functions of kitchen cooling, reducing air conditioning waste, and fire prevention. After undergoing two treatment processes, the oil fume treatment efficiency can reach 80%.

Fume Hood System Treatment Efficiency



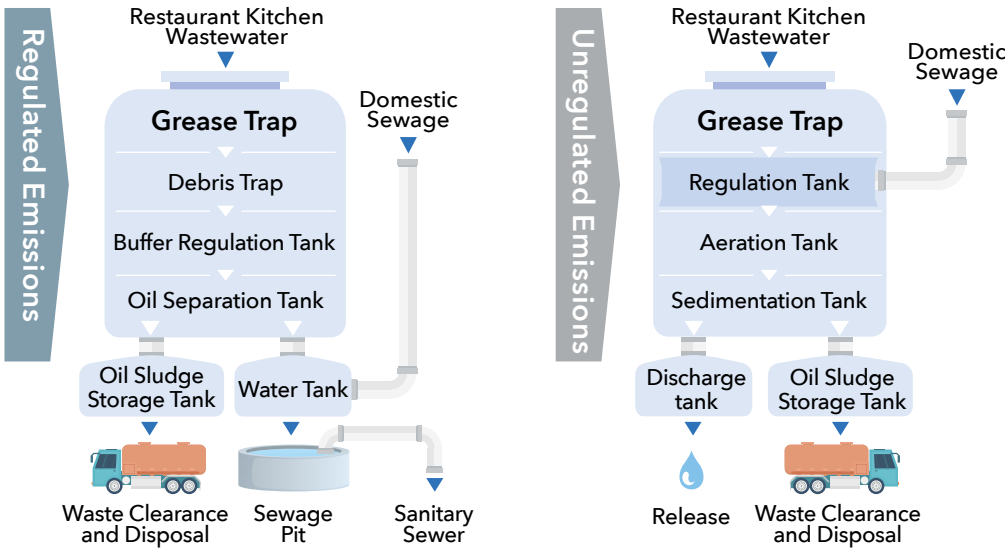
Note: The efficiency values for processing are derived from the Environmental Protection Administration's Guidelines for the Installation of Cooking Fume Control Equipment. For further details, please refer to the following URL: <https://pse.is/7ysqwj>

Promoting the Integration of Sewage into the Pipeline System


All stores of FEDS are equipped with large oil interceptors. These interceptors undergo processes such as debris collection, oil interception, and the addition of degreasing and deodorizing agents, before discharging into the municipal sewage system. For wastewater that is not discharged into the municipal system, in addition to the aforementioned treatment processes, separate wastewater treatment tanks are installed. Through processes of equalization, biological treatment, sedimentation, and chemical filtration, the wastewater is treated to meet regulatory discharge limits before being released.

FEDS is initiating a wastewater connection project. This initiative focuses on subsidiaries that can link to the wastewater system, implementing procedures for wastewater connection to reduce sewage overflow and odor generation. In 2024, FEDS will undertake procurement, contracting, and environmental assessment activities for the connection project, with a total investment of NT\$26.07 million. Subsidiaries that have not yet connected will be assessed for future connection opportunities based on the timelines of local government wastewater sewer system construction plans.

Sewer Connection Process



Expense Invested in Waste Water (Sewage) Prevention and Treatment

Type	Measures	Invested
 Restaurant waste water Domestic sewage	Procurement operations for the sewage connection project at Taoyuan Store are underway	8.44 million
	Top City Taichung Store sewage pipeline project has been awarded	17 million
	Environmental assessments for the sewage connection project at Hualien Store are underway	0.63 million
	Sewage management and maintenance for all stores	5.97 million

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3.3 Persistent Green Actions

FEDS integrates environmental consciousness into operational processes and management practices based on its core competencies, aiming to create green value for society through products and services. In 2024, FEDS focused on four green initiatives: supporting green transportation, constructing green department store buildings, preserving urban green spaces, and promoting sustainable green living, in line with its commitment to sustainable development.

3.3.1 Supporting Green Transport

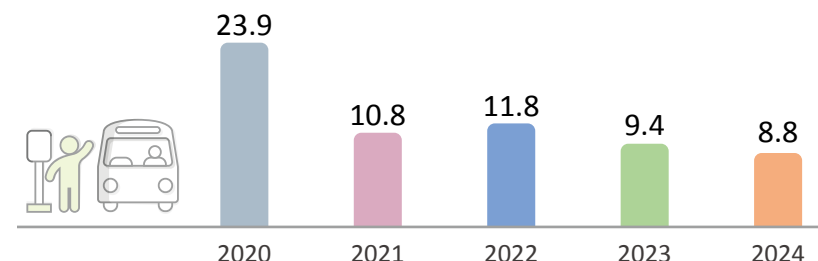
In 2024, FEDS continued to support green transportation initiatives by implementing four action plans: encouraging employees to use public transportation (or carpool for business trips), providing shuttle services for customers, replacing energy-consuming old company vehicles, and proactively managing traffic during annual sales events.

Shuttle Service Serves Over 600,000 Passengers in 5 Years

FEDS has set up shuttle buses at three stores that pass by various major local transportation routes, making them convenient for shoppers to use. This initiative not only reduces carbon emissions generated by customer transportation during shopping, but also improves air quality, and also promotes smoother traffic flow around the shopping malls, providing the surrounding neighborhoods with a more environmentally friendly and comfortable living environment. In 2024, FEDS' shuttle buses served a total of 88,000 passengers, with a cumulative total of 64.7 thousands passengers over the past five years.

Number of Shuttle Bus Passengers

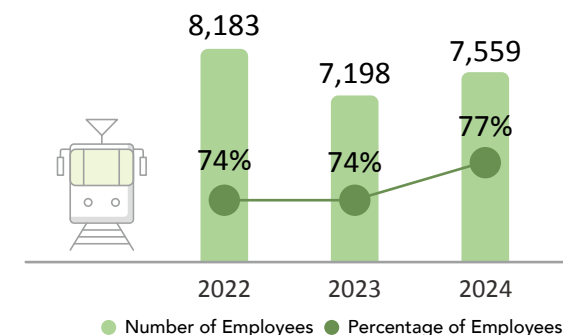
Unit: 10,000 pax



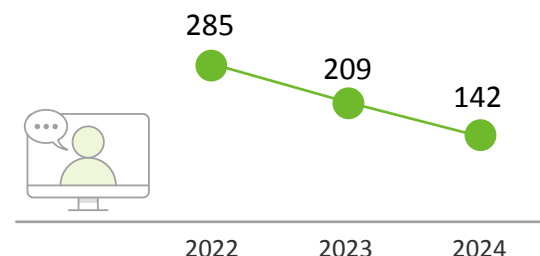
Over 70% of Employees Travel by Public Transportation

Since 2017, FEDS has encouraged employees to use public transportation for business trips. Over 59,000 employees have responded to this initiative, with a response rate exceeding 70% for the past 8 years. Additionally, 2,758 employees applied for shared rides in company vehicles in 2024, resulting in an estimated savings of approximately 9,285 liters of gasoline and a reduction of approximately 21.4 metric tons of carbon emissions, contributing to a comprehensive effort to reduce transportation-related carbon emissions.

Employees Using Public Transportation for Business Trips



Number of Video Recruitme Interview

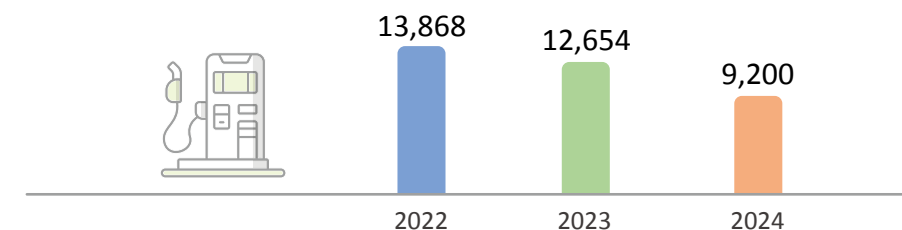


Replacement of Old Company Vehicles

FEDS has a total of 20 official vehicles, with an average usage period of 10 years. In consideration of the higher emissions of older vehicles, FEDS is replacing them with new environmentally friendly models. As of 2024, 12 vehicles have been replaced and 1 has been scrapped. The remaining 7 official vehicles will be gradually replaced to reduce fuel consumption and alleviate air pollution.

Gasoline Usage

Unit: Liters



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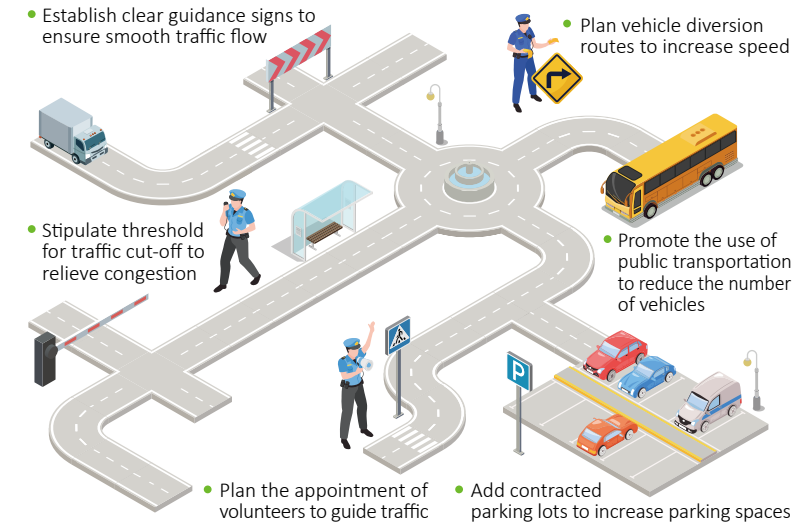
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Preemptively Manage Traffic During Events

To address the traffic congestion caused by the annual sales event, FEDS proactively communicates with local transportation authorities and police departments before the event. FEDS implements traffic guidance measures to ensure smooth traffic flow and minimize the impact on the local community during the event.

Major Traffic Control Measures for the Anniversary Celebration



3.3.2 Creating Green Department Store Buildings

FEDS has been a pioneer in the department store industry, integrating the concept of green architecture into its store designs from an early stage. Since 2011, all newly opened store formats have been planned as modern, environmentally friendly, and energy-efficient department stores. With a focus on four main principles - ecology, energy conservation, waste reduction, and health - the company aims to create sustainable and stylish green department stores.

FEDS Zhubei is the latest green building completed by FEDS. In 2023, it received the "Gold Level" Green Building Certification. The underground level includes a rainwater recycling facility that utilizes collected rainwater

for irrigation and replenishing the cooling tower, thereby strengthening water resource utilization. Additionally, the 1,150-m² rooftop garden is equipped with a water pool and planted vegetation, achieving environmental benefits.

Baoqing Store is currently undergoing renovations and will be developed into a high-standard environmentally friendly department store, becoming the company's sixth green building.

Green Building Concept Members



FEDS also supports urban beautification policies by assisting in maintaining green recreational areas and beautification spaces. Each year, funds are allocated to adopt trees along sidewalks and green spaces around the shopping malls, with staff regularly maintaining the surrounding environment and pruning plants as needed. This provides the community with a more orderly and comfortable green environment, contributing to the urban landscape.

Adoption of Roadside Trees and Green Spaces



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3.3.3 Sustainable Green Lifestyles (GRI 413-1)

Green Consumer Service

Green consumption is an environmentally friendly consumption model. FEDS is committed to reducing the environmental impact of consumption behaviors and changing the world through consumer power with our customers. We adhere to the "3R, 3E" principles of green consumption: Reduce, Reuse, Recycle, and Economic benefits, Ecological compatibility, and Equitable practices. In 2024, we continued to implement these seven in our green consumers services, working hand in hand with customers towards a sustainable green lifestyle.



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Green Office Initiative

Throughout 2024, the company continued to carry out green office initiatives in four key areas, integrating environmental elements into employees' daily office tasks. This initiative encourages staff to engage in environmental protection, infusing eco-consciousness into their work routines, fostering a culture of environmental stewardship within the workplace.

In response to the concept of the "green consumption cycle," employees were encouraged to download the Ministry of Environment's "Environmental Points Collection App" to convert their environmental actions into "green points" for tangible rewards. The promotion continued in 2024, with 1,293 employees completing the download, achieving a download rate of 100%



Environmental Points Collection APP

Since 2021, FEDS has participated in the Ministry of Environment's "Green Partner" program, implementing 32 green office initiatives covering energy conservation, waste reduction, green procurement, environmental beautification, and advocacy. These efforts encourage employees to promote environmental sustainability in the workplace.

Green Office Declaration



Eco-Friendly Newsletter

Through a lifestyle-oriented, visually appealing, and easily digestible format, ensure that employees can stay informed on popular environmental topics. As of the end of 2024, a total of 46 issues of the environmental protection e-newsletter have been published, with a cumulative viewership of 12,816.

Responding to Environmental Protection Initiatives

Encouraging employees to respond to five international environmental initiatives, namely World Water Day, Earth Hour, Earth Day, World Vegetarian Day, and International Car-Free Day. Employees are invited to practice environmental actions on the designated days. As of the end of 2024, a total of 45 environmental actions have been shared, with cumulative views reaching 5,965.

A.Mart Green Consumption Initiative



Textile Recycling and Reuse

In December 2024, A.Mart joined the "Sustainable Fashion Alliance". They set up dedicated collection bins for second-hand clothing and offered limited-time incentives to encourage consumer participation. In 2024, 945 pieces of second-hand clothing were collected.



Smart Resource Recycling Machine

Smart recycling machines were installed at the A.Mart Nanya and Sanchong stores, collecting a total of 1,204,717 bottles (PET bottles + PP plastic cups + aluminum cans) and 290,335 batteries from consumers in 2024, resulting in a total carbon reduction benefit of 101 metric tons.



Reduction of Plastic and No Packaging

A.Mart promotes reducing the use of plastic containers by introducing packaging-free laundry detergent refill stations at its stores in Keelung, Jingmei, Yonghe, Sanchong, and Shuinan. In 2024, a total of 14,892 plastic containers were saved, resulting in a reduction of 2,939.636 kilograms of carbon emissions.



Recyclable Fruit and Vegetable Bags

A.Mart pioneered eco-friendly packaging in Taiwan! In 2024, we introduced 984,000 compostable produce bags that reduce carbon emissions by 30.77%. Recycling stations collect used bags and return them to agricultural environments.



Fresh Meat Tray Recycling

A.Mart's fresh meat trays have been switched to 100% recycled PET material. Compared to traditional virgin plastic trays, these trays can reduce carbon emissions by 51% per ton, significantly lowering environmental impact. Smart tray recycling machines have been installed.



Cellphone Self-Service Recycling Machine

On December 19, 2024, the first cellphone self-service recycling machine in New Taipei City was officially launched at the Nanya store. The machine automatically evaluates old phones, with each phone recycled reducing 14 kilograms of carbon emissions.

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4 Safe Product Management

FEDS prioritizes high-quality products and food safety to ensure a reassuring shopping experience. Through supply chain management and a supplier evaluation system, we collaborate with business partners committed to labor rights, environmental protection, ethics, health, and safety, fulfilling our social responsibility and building a sustainable supply chain.

4.1 Carefully Selected High-Quality Products

- 4.1.1 Product Labeling Management
- 4.1.2 Environmentally Friendly Products



4.2 Exquisite and Delicious Cuisine

- 4.2.1 Food Safety Management
- 4.2.2 Health and Safety Audit

4.3 Comprehensive Supply Chain Management

- 4.3.1 Rigorous Evaluation of Suppliers
- 4.3.2 Implementation of Contractor Safety



In Response to 3 Material Topics

- Product Quality and Safety
- Integrity in Business Operations and Compliance with Regulations
- Occupational Safety and Health

In Response to Stakeholders

- Consumers
- Employees
- Business Partners (Counter Vendors/Suppliers)
- Government

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2024 Highlights and Performance

**Complying with Regulations
 Inspection, Labeling,
 and Management of Products Sold**



**Mobilized 1,907 Personnel
 to Conduct Product Inventory
 The Product Loss Rate is
 Below 0.01‰**

**9 Consecutive Years of
 Environmentally Friendly
 Coffee Sales
 Cumulative Sales Volume:
 1,473 kg**

**Evaluation of
 5,612 Procurement Cases
 99% of Evaluation
 Ratings Were at or
 Above the "Good" Level.**

**Local Procurement Supports
 Quality Local Products
 The Proportion of Locally Sourced Products
 in Self-Operated Food Counters
 Increased by 29%**

**Supplier Code of
 Conduct and CSR Commitment
 Addition of 18 CSR Commitments
 A Total of 1,646 Contracts
 Have Been Signed**

**Implementing Good Hygiene
 Practices in Food Safety
 The Number of
 FEDS Dining Establishments
 Obtaining the GHP Certification
 Increased by 21%**

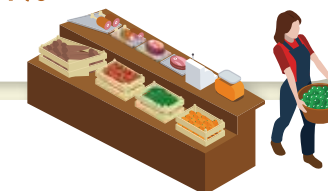
**Continuously Conducting
 Ad Hoc Food Safety Audits
 A Total of 840 Counters Were
 Audited for Safety and Health**



**Ensuring the Safety of
 Contract Workers
 Executed 436 Construction Insurance Policies
 Security Personnel Training: 528 Hours**



**Ensuring Procurement Stability
 3,306 Group Purchase Items Increased
 by 10%**



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Management Objectives and Actions

Target Plans	2024 Performance Results	Future Medium- to Long-Term Goals
 <p>Product Quality Management</p>	<ul style="list-style-type: none">Conduct quarterly spot inventory checks on self-operated cosmetics and semiannual inventory counts for all product categories. The product loss rate is below 0.01%The Product Regulations Training Program has launched online courses to enhance employees' knowledge of product regulations	Carefully select high-quality products, stay informed of regulatory developments, and comply with laws regarding inspection, labeling, and management of sold products to ensure product quality and safety standards
 <p>Food Hygiene and Safety</p>	<ul style="list-style-type: none">Added six new regulations regarding kitchen safety, hygiene, and environmental management requirements for dining vendorsThe audit unit conducted six food safety and hygiene inspections, covering a total of 840 counters	Provide healthy and delicious high-quality dining while strengthening the food safety management system through establishing clear regulations, implementing autonomous management, and conducting regular inspections
 <p>Contractor Safety Management</p>	<ul style="list-style-type: none">All 436 engineering procurement projects have secured construction insurance to enhance the protection of contracted workers' safety	Timely revisions of the Contractor Management Regulations to effectively protect the safety of contractor employees, jointly striving for zero workplace accidents
 <p>Sustainable Supply Chain</p>	<ul style="list-style-type: none">New suppliers were selected based on the principles of labor and human rights, environment, ethics, and health and safety, achieving a 100% screening rate with no significant deficiencies foundSigned 266 Supplier Code of Conduct and CSR Commitment agreements, with a procurement amount of NT\$7.93 million	Promote a more comprehensive supply chain management system by establishing four major systems: a centralized procurement item database, a supplier database, a price comparison database, and an online quotation platform

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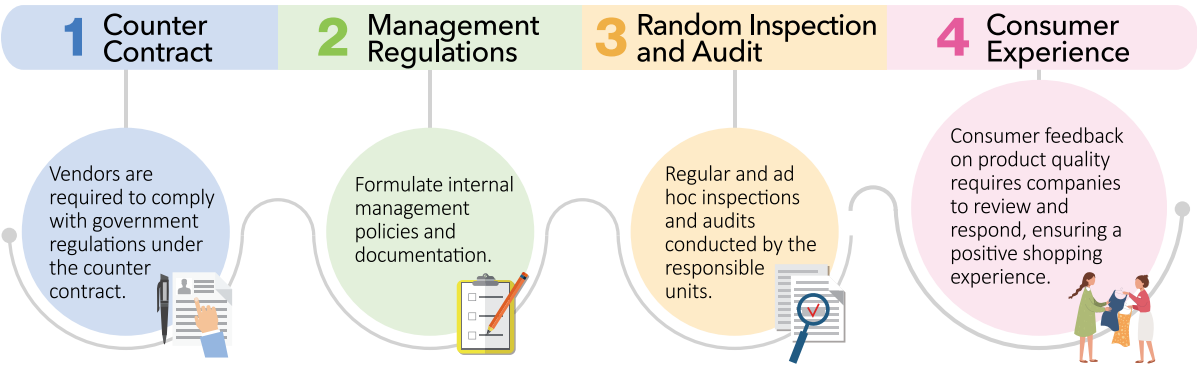
4.1 Carefully Selected High-Quality Products

FEDS complies with legal regulations to inspect, label, and manage products, establishing regular inventory procedures to ensure rigorous product management, high quality, and enhance consumer trust and satisfaction. FEDS is the only department store company in Taiwan operating its own specialty international food counter, "World Gourmet." In 2016, it introduced Fair Trade coffee, and since 2020, has continuously introduced Rainforest Alliance certified coffee, embodying "responsible retail and green consumption" and working with consumers to use purchasing power to change the world.

4.1.1 Product Labeling Management (GRI 416-1, 417-1)

FEDS' merchandise is divided into thirteen major categories: education and culture, leisure, home decor, home appliances, supermarket, luxury goods, cosmetics, dining, women's apparel, men's apparel, women's products, children's apparel, and specialty stores. The Merchandise Department handles procurement and counter management, emphasizing product quality and food safety. All products undergo inspections in accordance with government regulations before sale to protect consumer rights. For products that impact consumer health—such as dining, food, and cosmetics—FEDS requires suppliers to comply with government regulations and establishes internal procedures for effective management and conducts irregular spot checks.

For product labeling management, FEDS controls from the source, starting with requiring manufacturers to properly manage traceability for cosmetics, such as clearly marking batch numbers, production dates, and expiration dates, reducing consumer disputes and achieves a win-win-win outcome. If deficiencies are found during random inspections, responsible units immediately address issues and strengthen on-floor guidance, with floor supervisors conducting daily spot checks with counter vendors to meet improvement goals.



To ensure consumer confidence, the Merchandise Department strictly complies with legal regulations regarding for inspection, labeling, and management of products sold. Regular inspections enhance consumer trust and satisfaction in FEDS' product selection. The main product management approaches are as follows:

- 1 Select high-quality products for both self-operated purchases or specialty counters, prioritizing goods as the primary criterion.
- 2 Conduct regular random inspections to control product quality and labeling.
- 3 Participate in various product regulation training sessions.
- 4 Immediate handling of disputes and problematic products.
- 5 Strengthen food safety management mechanisms.
- 6 Require specialty counters to implement and comply with all regulations.

A.Mart Private Label Products with Visually Friendly Labeling

A.Mart collaborates with major brand manufacturers to provide the most practical and cost-effective daily necessities. Each product undergoes rigorous certification and clear labeling, reflecting A.Mart's commitment to safety and quality control for consumers.

To enable consumers to access food expiration information easily, the Taipei City Government Department of Health launched the "Visual-Friendly Food Expiration Labeling Guidance Program," pioneering a visually accessible presentation of food expiration dates. The program invited food manufacturers and major chain retailers to participate, providing timely food safety information. A.Mart responded by optimizing the packaging presentation of four of its house-label products, enlarging expiration date fonts to help consumers obtain product information more clearly.

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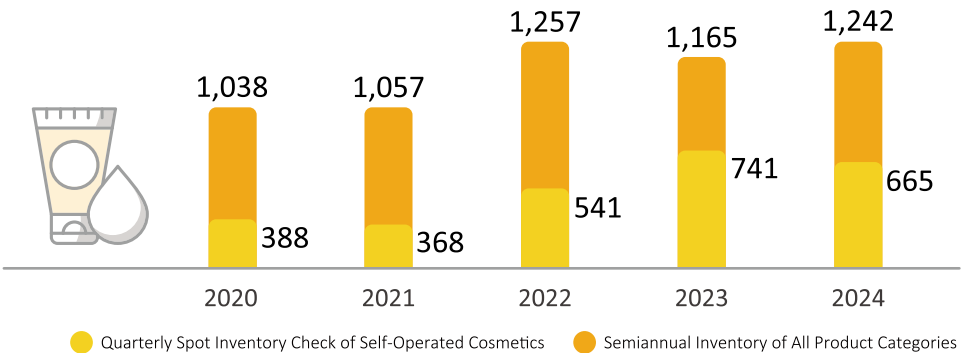
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Regular Inspections to Reduce Product Loss

In 2020, FEDS established the "Self-Operated Cosmetics Inventory Control Procedures" and the "On-site Merchandise Inventory Methods." In 2024, 665 and 1,242 personnel respectively were mobilized to conduct quarterly spot checks of self-operated cosmetics and semi-annual full inventory counts of all merchandise, achieving a product loss rate of less than 0.01%. Through these inventory checks, FEDS provides customers with high-quality products, reduces costs, maintains accurate inventory ratios, and enables optimal stocking strategies.

In 2024, the Audit Office continued irregular project audits to strengthen customer rights protection, reviewing 730 cosmetic and skincare sample items, inspecting labeling and expiration dates. If any deficiencies were found, the branch was instructed to immediately remove the abnormal products and rectify the issues. Floor managers and administrative units were also tasked with supervising compliance with relevant regulations. In 2025, FEDS will continue advancing toward "zero labeling defects."

Number of Inspections for Self-Operated Products



Promote Product Regulations Education and Training

FEDS' legal department conducts employee training on laws related to product management and customer rights, including the Commodity Labeling Act, Pharmaceutical Affairs Act, Act Governing Food Safety and Sanitation, and Consumer Protection Act. By 2024, courses on Consumer Protection Act and consumer dispute resolution were launched on the company's internal training platform for employees who interact with customers. The content covers vendor compliance with product-related laws, promoting regulation education through online courses.

Applicable Regulations for Products

Product Category	Applicable Government Laws and Regulations
Cosmetics / Samples	Cosmetic Hygiene and Safety Act
Medicines and Medical Equipment	Pharmaceutical Affairs Act/Medical Device Act
General Product	Commodity Labeling Act
Packaged Food	Act Governing Food Safety and Sanitation Regulations on Nutrition Labeling for Prepackaged Food Products Regulations on Nutrition Claim for Prepackaged Food Products
Food	Food Administration Act
Tobacco and Alcohol	Tobacco Hazards Prevention Act/The Tobacco and Alcohol Administration Act

Proper Response to Consumer Disputes (GRI 2-25)

FEDS has established a rigorous handling procedure for consumer dispute letters from government consumer protection agencies, which includes:

- Thoroughly Clarify the Truth: Conduct an in-depth investigation to ensure complete and objective understanding of the facts;
- Comprehensively Draft Solutions: Develop appropriate and specific solutions for different dispute situations;
- Announce Collated Information: Summarize processing progress and results, and communicate them to consumers through public channels;
- Proactive Follow-Up: Continue communication with consumers to ensure issues are properly resolved.

Through this process, FEDS handles each consumer dispute responsibly to safeguard consumer rights.



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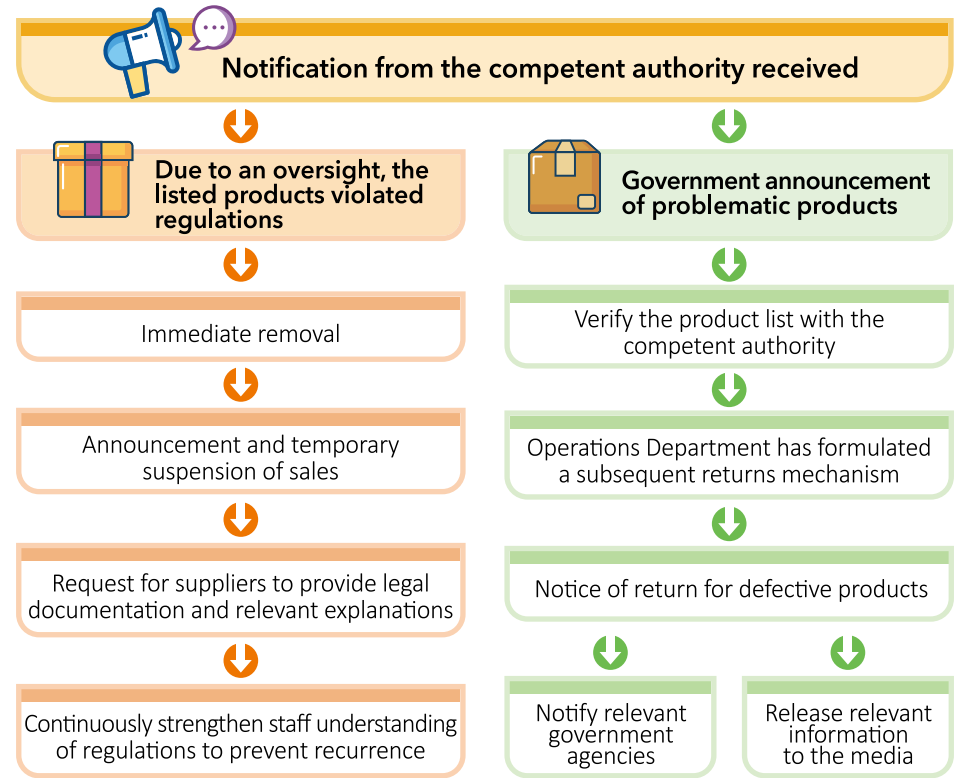
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Immediate Handling of Disputes and Problematic Products

Upon receiving notification from regulatory authorities regarding problematic products or shelving errors, FEDS will immediately initiate the following response process: the responsible unit will develop countermeasure to address the issue promptly. Continuous improvements and awareness campaigns prevent recurrence, minimizing consumer impact. In 2024, no product shelving disputes occurred.



In addition, FEDS has established 12 guidelines for self-operated merchandise management in its internal control procedures. These guidelines are annually reviewed by responsible units to ensure product safety and high quality. The internal control process involves the Merchandise Department, Operations Department, and Administration Department. Monthly meetings report merchandise management status to the President, enabling real-time monitoring of consumer and product developments to protect consumer rights.

4.1.2 Environmentally Friendly Products

FEDS offers consumers environmentally friendly products through self-operated merchandise. This communicates the company's commitment to environmental care and land stewardship, recommending high-quality ingredients and sauces. FEDS is dedicated to creating a fashionable, refined, and safe lifestyle experience for customers.

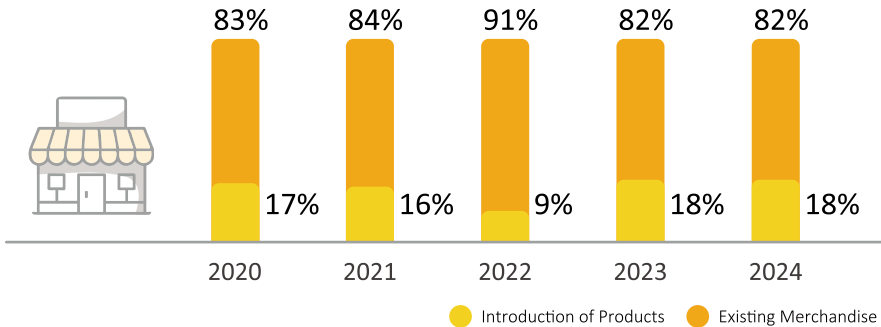
Self-Operated World Gourmet Implement Responsible Retailing

FEDS maintains rigorous product management. Its product development team actively sources high-quality, distinctive items from around the world, including olive oil, canola oil, coffee, tea, cereal grains, honey, and red wine. Each product is from a well-established, top-tier international brand, allowing consumers to easily purchase premium international foods domestically.

To further develop representative top-tier products globally, FEDS established self-operated food counters and set up "World Gourmet" specialty sections in stores. The product strategy focuses on introducing premium brands with traditional and iconic status from Europe and America. The strict quality control and regulatory standards of these countries provide thorough frontline assurance for the food hygiene and safety.

Imported products sold at "World Gourmet" are all inspected and approved under the Act Governing Food Safety and Sanitation before sale. FEDS insists on importing products in original packaging without secondary processing to ensure consistent quality from production to sale, reducing deterioration risk. This allows Taiwanese consumers to experience authentic international foods. In 2024, World Gourmet offered 310 product, including 55 new items, representing a new product introduction rate of 18%.

The Proportion of New Products Introduced



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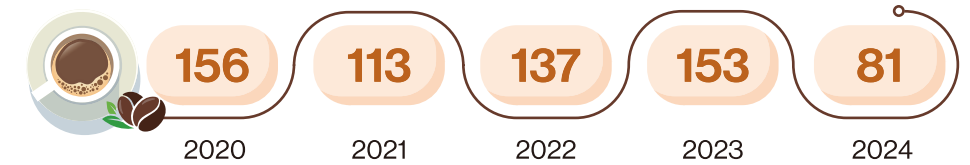
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Since 2016, "World Gourmet" has promoted the concept of Responsible Retail by selling EU-certified organic agricultural products and fair trade coffee. Fair trade coffee has been sold for four years, with cumulative sales reaching 833 kilograms. From 2020, due to regulatory changes, FEDS switched to importing BRISTOT Rainforest Coffee, certified by the international Rainforest Alliance. The coffee's growing regions meet environmental protection, social equity, and economic viability, helping preserve natural habitats and wildlife. In 2024, sales reached 81 kilograms, with cumulative sales of 640 kilograms. FEDS promotes environmentally friendly products so consumers can contribute to ecological protection through green consumption.

Sales Volume of Environmentally Friendly Coffee

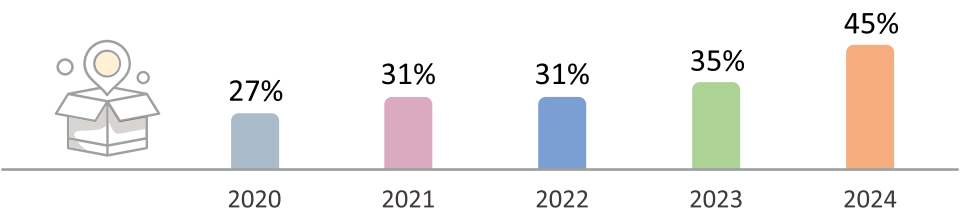


Local Procurement Supports Quality Local Products (GRI 204-1)

FEDS supports local suppliers and promotes supply chain localization. Local procurement simplifies import procedures and reduces food carbon footprint. This stimulates local economic development. Local suppliers have a better understanding of Taiwanese consumer demands, facilitating high-quality product selection.

FEDS' World Gourmet has increased domestic supplier procurement annually, reaching 45% in 2024. This means for every NT\$2.20 spent on procurement, NT\$1 goes to local Taiwanese suppliers, demonstrating commitment to supporting local development and strengthening supply chain resilience. In 2025, FEDS will continue to leverage its expertise in product selection to support local products, improve supply efficiency, and promote local economic development.

Proportion of Domestic Procurement for Self-Operated Counters in Past Years



A.Mart Launches Sustainable Food Living Campaign

For four consecutive years, A.Mart has launched the "Sustainable Food" lifestyle campaign. In 2024, the campaign featured 220 carefully selected products, including fresh produce, baked goods, packaged rice, instant beverages, and eggs, all sourced through eco-friendly farming methods, traceable production, organic certification, and additive-free labels. The campaign offers A.Mart APP members a NT\$10 instant discount on certified organic rice and eggs, encouraging consumers to actively purchase sustainable food. During the campaign period, 2,071 APP members participated, joining this green initiative in daily shopping.



City'Super Establishes Sustainable Product Section



City'Super, guided by the brand philosophy of "Crafting a Better Lifestyle," established a "Sustainable Products Section" in 2023, promoting environmental friendliness, recommending local ingredients to build a sustainable value chain from origin to home, embodying the concept of "creating fulfillment through circulation." In 2024, City'Super advanced five key action initiatives: "Friendly Farming" without chemical fertilizers or pesticides, "Reduced Additives," "Local Production," "Low-Carbon Vegetarian," and "Recycling and Reuse" through non-single-use packaging. The goal is 100% traceability of fresh products to assist customers in making responsible consumption choices. In 2024, sustainable products sales nearly tripled compared to last year, raising awareness of sustainability issues.

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4.2 Exquisite and Delicious Cuisine

FEDS provides consumers with refined dining experience, establishing a social space that e-commerce cannot replace. To ensure food safety, we implement a three-tier management system: establishing clear regulations, enforcing self-management, and conducting regular inspections, serving as the first line of defense for food safety, and offering high-quality dining for consumers to confidently enjoy "FEDS Good Food Moments."

4.2.1 Food Safety Management

In recent years, food and beverage has become the fastest-growing sector in department stores. FEDS has introduced specialty cuisines concepts to its branches in response to leverage dining's customer-attracting effect to boost sales of other products. With increasing attention to food safety issues, FEDS ensures food safety for consumers, providing safe and high-quality dining services. In 2024, FEDS expanded dining area by 72% compared to the previous year , with annual performance improvements earning consumer confidence, and successfully establishing the "FEDS Good Food Moments" brand image.

FEDS prioritizes food safety by implementing a three-tiered approach: establishing clear regulations, enforcing self-management, and conducting regular inspections. This frontline effort safeguards consumers, builds a reliable dining network, and strengthens consumer trust.

Management Mechanism 1: Establishing Regulations to Ensure Compliance by Specialty Counters

To ensure the quality and safety of its food and beverage services, FEDS requires all dining vendors to sign contracts committing to management standards for dining environment, ingredient control, and kitchen safety and hygiene. In accordance with food safety and hygiene procedures, FEDS establishes management mechanisms at every operational stage, requiring vendors to comply and proactively manage these standards. FEDS conducts regular inspections of all operations to create a healthy dining environment for customers.

In 2024, FEDS expanded its regulations for dining environment and kitchen safety and hygiene, including regular cleaning requirements, covering exhaust duct outlets, signage, and lighting fixtures; scheduled inspections of gas pipelines, equipment to ensure proper operation; and proper waste collection. These measures enhance the safety and hygiene of dining environments.

FEDS's Requirements and Specifications for Dining Vendors

 <p>Dining Environment</p>	<ul style="list-style-type: none">Ban melamine tablewareRestrict the use of disposable plastic tableware and strawsFood and utensils must not directly touch the groundProperly clean the tableware before closing	<ul style="list-style-type: none">Chipped or damaged tableware shall be immediately replacedDamaged tables and chairs must be thrown immediatelyLarge-scale disinfection every month<u>Regular cleaning of signs, light boxes, lighting fixtures, and air duct outlets</u>
 <p>Food Management</p>	<ul style="list-style-type: none">All ingredients must comply with food safety and hygiene regulationsProperly store food, ingredients and frying oilStore seasonings and food in a container with a lidFridge (freezer) has to be clean, temperature is controlled, and refrigerated (frozen) raw and cooked food are effectively separatedDaily inspection of frying oil	<ul style="list-style-type: none">Ensure that the expiration dates of certified food and additives are clearly markedCheck the quality of drinking water and ice cubes every seasonAccording to regulations, indicate the country of origin for pork, beef, and their edible partsInformation on total sugar content, total calories, and caffeine content of freshly prepared beverages is disclosed in accordance with regulations
 <p>Kitchen Safety and Health</p>	<ul style="list-style-type: none">Catering and staff shall be trained with the necessary professional training and wear sanitary capsPay attention to catering equipment safety and conduct regular inspection and maintenanceStaff health conditions are good, with no symptoms of foodborne illness; <u>additionally, catering kitchen personnel have annual physical examination reports on file confirming their fitness</u>Kitchen equipment, exhaust ducts, and hoods must be kept clean, free of pest breeding and grease buildupCatering staff shall wear clean work clothes and keep their hands cleanNo behavior that could contaminate food is	<ul style="list-style-type: none">allowed while workingUse dedicated sockets for electrical appliances and extension cords shall not be usedFlammable materials are prohibited around kitchen cooking equipment<u>Food waste or refuse must be collected in designated containers with lids</u><u>The kitchen's simple fire suppression system nozzles must be aimed at the center of the stove burners</u><u>Regular inspections are conducted on gas-related pipelines, equipment, gas shutoff valves, and gas safety alarm devices to ensure proper operation</u>

Note: The underlined portions indicate content that has been newly revised in 2024.

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Management Mechanism 2: Self-Management and Joint Maintenance of Food Safety

To ensure food safety, FEDS requires all counter vendors to comply with government regulations. Floor supervisors and audit units conduct preventive inspections and spot checks of food and kitchen safety and hygiene operations. If any questionable ingredients, oils, or operational deficiencies are found, they will be immediately prohibited from use and corrective actions will be implemented.

In 2024, FEDS required all food service counters to carry product liability insurance and public liability insurance, including additional coverage for food poisoning. Copies of the insurance policies and payment receipts for product liability insurance, public liability insurance, and the food poisoning rider must be kept on-site for inspection.

Vendor Self-Management



- After closing, the waste container should be properly sealed and transported for disposal
- Daily disinfection, and kitchen waste and garbage shall be properly disposed
- The kitchen should keep tidy and clean
- Food waste bins should be covered
- Cleaning and disinfecting supplies should be clearly marked, stored in a fixed place and managed by appointed personnel
- Before closing, clean the fume exhaust pipe, hood, stove, drain and oil trough
- Product liability insurance and public accident insurance are required

Note: The underlined portions indicate content that has been newly revised in 2024.



Management Mechanism 3: Regular Audits for Continuous Improvement

FEDS manages its food and beverage operations according to "Good Hygiene Practice for Food," "Drinking Water Quality Standards," and the "Regulations on the Maintenance and Management of Drinking Water Equipment," and other relevant regulations. Each department follows company's food safety procedures with regular monthly inspections to ensure high-quality and safe food. The supermarket's food and beverage division reviews food counters' product inspection certificates and product safety commitment letters. For imported products, FEDS complies with import inspection regulations, ensures Chinese labeling, and implements food safety monitoring plans. Products are regulatory tested to strengthen self-management and ensure food safety.

4.2.2 Health and Safety Audit

FEDS monitors consumer preferences and market trends, adjusting its dining outlets by introducing specialty and popular cuisines to establish a trendsetting position in department store dining. In 2024, the supermarket dining division introduced 25 new outlets, renovating approximately 1,124 square meters of space. FEDS requires dining vendors to guarantee that all ingredients meet national standards and food safety regulations to ensure legal compliance. FEDS also mandates that culinary staff holding Chinese culinary technician certificates and chef licenses meet legal requirements. Through strict regulations and inspections, FEDS collaborates with dining vendors to provide consumers with safe and reliable dining experiences.

The Audit Office of FEDS continued to conduct irregular food safety and hygiene inspections throughout 2024 to enhance the protection of customer rights. The inspection focus areas included: Chinese labeling of products, allergen warning labels, validity of insurance information, pork origin labeling, product expiration dates, and hygiene management of food counters. The inspection scope covered FEDS, City'Super, and The Mall. Any abnormal products found were immediately removed from shelves, with corrective actions required to be reported. Floor managers or relevant authorities were tasked with supervising compliance with applicable regulations. The details of the inspection implementation are outlined in the table below:

 <div>Audit Period March, May, and September in 2024</div>	 <div>Audit Period March, September, and October in 2024</div>
Audit Purpose Inspection of Supermarkets/Self-Operated Product Safety and Hygiene	Audit Purpose Inspection of Food and Beverage Counter Hygiene Management
Number of Counters 340 counters	Number of Counters 500 counters
Audit Focus Check the food labeling (Chinese characters, country of origin, allergens, expiration dates) and inspect for expired or damaged packaging.	Audit Focus Labeling of pork sources, freshness and safety of ingredients, kitchen hygiene, insurance validity, and environmental restaurant survey.

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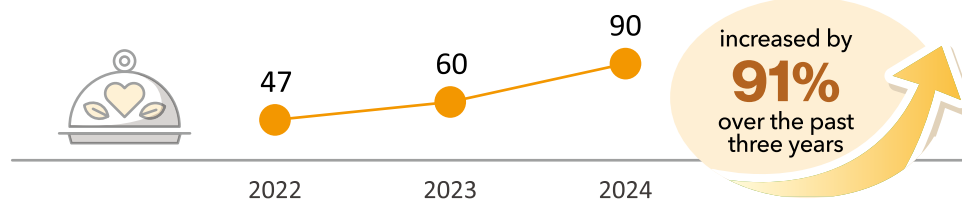
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According to the United Nations Food and Agriculture Organization (FAO), "sustainable diets" refer to diets that ensure food security and nutrition while also considering economy, society, and environmental protection. With growing environmental awareness, more consumers are expecting restaurants to provide delicious food while reducing environmental harm. According to the regulations of Ministry of Environment, food operators who meeting the following criteria may apply to become "Eco-Friendly Restaurant":



FEDS encourages its dining vendors to apply for the Environmental Protection Administration's "Eco-Friendly Restaurant" certification. In 2023, 60 dining outlets were listed as "Eco-Friendly Restaurants." In 2024, the number increased to 90, representing a 50% growth. FEDS will continue promoting this certification to encourage more dining vendors to join the ranks of green restaurants.

◆ The Number of Green Restaurants



The Number of Good Hygiene Practice (GHP) Certification Has Increased by Over 20%

The Act Governing Food Safety and Sanitation is the fundamental law regulating hygiene and safety in the food industry. All food operators must comply with the Good Hygienic Practice (GHP) guidelines to ensure effective management of food hygiene, safety, and quality.

To comprehensively enhance the food safety and hygiene of the public, FEDS encourages dining vendors to apply for GHP certification as excellent food service providers. According to GHP standards, vendors are required to implement self-hygiene management. After evaluation conducted by local health bureau or expert panel, food service providers that meet GHP standards receive "Excellent" or "Good" certification. In 2024, 109 dining vendors operating within FEDS received GHP certification, including 106 Excellent certifications and 3 Good certifications, with Excellent certifications increasing 38% from 2023.

◆ Number of Restaurants and Food and Beverage Outlets Obtaining the GHP Certification



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4.3 Comprehensive Supply Chain Management

FEDS' supplier partners include five categories: engineering, administrative, information technology, advertising, and labor service suppliers. Through supplier management and evaluation, we ensure suppliers not only comply with legal requirements but also share FEDS' commitment to labor and human rights, environment, ethics, and health and safety. FEDS holds an annual supplier event to share performance and future vision while recognizing outstanding suppliers, aiming to enhance the customer shopping experience.

4.3.1 Rigorous Evaluation of Suppliers (GRI 2-6, 2-23, 2-24, 403-7)

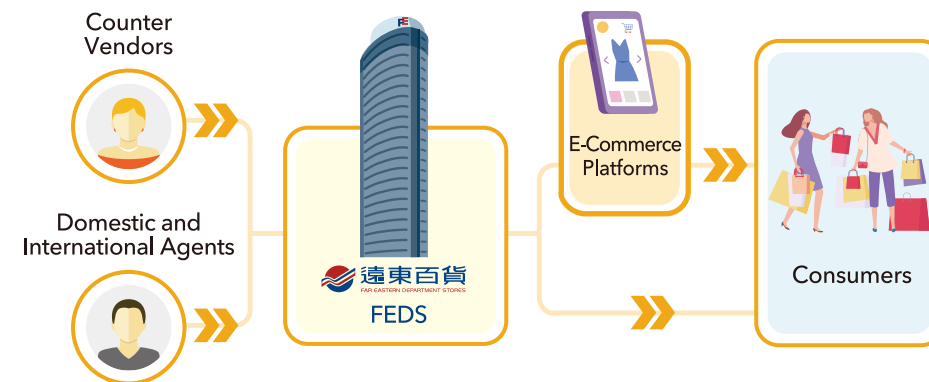
FEDS established its Procurement Department in September 2016 with three objectives: quality products, competitive pricing, and timeliness. The department requires suppliers to sign the "Supplier Code of Conduct and CSR Commitment." It also implemented the "Request, Purchase, Inspection, Payment" (RPIP) system. Through this system, FEDS achieves real-time, collaborative, and efficient supply chain management.

Since its implementation, the RPIP system has undergone continuous functional optimization. In 2024, the system replaced manual ordering and consolidated orders, saving 5,612 sheets of paper and reducing carbon emissions by 38.2 kilograms. Additionally, in September 2024, the RPIP system introduced a simplified estimated quantity procurement function, improving procurement efficiency for suppliers handling general affairs cases. To ensure the stability of the procurement process, the Procurement Department increased the number of centralized purchase items to 3,306 in 2024, a 10% growth compared to 2023, saved time, reduced paper usage by 1,428,192 sheets, and cut carbon emissions by approximately 9,711.7 kilograms.

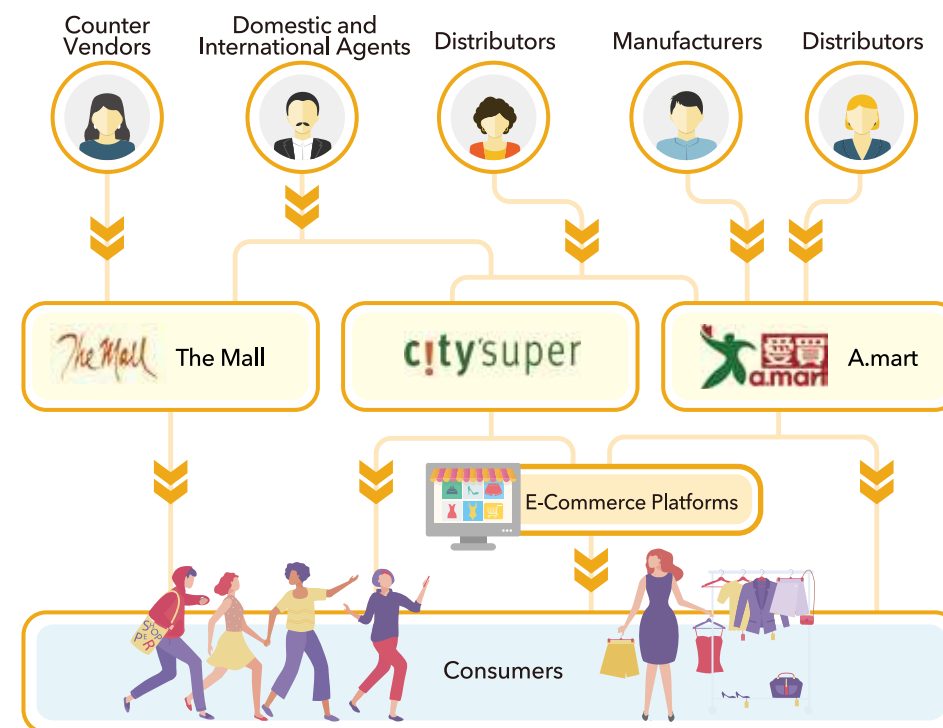
To advance a comprehensive supply chain management system, the Procurement Department plans to establish four systems over the next three years (2025-2027):

- 1 A Centralized Purchasing Database:** Automatically generates prices for centralized items, reducing paper documents and lowering related administrative time costs, while minimizing the risk of operational errors.
- 2 A Supplier Database:** Facilitates online inquiries and the selection of high-quality suppliers.
- 3 A Price Comparison Database:** Enables procurement staff to compare items and specifications, saving time.
- 4 An Online Quotation Platform:** Enables qualified vendors to submit quotes, enhancing efficiency and quotation transparency.

◆ FEDS Supply Chain Relationship Diagram



◆ Subsidiary Supply Chain Diagram



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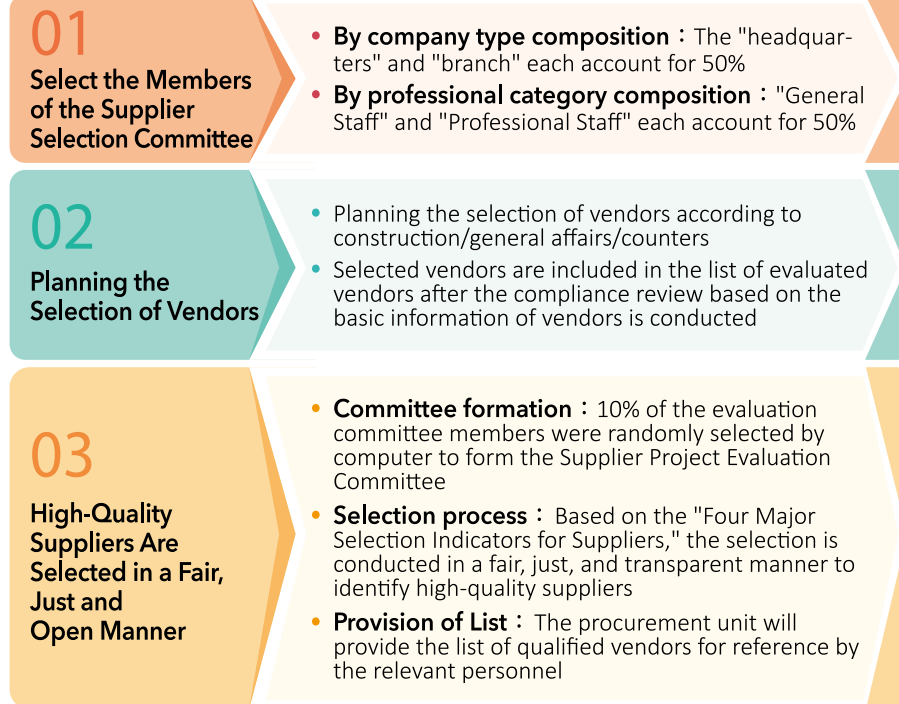
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Establishment of Supplier Selection System (GRI 204-1, 308-1, 308-2, 414-1)

To select high-quality suppliers, the Procurement Department began developing a supplier evaluation system in 2018, establishing a "Supplier Project Evaluation Committee" to evaluate suppliers fairly and transparently. In 2020, the Procurement Department planned to establish a supplier database system. In 2023, a management consulting firm was commissioned to work with the IT Department to discuss the system requirements, determining that the database would categorize suppliers by business type, scale, and grade. In 2024, to accommodate the upgrade of the Notes operating system, the IT Department prioritized upgrading the existing RPIP system to Notes 12. Meanwhile, the Procurement Department, together with the IT and Accounting Departments, held meetings to discuss adjustments to the supplier database structure.

◆ Supplier Selection Process

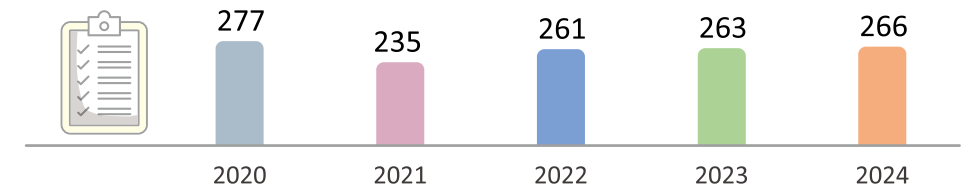


To support local industries and reduce supply lead times and after-sales service periods, FEDS prioritizes cooperation with local Taiwanese suppliers. In 2024, local suppliers accounted for over 90% of total procurement. We carefully select suppliers, following the Far Eastern Group Joint Procurement Center procedures, and require all contracted suppliers to sign the "Supplier Code of Conduct and CSR Commitment," covering labor and human rights, environment, ethics, and health and safety. In 2024, 100% of new suppliers were selected according to these principles, with no significant deficiencies identified.

Signing of Supplier Code of Conduct and CSR Commitment

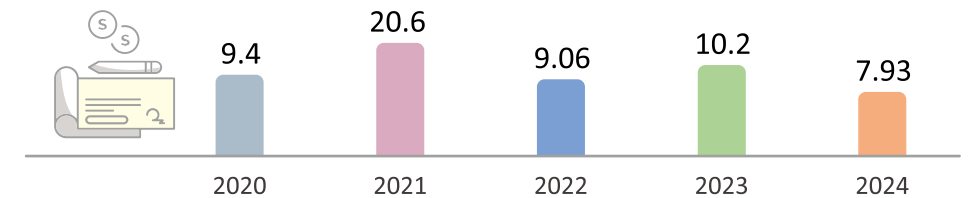
Since 2017, FEDS has implemented the "Supplier Code of Conduct and CSR Commitment," requiring all suppliers with business contracts and procurement amounts of NT\$1 million or more to sign the agreement. By 2024, all contracted suppliers are required to sign this commitment at the time of contracting. Suppliers who fail to fulfill social responsibility commitments will be subject to contractual penalties to establish sustainable supply chain management. In 2024, FEDS obtained 266 signed agreements, with the procurement amount of these signed suppliers totaling approximately NT\$7.93 million. The number of signed commitments increased by 1.14%.

◆ Supplier Code of Conduct and CSR Commitment Number



◆ Supplier Code of Conduct and CSR Commitment Purchase Value

Unit: NT\$100 Millions



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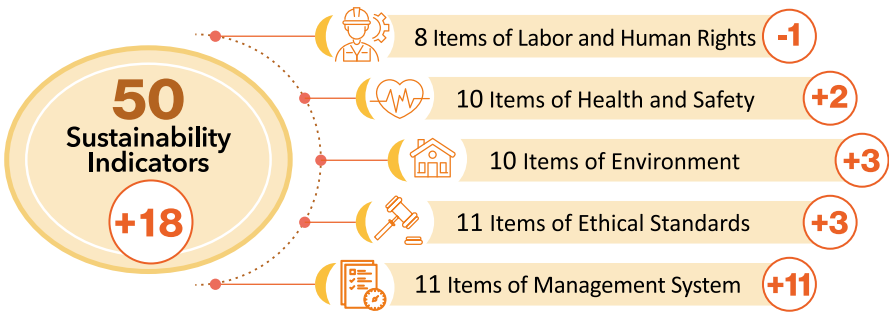
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In the fourth quarter of 2024, the Far Eastern Group Joint Procurement Center revised the Supplier Commitment Letter, adding management systems requirements. The sustainability indicators increased from 32 to 50 items. Following group policy, FEDS invites contractors to jointly commit to 50 sustainability indicators across five categories: labor and human rights, health and safety, environment, ethical standards, and management systems.

◆ Supplier Code of Conduct and CSR Commitment Indicators



Note: The text in orange indicates explanations for changes in the 2024 indicators.

Enhancement of Supplier Evaluation Management (GRI 414-2)

To ensure suppliers comply with FEDS' requirements, the Procurement Department conducts annual random inspections and visits to suppliers, and their sites. If violations are found, the department collaborates with the suppliers to develop solutions, initiate corrective actions, and handle the matter according to the contract. For the Baoqing Store reconstruction project, multiple departments jointly evaluated the environmental contractor's capability and track record before proceeding with procurement.

◆ Supplier Selection Criteria and Quantity

	Labor and Human Rights	Health and Safety	Environment	Ethics Standards	Management System
Total Number of Suppliers Screened	266	266	266	266	11
Number of Suppliers That (May) Have Negative Impact Identified	0	0	0	0	0
Number of Improved Suppliers	0	0	0	0	0
Number of Terminated Suppliers	0	0	0	0	0

Note: The evaluation scope in the above table includes new suppliers and suppliers without cooperation in 2023. Suppliers with no contact in the previous year are regarded as new supplier for re-evaluation.

In August 2019, to enhance supplier service quality, the Procurement Department, Construction Department, and General Affairs Department jointly planned the "Approval Control Coordination Process" and reported it at management meetings. For procurement cases with approval delayed or violation of labor safety and health regulations by suppliers. The Procurement Department, in accordance with the "Supplier Evaluation Form", convene inter-departmental coordination meetings to review deficiencies and devise improvement measures and disciplinary actions.

In 2020, FEDS integrated the supplier evaluation mechanism into the BPM procurement system. During procurement acceptance, the property management unit and relevant business units evaluate suppliers on quality, delivery, service, and workplace safety using a five-level scale: Excellent, Good, Average, Defective, and Unqualified. If rated Defective, suppliers must explain deficiencies and propose corrective actions. If rated Unqualified for two consecutive months, FEDS will consider terminating the contract and place the supplier on a suspension list. Since 2020, the system has improved efficiency and enabled remote work.

In 2024, there were 5,612 procurement cases, with 99% of suppliers receiving good or above ratings. For the security contractor at FEDS XinYi A13, face-to-face meetings were held to review performance. Areas for improvement were clarified and confirmed, and the supplier's subsequent performance will continue to be monitored.



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Establish a Price Comparison Database and Online Quotation Platform

Since its establishment in 2016, the Procurement Department has faced issues with inconsistent product names used by different requesters, resulting in varied descriptions for the same items. To reduce communication costs for procurement personnel and vendors, the department implemented "consolidated standardized purchasing items" and "uniform standardized quotation forms" for routine cases. By modularizing common items and quotation methods, future development will include a price comparison database and an online quotation platform. In 2024, to help branch standardize the RPIP system usage, the department produced a training video and uploaded it to the company's education and training platform.

After accumulating sufficient data through standardized bid forms, the Procurement Department plans to optimize the existing RPIP system within two years by adding price data filtering and analysis functions, establishing a price comparison database. The database will enable procurement information consolidation and forecasting, and quick coordination with suppliers to ensure that subsequent on-site requirements are met.

With technological advancements, companies can better utilize technology to manage supplier-related procurement tasks. FEDS aims to integrate consolidated purchasing items, standardize bidding documents, and establish a price comparison database, to create an online quotation platform. Procurement personnel can perform supplier management, data maintenance, while supervisors can also monitor the progress of procurement, significantly reducing communication time between the company and suppliers.

Establish a Online Quotation Platform
Improve Procurement Efficiency

4.3.2 Implementation of Contractor Safety (GRI 410-1)




FEDS classifies contracting operations into three categories: general contracting such as cleaning, security, landscaping, and parking management; engineering contracting such as routine maintenance, equipment repair, renovation projects, and new construction; and transportation contracting such as transporting chemicals.

FEDS has established "Contractor Management Regulations," providing comprehensive standards and operational guidelines for equipment maintenance, repairs, and renovations to ensure retail space safety. Following amendments to the "Occupational Safety and Health Facility Regulations" and the " Using Safety Management Guidelines of Mobile Elevating Work Platforms ," operators are required to hold a valid "Mobile Elevating Work Platforms Operator Certificate" and must complete equipment inspections before use.

For all contracted operations, contractors must complete and submit the online "Construction Entry Application Form" before entering the site. The construction application must include the following documents: project insurance policy, list of construction personnel, labor and health insurance records, training records, and health management records. Special operations require additional approvals from the designated unit.

The working personnel need to read the "Hazardous Factors Notification Form" and sign the form before they can exchange permits to enter the site. This form outlines 16 potential hazards during construction, explains hazardous elements, and corresponding safety protection measures. Through the written confirmation of procedures, we clearly inform all contractors and their personnel of the expected safe behavior.

◆ Automatic Inspection Plan Type and Frequency

Type	Item and Frequency			
 Machinery	Common Vehicle	Aerial Work Vehicle	Lift	Elevator Cage
	Every 3 Months	Yearly/Monthly	Yearly/Monthly	Monthly
 Equipment	High Voltage Electrical Equipment	Low Voltage Electrical Equipment	Small Boiler	Local Exhaust, etc.
	Annually	Annually	Annually	Annually
 First Aid Items	AED Inspection		Emergency Medicine Equipment	
	Monthly		Every Six Months	

Note: In addition to annual inspections of lifts and elevator cages, operations such as maintenance, etc. will also be conducted.

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To ensure workplace and personnel safety, FEDS has established the "Automatic Inspection Plan" for machinery and equipment use. Contractors are required to submit relevant operator licenses for hazardous machinery or special operations, along with valid certificates for hazardous equipment or environmental inspection records. All inspections must be completed before work begins to enhance contractor safety management.

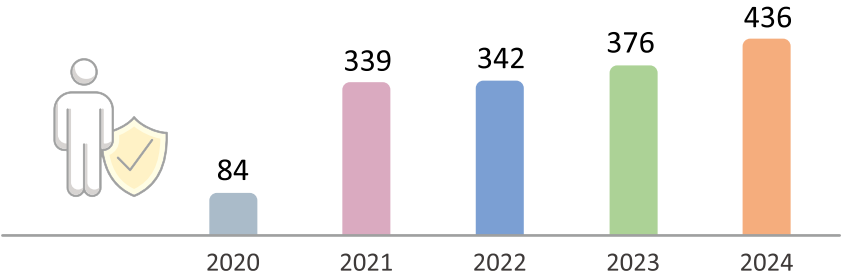
Promoting Engineering Insurance to Protect Contract Workers

To ensure supplier workers safety, FEDS requires work types with potential occupational safety risks—such as cleaning water towers and construction at high floors or elevated heights—must include detailed insurance requirements and licenses in project documents. Contractors are required to submit relevant documentation for verification before commencing work.

To further reduce construction accident risks, FEDS completed the "Construction Insurance Reference Standard" in December 2018, requiring contractors in mechanical and electrical, air conditioning, fire protection, and renovation categories to obtain engineering insurance according to bidding documents after purchase approval and procurement processing.

To enhance contractor safety protection, the Procurement Department optimized the construction application system, enabling branch employees to verify project insurance policies within the system. In 2024, 436 construction procurement cases were insured, covering FEDS, contractors, and subcontractors with construction all-risk insurance, third-party liability insurance, and employer's liability insurance.

◆ Number of Engineering Insurance Policies



Security Vendor Training: Joint Efforts to Enhance Mall Safety

FEDS's mall access and access pathways are managed via a 24-hour security monitoring system and access control system, and external security companies are entrusted to conduct patrols.

Security personnel at FEDS must undergo more than one week of pre-employment training and at least four hours of monthly on-the-job training to ensure shopping centers and consumer safety. In 2024, 228 people participated in training, accumulating 528 training hours. Additionally, to enhance security personnel's basic etiquette, environmental awareness, and familiarity with reporting procedures, the headquarters conducts periodic inspections of branches to improve customer service satisfaction.

To provide a high-quality shopping environment, FEDS branches conduct monthly on-the-job training for security personnel. Fire drills are held every six months with actual firefighting exercises. Administrative staff and headquarters conduct random quizzes to assess security personnel's understanding of procedures, ensuring prompt customer service.

◆ Security Personnel Education and Training

Pre-Employment Education and Training

- Security Theory
- Overview of Criminal Code
- Crisis management/Prevention/Investigation/-Theft prevention/Robbery prevention practices
- Grappling and the integrated application of boxing or self-defense techniques

- Principles of patrol inspection and duty
- First aid knowledge and conflict prevention
- Customer service and complaint handling
- Disaster prevention and protection
- Traffic control and traffic accident management

On-the-Job Educational Training

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5 A Healthy and Happy Workplace

FEDS places great importance on labor and human rights issues, offering compensation and benefits that exceed industry standards. The company has developed a comprehensive talent training blueprint and job rotation system to cultivate the needed talent. Through a sound performance evaluation system, FEDS ensures healthy organizational workforce renewal. Additionally, we have implemented the "Employee Health UP" program for six consecutive years to support employees' well-being. The company is committed to creating an equitable, respectful, and friendly workplace environment, advancing toward a sustainable and inclusive workplace.

5.1 Compensation and Benefits Superior to Peers

- 5.1.1 Competitive Compensation
- 5.1.2 Diverse Benefits
- 5.1.3 Robust Human Resource Structure

5.2 Integrated Talent Cultivation

- 5.2.1 Employee Training and Development
- 5.2.2 Performance Evaluation and Industry-Academia Collaboration

5.3 Considerate and Friendly Workplace

- 5.3.1 Protect Labor Rights
- 5.3.2 Promoting Employee Health
- 5.3.3 Enhancing Workplace Safety and Health



In Response to 4 Material Topics

- Occupational Safety and Health
- Talent Cultivation and Retention
- Labor Rights
- Legal Compliance

In Response to Stakeholders

- Employees
- Business Partners (Counter Vendors/Suppliers)
- Government



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Competitive Compensation
Average Monthly Salary of Employees 1.39 Times Higher than That of the Retail Industry



Rich Benefits
Provision of 27 Benefit Measures Across Five Major Categories
Employee Welfare Funds Increased by 82% in 8 Years

Practicing Diversity, Equity and Inclusion
Employment of More than the Statutory Quota of People with Disabilities
Proportion of Female Executives (Director Level and Above) of 48%



Constructing a Friendly Workplace
Promotion of Maternal Health Protection Program
Reemployment of Female Employees Returning from Maternity Leave of 94%



Emphasis on Talent Development
The Total Training Hours of Employees Are 28,263 Hours
Average of 22.9 Hours of Training Per Person

Long-Term Industry-Academia Collaboration
A Total of 276 Industry-Academia Collaboration Interns

Promoting Gender Equality Education and Training
More than 1,440 Participants over a Three-Year Period

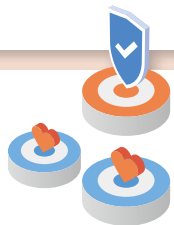


Promoting Employee Health
Promoted Employee Health UP Program for 6 Consecutive Years
Implementing 10 Major Health Initiatives



Zero Occupational Accidents Work Environment
33.94 Million Working Hours Without Accidents

Received Healthy Workplace and Safe Place Certifications
Operating Location Coverage Rate: 100%



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Target Plans	2024 Performance Results	Future Medium- to Long-Term Goals
 Establish Competitive Compensation	<ul style="list-style-type: none">Employee welfare funds increased by 82% in eight years	Continuously optimize the competitive compensation system to achieve the goals of attracting and retaining talent
 Talent Development	<ul style="list-style-type: none">Annual employee training program (in-person courses and digital learning) reached 47,938 participantsConducted internal ESG-themed training courses, with employee participation accounting for 82% of the total workforce	Regularly assess employee competencies, cultivate interdisciplinary talent, promote digital learning projects, and enhance learning convenience
 Protect Labor Rights	<ul style="list-style-type: none">Enhanced awareness of human rights among supervisory personnel by organizing human rights due diligence training courses, targeting management supervisors from headquarters and branches	Continuously review the company's management regulations and implementation status to ensure compliance with labor human rights standards
 Promote Employee Health	<ul style="list-style-type: none">Promoted Employee Health UP program and healthy workplacesSelected for the Corporate Health Responsibility Awards, recognized as a "Healthy 99" enterprise for dedicated commitment to employee health care	Establish a systematic employee health promotion program to provide a supportive environment for a healthy workplace
 Zero Workplace Accidents	<ul style="list-style-type: none">Zero occupational accidents100% of operating locations received Safe Place Certification	Aim for zero workplace accidents, strengthen advocacy and implement occupational safety training to provide employees with a safe and healthy work environment

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5.1 Compensation and Benefits Superior to Peers

FEDS offers generous and diverse compensation and benefits, attracting outstanding retail talent. With steady company performance, employee welfare funds have been increased for eight consecutive years, totaling an 82% cumulative increase. In 2024, the average monthly salary was 1.39 times higher than the retail industry average, breaking the stereotype of low wages in the service sector. FEDS is committed to creating a warm workplace environment to enhance employee cohesion.

5.1.1 Competitive Compensation (GRI 2-20)

Human Resources Department Regularly Surveys Salaries in the Market

To ensure compensation and benefits remain competitive in the market, the Human Resources Department regularly surveys market salary levels and designs competitive packages. FEDS' compensation system includes economic components (fixed salary, variable bonuses, and employee benefits) and non-economic components (talent development programs, job rotation, and work environment). Through this system, FEDS attracts external talent and retains key personnel within the organization, building core competitiveness.

Comprehensive Salary Package



Going Beyond Equality to Provide Competitive Remuneration (GRI 202-1)

FEDS places great importance on labor rights. Salary standards are determined based on education, work experience, job performance, position, and professional skills, without regard to gender, age, or race, upholding fair employment principles. In response to the rapidly changing industry environment, FEDS actively rewards outstanding employees and uses a performance appraisal system to retain top talent. In 2024, FEDS' starting salary for all employees was 1.14 times higher than the minimum wage mandated by the Ministry of Labor, and the average monthly salary exceeded the retail industry average by 1.39 times, breaking the stereotype of low wages in the service sector.

Comprehensive Salary Policy to Boost Employee Morale (GRI 405-2)

To strengthen corporate governance, FEDS has established a Remuneration Committee and references the salary standards of industry to provide fair and comprehensive compensation policy. FEDS has implemented an incentive bonus system, including monthly performance bonuses, anniversary event achievement bonuses, and year-end bonuses.

FEDS provides fair and comprehensive salary and benefits. The Company's Articles of Incorporation stipulates that if the company generates profits, 2% to 3.5% shall be allocated as employee remuneration, primarily in cash, while the actual distribution is decided by the Board of Directors, and implemented after being reported to the shareholders' meeting. Details are available in the 2024 annual report or the "Investor section" on our official website (https://www.feds.com.tw/shareholder/shareholder_en.html).

Senior executive compensation includes salary, retirement benefits, bonuses, and special allowances, plus employee remuneration. Following the Compensation Committee regulations, the compensation package is determined based on job responsibilities and industry standards, considering individual performance, company results, and the relevance of future risks. The policy establishes an incentive-driven and performance-reflective compensation structure. The salary and compensation policies, systems, standards, and structures are regularly evaluated, then submitted to the Board of Directors.

Comparison of Average Salary at Various Job Levels



Note: 1. Average salary = Minimum wage + Remuneration
2. "Managerial positions" refers to section heads and positions above supervisor.

Statistics on the Number and Salary of Non-Manual Full-Time Employees

	2022	2023	2024
Number of Non-Manual Full-Time Employees	1,300	1,248	1,181
Average Salary of Non-Manual Full-Time Employees (NT\$ Thousand/Person)	743	798	788
Median Salary of Non-Manual Full-Time Employees (NT\$ Thousand/Person)	700	741	732

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5.1.2 Diverse Benefits (GRI 201-3, 401-2)

FEDS offers a range of employee benefits that exceed legal requirements, comprising 5 major categories and 27 diverse welfare measures. An Employee Welfare Committee is established to regularly discuss employee benefit plans. In 2024, FEDS introduced new travel-related employee discounts, allowing staff to relax at more favorable rates. FEDS has allocated employee welfare funds annually, with continuous growth for eight consecutive years, totaling an 82% increase. FEDS collaborates with counter vendors to provide shopping discounts, offering 313 shopping discounts in 2024, representing an 8% increase in quantity. The committee will continue expanding welfare options based on employee needs.

Comprehensive Insurance System Ensuring Employee Welfare

To comprehensively safeguard employee welfare, FEDS provides labor insurance, national health insurance, and fully subsidized group insurance, including accident insurance, hospitalization medical insurance, and cancer medical insurance. In 2024, the number of national health insurance policyholders at FEDS included 1,239 employees and 894 dependents, with the company paying NT\$32.29 million. The group insurance covered 1,242 employees, with the company investing NT\$2.29 million for the year.

Employee Benefits

Job Benefits

- Labor insurance
- National Health Insurance
- Group insurance
- Regular health check-ups
- Compensation for work-related injury
- Compensation for severe injury or illness
- Hospitalization consolation money

Family Care

- Lunar New Year bonus
- Dragon Boat Festival bonus
- Mid-Autumn Festival bonus
- End-of-Year Party bonus
- Birthday bonus
- Anniversary incentive
- Employee uniform

Retirement Benefits

- Contributions to labor pension
- Retirement gifts and souvenirs

Family Care

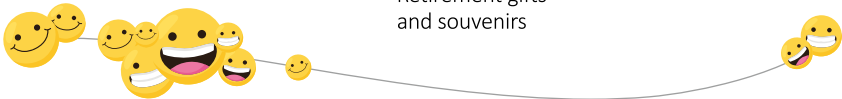
- Wedding gift money
- Funeral allowance
- Employee childcare assistance
- Child schooling subsidy
- Maternity allowance

Shopping Discounts

- Employee shopping discounts
- Counter discount vouchers
- Affiliated enterprise product discount

Recreation and Individual Development

- Club activities
- Continuing education subsidies
- Company trips



Childcare Services Allow Employees to Work Without Worry (GRI 2-4, 401-3)

Considering frontline employees generally work in shifts, FEDS is committed to providing childcare support. In 2024, FEDS partnered with four trusted chain educational institutions, offering nearby childcare and registration fee discounts. The Employee Welfare Committee annually provides subsidies for employees' children's school enrollment; in 2024, 90 employees qualified, receiving a total subsidy of NT\$138,000. FEDS encourages female employees to return to work after childbirth. Over three years, 96 employees have applied for parental leave. In 2024, the application rate for maternity and childcare leave among female employees was 30%, with a return-to-work rate of 94%, representing a 45% increase from the previous year.

Statistics on Parental Leave over the Past Three Years

Item	2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible to Apply for Parental Leave	57	92	149	46	90	136	45	76	121
Actual Number of Applicants	4	39	43	2	34	36	6	23	29
Application Rate	7%	42%	29%	4%	38%	26%	13%	30%	24%
Number of Employees to Be Reinstated in the Current Year	3	22	25	1	26	27	4	18	22
Actual Number of Employees Who Applied for Reinstatement	3	16	19	1	17	18	2	17	19
Reinstatement Rate	100%	73%	76%	100%	65%	67%	50%	94%	86%
Number of Employees Reinstated in the Previous Year	1	9	10	3	16	19	1	17	18
Number of Employees Who Have Been Reinstated for One Year over the Past Year	1	8	9	3	15	18	1	15	16
Retention Rate	100%	89%	90%	100%	94%	95%	100%	88%	89%

Note: 1. Reinstatement rate = Actual number of employees who applied for reinstatement in the current year ÷ Number of employees to be reinstated in the current year.

2. Retention rate = Number of employees who have been reinstated for one year over the past year ÷ Number of employees reinstated in the previous year.

3. The data collection period of "number of employees eligible to apply for parental leave" is from 2022 to 2024, and the calculation is based on the number of maternity leave and paternity leave.

4. The "number of employees eligible to apply for parental leave" and the "actual number of applicants" refer to those who continued to work at FEDS as of the end of 2024.

5. The data for "number of employees reinstated in the previous year," "number of employees who have been reinstated for one year over the past year," and "retention rate" were incorrectly recorded in the previous report. The corrected data is presented in the table above.

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Clear Retirement Planning for a Stable Retirement Life

FEDS has established the Employee Retirement Regulations. For employees covered under the old defined benefit pension scheme, the company allocates 2% of their monthly salary to the retirement reserve fund. Retirement benefits are calculated based on years of service and the average salary of the six months prior to retirement. For employees under the new defined contribution scheme, the company contributes 6% of the insured monthly salary to the individual labor pension account. The company also commissions an actuarial valuation of the old retirement reserve fund annually. For details, please refer to the "Post-Retirement Benefit Plan" section in the 2024 Annual Report (https://www.feds.com.tw/shareholder/shareholder_en.html).

Thoughtful Care: Maternal Health Protection Program

To ensure female employees can have peace of mind during maternity leave and postpartum childcare, FEDS has developed a Maternal Health Protection Program focused on "Caring for Motherhood" and "Caring for the Child." This program supports female employees from pregnancy through return to work, providing guidance on childcare knowledge and precautions.

◆ Caring for Motherhood and Caring for the Child



Caring for Health During Pregnancy

- Questionnaires were distributed to 26 pregnant employees to assess whether the workplace imposes burdens.
- 240 health consultation seminars were held and 19 prenatal health messages distributed to address parenting-related information.



Caring for Postpartum Situations

- Signed contracts with postpartum care centers so that postpartum employees can rest with peace of mind.
- Provided "maternity allowance," which 158 people have applied for over the past five years, amounting to NT\$316,000 in total.



Offering Parenting Support

- Provide attentive and proper care by preparing essential baby supplies and distributing the "Mama Care Package" to new mothers.
- FEDS has signed special contracts with 4 excellent educational and childcare institutions to help colleagues with nearby childcare.
- FEDS provides a "Child Enrollment Subsidy." In the past five years, a total of 485 applications were received, with subsidies amounting to NT\$731,000.



Practicing Diversity, Equity and Inclusion (DEI)



Diverse Workforce

- Respecting Differences** FEDS embraces and respects employees of all ethnicities and ages, allowing Indigenous employees to apply for traditional festival leave. In 2024, the application rate was 89%.
- Protecting Rights** In 2024, 17 employees with disabilities were hired, including 3 individuals with severe disabilities.
- Diverse Facilities** Established nursing rooms and priority parking spaces to create a comfortable work environment for employees of all genders.



Equal Treatment and Development

- Equal Pay for Equal Work** A male-to-female basic salary ratio of 1 to 1.
- Fair Assessment** Regular performance appraisal for all employees, with an employee appraisal rate of 100%.
- Unified Standards** Personnel regulations clearly stipulate that employee education and training, promotion, and evaluation measures are applied without gender discrimination.



Inclusive Workplace Environment

- Provision of Resources** A maternal health protection plan has been established, offering family-friendly measures such as parental leave and childcare subsidies.
- Empowering Women** The proportion of female directors is 67%, and the proportion of female executives at the director level and above is 48%.
- Eliminating Discrimination** Breaking stereotypes, female floor management staff can choose between pants or skirts.

5.1.3 Robust Human Resource Structure (GRI 2-7, 202-2, 401-1, 405-1)

As of the end of 2024, FEDS employed 1,241 staff members, a decrease of 41 employees from the previous year. The workforce was 100% Taiwanese nationals, comprising 1,238 full-time employees and 3 short-term contract employees who receive the same benefits as full-time staff. By age group, the workforce is primarily aged 30 to 49, accounting for 56% of the total, indicating stable human resource structure. FEDS has established competitive compensation, benefits, and talent development programs to retain outstanding personnel. In 2024, 208 employees left, resulting in a turnover rate of 17%, a 31% decrease from the previous year.

Age		Gender	Workforce Structure						New Employees						Resigned Employees					
			2022		2023		2024		2022		2023		2024		2022		2023		2024	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
29 Years Old and Below	Male		109	8%	95	7%	84	7%	70	20%	61	20%	48	18%	60	17%	52	17%	50	18%
	Female		241	18%	203	16%	190	15%	142	41%	85	29%	80	29%	133	38%	91	31%	80	29%
	Total		350	26%	298	23%	274	22%	212	61%	146	49%	128	47%	193	55%	143	48%	130	47%
30 to 49 Years Old	Male		266	19%	255	20%	247	20%	25	3%	13	2%	14	2%	40	5%	41	6%	26	4%
	Female		495	36%	474	37%	453	36%	28	4%	28	4%	18	3%	39	5%	74	10%	39	6%
	Total		761	55%	729	57%	700	56%	53	7%	41	6%	32	5%	79	10%	113	16%	65	10%
50 Years Old and Above	Male		124	9%	120	9%	118	10%	0	0%	3	1%	0	0%	8	3%	20	8%	8	3%
	Female		139	10%	135	11%	149	12%	0	0%	0	0%	0	0%	5	2%	24	9%	5	2%
	Total		263	19%	255	20%	267	22%	0	0%	3	1%	0	0%	13	5%	44	17%	13	5%
Overall	Male		499	36%	470	37%	449	36%	95	7%	77	6%	62	5%	108	8%	113	9%	84	7%
	Female		875	64%	812	63%	792	64%	170	12%	113	9%	98	8%	177	13%	189	15%	124	10%
	Total		1,374	100%	1,282	100%	1,241	100%	265	19%	190	15%	160	13%	285	21%	302	24%	208	17%

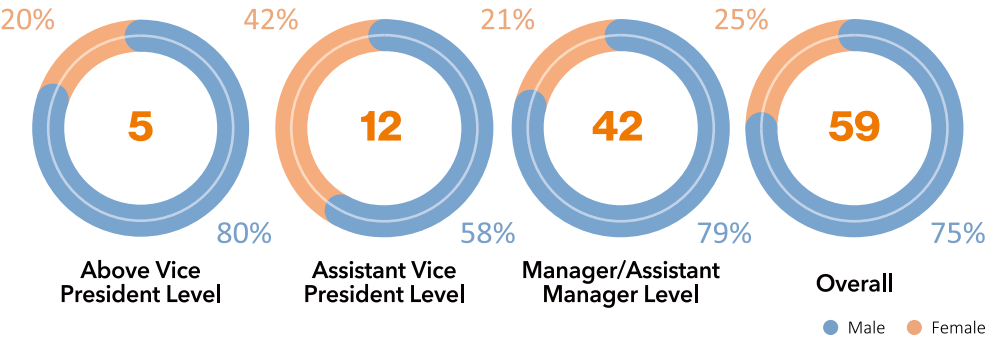
Note: 1. Percentage of employees in each age group = Number of employees in each age group ÷ Total number of employees.
2. Percentage of new and resigned employees = Number of new and resigned employees ÷ Total number of employees in the age group.

◆ Employment Contracts among Employees at FEDS

Category	2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-Time Employees	498	873	1,371	470	810	1,280	448	790	1,238
Informal Employees	1	2	3	0	2	2	1	2	3
Total Number of Employees	499	875	1,374	470	812	1,282	449	792	1,241
Number of Permanent Employees	498	873	1,371	470	810	1,280	448	790	1,238
Number of Temporary Employees	1	2	3	0	2	2	1	2	3
Number of Employees without Guaranteed Hours	0	0	0	0	0	0	0	0	0

Note: 1. Full-time employees are defined as employees who are on indefinite contracts and those hired on a yearly basis. Informal employees include temporary, seasonal short-term contract employees, and monthly salaried employees.
2. Long-term part-timers (PTs) are permanent employees, whereas short-term PTs are temporary employees.

◆ Number and Gender of Supervisors at or above Manager/Assistant Manager Level



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5.2 Integrated Talent Cultivation

FEDS has established a comprehensive talent development system that provides professional training for employees based on their job levels and functions. Additionally, specialized training programs are designed for counter staff to enhance professional skills and improve departmental performance. Since 2014, the company has expanded to include industry-academia collaboration programs to build a talent pipeline for long-term business development.

5.2.1 Employee Training and Development (GRI 404-1, 404-2)

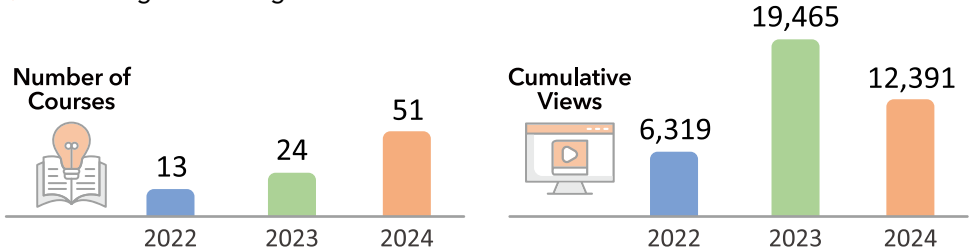
FEDS places great importance on talent development and has established a comprehensive employee training system. It systematically plans various training programs to enhance employees' professional knowledge, skills, and capabilities. This enables employees to better meet their job responsibilities and challenges, fostering steady growth alongside the company.

Digital Learning, Diverse Channels

FEDS operates retail locations throughout Taiwan. To enable employees across all regions to participate in training without time and space constraints, FEDS has implemented a phased digital learning project, and launched its Online Learning Platform on the employee portal EIP in 2019, achieving the goals of the digital learning 1.0 phase. In 2024, FEDS offered 51 courses covering departmental procedures, workplace health, information security, communication skills, and overseas visit sharing, with a total of 12,391 views.

To expand digital learning, the Human Resources Department has initiated the Digital Learning 2.0 phase, planning two major projects: "Digital Learning Platform Development" and "Integration of Training Resources." In 2024, the project has already solicited vendor quotations to create a more comprehensive and convenient learning channel.

FEDS's Digital Learning Promotion Status



Professional Training and Comprehensive Career Planning

FEDS has developed specialized training programs tailored to employees, focusing on new hires, professionals, and various management levels with three categories: basic company training, core business training, and personal development training. In 2024, all 160 new employees completed their training. Management-level training totaled 421 hours through monthly regular management meetings. The total annual employee training hours reached 28,363, with 35,547 training attendances, averaging 22.9 hours per person. Nearly NT\$790,000 was invested in education and training.

Employee Training Hours

Unit: Hours

Category	2022			2023			2024		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Managerial Positions	14.7	15.0	14.8	26.4	28.0	27.1	25.7	27.7	26.6
General Employees	17.5	17.4	17.5	23.6	25.8	24.9	24.9	26.3	25.8
Sales Personnel	10.2	9.3	9.4	29.6	14.7	15.2	18.8	9.8	10.1

Note: Sales personnel includes long-term and short-term part-timers.

Employee Training Blueprint



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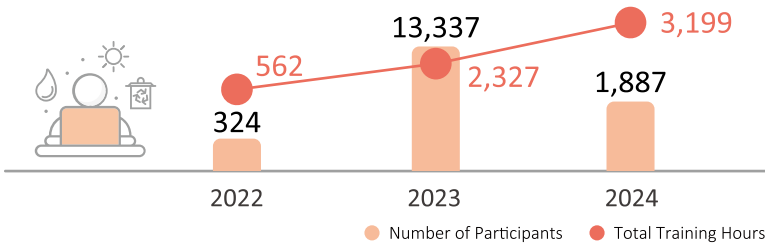
Comprehensive Practical Instruction for Floor Management Staff

Floor management staff play a vital role in department stores, managing counters and providing customer consultation services to resolve issues encountered within the mall. FEDS offers comprehensive training programs with one-on-one practical instruction, followed by training in cashiering, visual merchandising, and customer complaint handling to enhance the professional capabilities of floor management staff. In 2024, FEDS had a total of 178 floor management staff and reserve cadres, with 303 training sessions completed and a total of 391 training hours, representing a 6% increase.

Average Training Hours for Floor Management Staff

Item	2022	2023	2024
Total Training Hours	591	370	391
Number of Floor Management Staff	199	179	178
Average Training Hours	3.0	2.1	2.2

Employee Participation in ESG Courses



Mastering the Latest in Sustainability Knowledge

In response to climate change and sustainability trends, FEDS actively cultivates sustainability talent. In 2024, 94 sustainability-themed courses were offered, covering climate and sustainability governance, information security, and DEI social inclusion. Throughout the year, there were 1,887 participant enrollments, with a total training duration of 3,199 hours. The participation rate exceeded 82% of all employees.

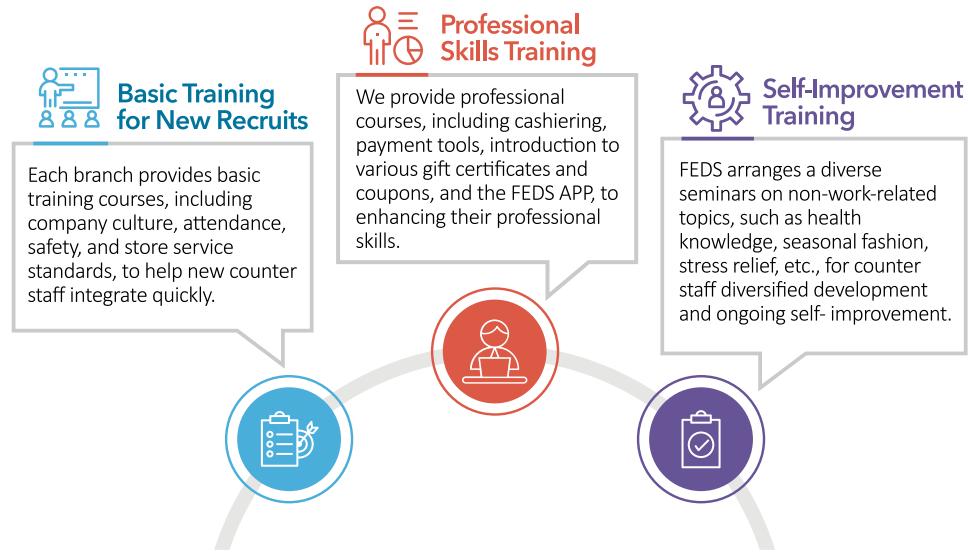
Enhancing Professional Competencies for Counter Staff

FEDS has developed a standardized professional training system for counter staff with three categories: basic training for new recruits, professional skills training, and self-improvement training. In 2024, there were a total of 16,366 counter staff members, with 10,996 total training sessions completed and 11,884 total training hours. The primary training topics included personnel attendance, labor safety, cash register operation, electronic carriers, and an introduction to the FEDS APP functions.

Average Training Hours among Counter Staff

Item	2022	2023	2024
Total Training Hours	15,872	15,740	11,884
Number of Counter Staff	15,819	14,574	16,366
Average Training Hours	1.0	1.1	0.7

Three Types of Core Training for Counter Staff



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5.2.2 Performance Evaluation and Industry-Academia Collaboration

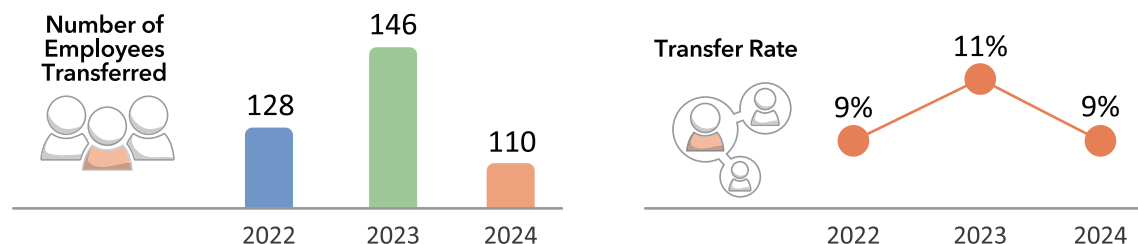
(GRI 2-19, 404-3)

Regular Evaluation and Promotion of Employees

To enhance employee capabilities and promote company growth, FEDS has established an employee performance evaluation system with clear assessment objectives and comprehensive incentive measures, covering new recruits to annual reviews. Employees are continuously assessed by supervisors at all levels based on knowledge, integrity, work ability, and performance. All employees undergo regular performance evaluations with 100% participation. FEDS also arranges professional training and job rotations to broaden employee experience and facilitate promotion or transfer to suitable positions.

FEDS supports talent development and ensures legal rights to rotation opportunities. Any employee rotation follows the five principles of transfer as stipulated by the competent authorities. These regulations are explained during new recruit training, stated in the work rules, and publicly disclosed on the company's internal website, ensuring clear and transparent transfer policies. In 2024, 110 employees were rotated, representing a rotation rate of 9%.

Frequency of Employee Transfers



Frequency of Performance Appraisal



To encourage senior executives to prioritize sustainable management and ensure sustainable development commitments, FEDS established a policy in 2024 linking senior executives' compensation with ESG-related performance evaluations. The ESG performance indicators include climate risk management and the promotion of net zero, talent development and occupational health and safety initiatives, and legal compliance. For more information on this policy, please refer to the company website (https://www.feds.com.tw/shareholder/shareholder_en.html).



Rewarding Outstanding Employees and Encouraging Them to Broaden Their Horizons

FEDS established the "Incentive Program for Frontline Employees Winning External Awards" in 2021, motivating employees to participate in external competitions. Employees who win external awards are recognized by FEDS based on their achievements. In 2024, 92 employees were commended, representing more than a three-fold increase compared to the previous year. Since implementation, a total of 151 employees have received this recognition. By acknowledging employees' efforts, FEDS enhances their sense of belonging to the company.



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5.3 Considerate and Friendly Workplace






FEDS is committed to creating a friendly and safe workplace and achieving work-life balance. In 2024, FEDS continued to implement the "Employee Health UP" program with ten key initiatives, enforcing occupational safety and health management. The company obtained Safe Place Certification, Accredited Healthy Workplace, and iSports Enterprise Certification, enhancing employee safety and well-being.

◆ Explanation of Human Rights Policy Implementation

Policy	Content of Commitment	Applicable Parties	Relevant Regulations
 Prohibition of Child Labor	No child labor has been employed at FEDS as stipulated in the Labor Standards Act.	Job Applicants	Supplier Code of Conduct and CSR Commitment
 Prohibition of Forced Labor	Prohibit any form of forcing employees to engage in labor services in compliance with labor regulations.	Employees, Suppliers	Attendance Regulations, Work Rules, Supplier Code of Conduct and CSR Commitment
 Working and Rest Time	Ensure that employees' working hours are in compliance with labor regulations.	Employees, Suppliers	Attendance Regulations, Work Rules, Abnormal Workload-Induced Illness Prevention Plan, Supplier Code of Conduct and CSR Commitment
 Freedom of Assembly and Association	Support employee rights to assemble, associate, and participate in organizational activities.	Employees, Suppliers	Administrative Measures for Employee Clubs, Supplier Code of Conduct and CSR Commitment
 Implementation of Equal Employment	Employee recruitment, hiring, and compensation are not influenced by factors such as race, gender, or age.	Employees, Suppliers	Work Rules, Supplier Code of Conduct and CSR Commitment

5.3.1 Protect Labor Rights (GRI 2-23, 2-24, 407-1)

FEDS follows international standards such as the United Nations Universal Declaration of Human Rights (UDHR) and the United Nations Global Compact (UNGC). All departments are required to implement human rights policies, and complies with labor laws and regulations including the Labor Standards Act, the Gender Equality in Employment Act, and the Occupational Safety and Health Act. Internal management policies are also enforced. These policies apply to all employees, suppliers and counter vendors. FEDS will conduct human rights due diligence focused on employee rights, health, and safety.

Policy	Content of Commitment	Applicable Parties	Relevant Regulations
 Anti-Harassment	Oppose all forms of harassment and provide multiple channels for complaints and reporting.	Employees, Suppliers, Counter Vendors	Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment; Supplier Code of Conduct and CSR Commitment
 Maternity Protection	Provide appropriate and reasonable facilities and leave for employees who are pregnant, in labor, or breastfeeding.	Employees, Suppliers	Maternal Health Protection Program, Supplier Code of Conduct and CSR Commitment
 Physical and Mental Health, Work-Life Balance	Enable employees to achieve a balance between work, family, and life.	Employees	Health Management Badge
 Smooth Labor-Management Communication Channels	Employees may submit suggestions to the company through meetings and the employee feedback mailbox.	Employees	Work Rules
 Privacy	Ensure the privacy and security of personal data file management to prevent incidents of data leakage.	Employees, Suppliers, Counter Vendors	Information Security Policy, Emergency Response Procedures for Personal Data Protection, Supplier Code of Conduct and CSR Commitment

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Eliminating Discrimination So That Employees Can Work with Peace of Mind (GRI 406-1)

FEDS rejects work environments that infringe upon or interferes with personal freedom and dignity. FEDS has established the "Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment." These regulations are posted on the internal website and in common areas to promote awareness. In the event of a sexual harassment complaint, the Human Resources Department at headquarters and the Business Management Office at branch will handle the case, with a Sexual Harassment Complaint Review Committee conducting follow-up investigations.

FEDS utilizes various communication methods such as meetings, emails, and internal documents to strengthen employee awareness of sexual harassment prevention measures and complaint channels. Special training on this topic is also provided during new recruits orientation. The Labor Safety Department organizes courses including "Prevention of Workplace Illegal Harassment" and "Sexual Harassment Prevention." In 2024, 483 participants attended with a cumulative training duration of 384.3 hours.

Gender Equality Themed Courses over the Past Three Years

Cumulative **1,440** Participants



Regular Labor-Management Meetings to Foster Consensus Between Labor and Management (GRI 402-1)

FEDS holds quarterly labor-management meetings. In 2024, four such meetings were convened to report on and discuss attendance regulations, scheduling considerations, salary adjustments, childcare services, scholarships, and affiliated store services. These meetings maintain open communication with employees and ensure mutual agreement on labor conditions and welfare management measures.

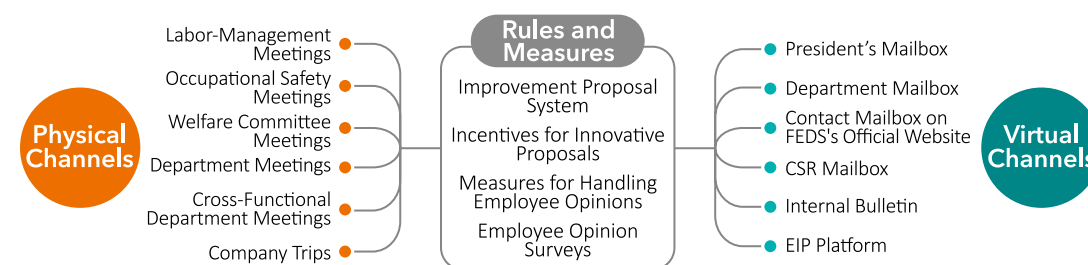
FEDS ensures that all employee labor conditions comply with legal requirements and provide statutory benefits. Some employee welfare policies exceed legal standards, such as the company's full contribution to the welfare fund. In the event of significant operational changes, FEDS follows the Labor Standards Act, providing at least 10 days' advance notice; no such events occurred in 2024. The Employee Welfare Committee has established the "Administrative Measures for Employee Clubs" to encourage employees to form diverse clubs, thereby safeguarding their freedom of association and negotiation.

Diverse Communication Channels to Listen to Employee Voices (GRI 2-26)

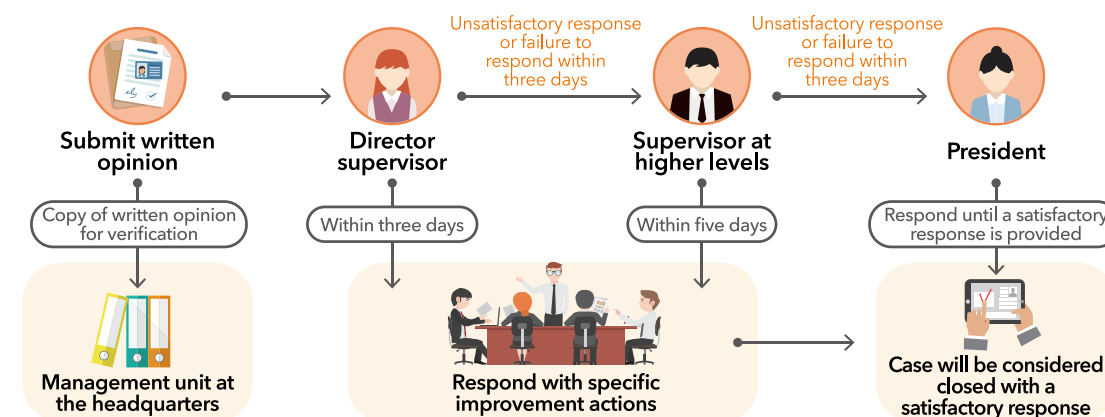
FEDS has established an internal grievance mechanism that allows feedback through multiple channels, including mailboxes, the internal website, and meetings. The company distributed 104 survey questionnaires to employees in 2024. Since the launch of the employee portal EIP system in 2019, FEDS has added announcements such as "Message from the President," "Event Bulletin," and "Surveys" to build a more comprehensive communication platform.

FEDS has established the "Employee Feedback Handling Procedures," explained during new recruit training. The President is the highest authority responsible for employee complaints. Feedback through internal grievance mechanisms or external channels is actively handled and appropriately responded to. In 2024, there were no strikes or work stoppages. FEDS will continue to comply with labor regulations, strive to create a harmonious work environment for both labor and management.

Channels for Communicating Employee Opinions



Procedure for Handling Employee Opinions



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Allocating Suitable Working Hours Without Forced Labor (GRI 409-1)

Due to the nature of the industry, FEDS operates year-round except under special circumstances, but this does not come at the expense of employees' labor rights. In accordance with labor laws, FEDS implements flexible working hours. In 2024, one incident of extended working hours exceeding legal regulations occurred; improvement measures have been established. For detailed information, please refer to the 2024 annual report. When business volume is high during events, FEDS provides employees with overtime pay or paid compensatory leave and appropriately adjusts monthly work hours to ensure employees receive adequate rest.

FEDS prioritizes employee safety by adhering to the government's "Operation Regulations on the Suspension of Offices and Classes because of Natural Disasters." In the event of typhoons or other natural disasters, FEDS considers the suspension announcements issued by government and decisions of other department stores. Business operations will be determined based on weather conditions; if open, work will be treated as holiday overtime. FEDS established the "Abnormal Workload-Induced Illness Prevention Plan," which identifies employees' physical and mental conditions. For those at risk, on-site medical services are arranged, and work hours are adjusted as needed to prevent health issues.

Jointly Safeguarding the Rights and Interests of Business Partners (GRI 2-8)

Although department store counter staff, cleaning personnel, and security personnel are directly employed by individual brand counters and outsourcing companies, they work at FEDS' various operating locations as long-term business partners. FEDS requires counter vendors and outsourcing companies to legally protect the labor rights of their employees through contractual agreements and maintains communication channels. In the event of any labor rights violations, the branches will report to the counter vendors and outsourcing companies, urging them to safeguard their employees' rights. As of the end of 2024, FEDS had a total of 17,118 counter, cleaning, and security personnel, an 11% increase from the previous year.

Item	2022	2023	2024
Number of Counter Staff	15,819	14,574	16,366
Number of Cleaning Staff Members	276	675	524
Security Guards	713	228	228
Total	16,808	15,477	17,118

Note: Headcount statistics are compiled based on figures as of the end of December 2024.

5.3.2 Promoting Employee Health (GRI 401-2, 403-6)

FEDS is committed to creating a health-promoting workplace and established the Health Management Regulations. Since 2019, FEDS has implemented the "Employee Health UP" program for six years, hosting a total of 688 health seminars and providing online health and exercise courses, which have been viewed 2,541 times. In 2024, FEDS invested NT\$383,400 in employee health activities. According to a survey, 76% of employees expressed high satisfaction with the annual health promotion activities. We will continue to incorporate employee feedback to ensure that every employee can Work Happy & Work Healthy!

Club Activities Promote a Healthy Atmosphere

FEDS encourages employees to form clubs and provides subsidies to support these groups, aiming to enhance interaction, alleviate stress, cultivate interests, and strengthen team cohesion. Additionally, to promote a culture of fitness, FEDS established sports clubs including yoga, aerobics, badminton, and walking clubs. In 2024, these clubs had a total of 77 members and held 129 events, with 1,779 total participants.

◆ Sports Club Activities in the Past Three Years

Item	2022	2023	2024
Number of Club Members	85	107	77
Total Sessions	41	91	129
Total Number of Participants	353	869	1,779



Awarded iSports Enterprise Certification for Creating a Healthy Workplace

FEDS, in response to the Ministry of Education's Sports Administration's iSports Enterprise Certification Program, actively promotes regular exercise habits among employees. In 2022, the headquarters took the lead in applying for the iSports Enterprise Certification. The following year, Tainan Store joined as a model branch. After efforts, the program expanded in 2024. In addition to the headquarters, eight branch stores—FEDS XinYi A13, Hsinchu Store, FEDS Zhubei, Top City Taichung Store, Chiayi Store, Tainan Store, Kaohsiung Store, and Hualien Store—have all obtained iSports Enterprise Certification.

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◆ "Employee Health UP" Ten-Point Action Plan

Action 1 Health Care Stations

The Labor Safety Department provides first aid kits, body fat scales, massage chairs, massage guns, health magazines, wireless jump ropes, and 20 other types of health care items for employees to use freely.

Action 2 Influenza Vaccination Services

FEDS annually collaborates with local health authorities to provide on-site influenza vaccination services, offering flu vaccines to employees, and also extended to counter staff and customers. In 2024, a total of 754 individuals were served.

Action 3 Popular Health Information

Through internal announcements, 150 health messages on chronic disease prevention and lifestyle care were distributed, totaling 296 messages over the past three years, enriching employees' health knowledge.

Action 4 Power Walking for Carbon Reduction

FEDS organized a "Walking for Weight Loss and Carbon Reduction" event. In 2024, 446 employees participated, collectively walking a total of 313.88 million steps during the event period, resulting in an estimated carbon reduction of approximately 45,000 kilograms.

Action 5 Health Points Collection Campaign

FEDS implemented the "Health 99 Points Card" program, where employees receive one raffle ticket for every nine health promotion events they participate in. In 2024, all employees accumulated a total of 29,018 health points, a 16% increase, and 2,706 raffle tickets were issued. A total of 150 employees won prizes.

Action 6 Gentle Health Reminders

Through digital signage in the break room, 48 messages on healthy eating, earthquake evacuation, and traffic safety were promoted. Over three years, a total of 138 messages have been disseminated.

Action 7 Employee Health Management

We provide employee health check-ups more frequently than required by law, and collaborate with Far Eastern Memorial Hospital, where nurses actively track and care for employees' health based on their test results.

Action 8 Employee Health Seminars

Inviting professional speakers to share on various health topics such as disease prevention and mental health care, a total of 180 sessions were held in 2024, with 4,991 participants.

Action 9 Employee Health Survey

Following the "Labor Health Protection Plan," we distributed a total of 224 questionnaires, with a recovery rate of 76%, and 60 high-risk employees were tracked and health consultation services were provided.

Action 10 On-site Physician Consultations

FEDS implements tiered health management and collaborates with designated hospitals for on-site consultation services. In 2024, 43 sessions were held with 196 participants, assisting employees in timely identification of health conditions.

5.3.3 Enhancing Workplace Safety and Health
(GRI 403-1, 403-3, 403-8)

FEDS is committed to implementing occupational safety and health management, established an Occupational Safety and Health Committee and formulated an Occupational Safety and Health Policy. FEDS develops improvement plans based on incidents of occupational injuries. Through comprehensive management measures, FEDS protects employee rights and provides a secure workplace for all workers.

Occupational Safety and Health Management: Creating a Safe Workplace (GRI 403-2, 403-4, 403-5)

FEDS, in accordance with the Occupational Safety and Health Act, has established an Occupational Safety and Health Committee and formulated the Committee's Charter. The company also adopts the PDCA (Plan-Do-Check-Act) management model to develop safety management procedures, strengthening training, enhancing employees' awareness, reducing the likelihood of occupational accidents.

The Occupational Safety and Health Committee, as the highest management body for occupational safety and health affairs, is chaired by the President. The committee members include department heads, medical personnel, and labor representatives, serving a two-year term, with the next election scheduled for February 2025. The current committee composition at both the headquarters and branches exceeds the legal requirement of one-third labor representation, with labor representatives accounting for between 36% and 63%. The committee holds quarterly meetings; in 2024, the main topics discussed included the review, coordination, and recommendations on 347 occupational safety and health matters.



Established Occupational Safety and Health Committee Holds Quarterly Meetings

Discussed 347 Matters in 2024

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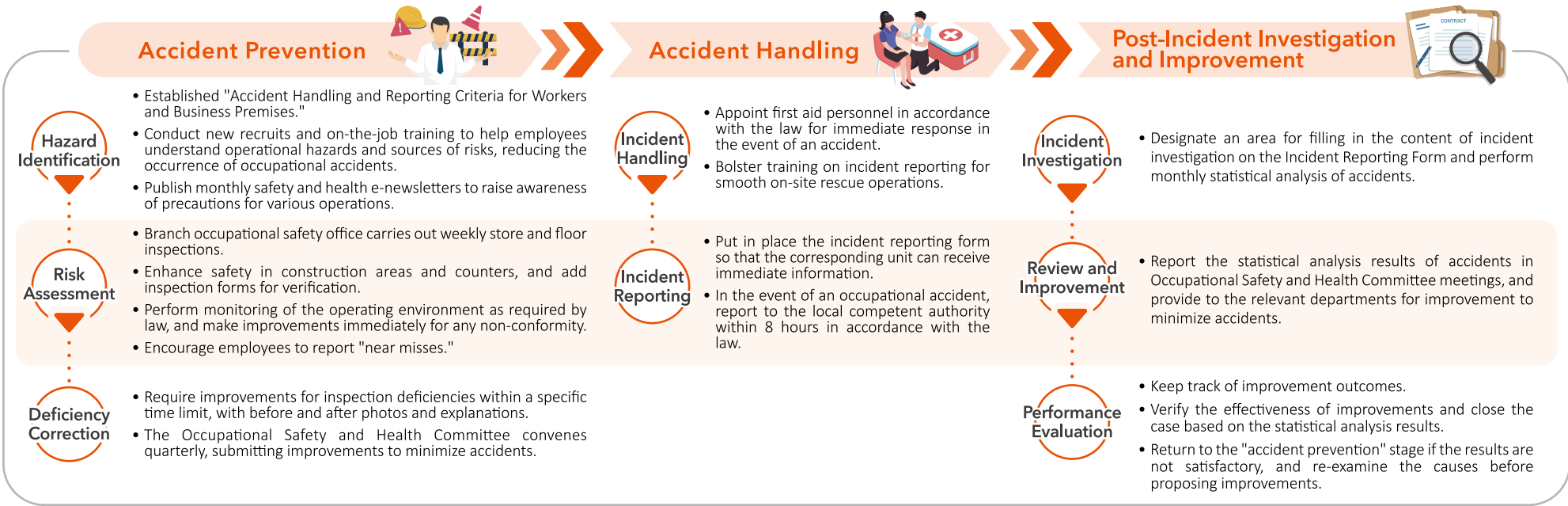
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FEDS Occupational Safety and Health Policy

I. Compliance with National Laws	Comply with domestic occupational safety and health regulations during implementation.
II. Good Safety Management	Implement staff training to reduce accident risks.
III. Health Protection for Employees	Strengthen employee health management and create a healthy workplace.
IV. Participation of All Employees	Provide a communication platform for all employee involvement in safety and health.
V. Supervisors to Lead by Example	Support the implementation of safety and health to prevent occupational accidents.
VI. Achieve Company Performance	Implement the PDCA management model to realize zero workplace accident.

Workplace Safety Risk Management Procedures



Occupational Health and Safety Training

New Recruit Training

Content includes occupational safety and health policies and concepts, safety precautions, emergency response plans, fire safety, first aid knowledge, and traffic safety awareness.

Construction Worker Training

Contractors must apply for a "Construction Application Form" three days prior to entry with personnel roster, ensuring all personnel have completed six hours of training. On entry day, they must sign a "Hazard Notification Form" confirming understanding of construction hazards and mall regulations.

General Employee Training

A three-hour course is arranged every three years, which includes safety and health knowledge, four worker programs (musculoskeletal, overload, maternal health, and workplace violence), and first aid knowledge training.

External Certification Training

Content covers training and refresher training for safety supervisors and managers, first aid personnel, oxygen-deficient operations supervisors, fire prevention managers, and AED managers.

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Improving Environmental Safety Management in Move Towards Zero Occupational Injury in the Workplace (GRI 403-9, 403-10)

FEDS is committed to implementing environmental safety and health management. The headquarters has established a Labor Safety Department, while branches have set up Occupational Safety Offices responsible for safety operations. Branch Occupational Safety Offices conduct weekly inspections focusing on electrical safety, fire safety, environmental safety, and construction safety. An annual Occupational Safety Conference is held to discuss revisions to labor safety regulations and promote employee health. In 2024, 23 supervisors and staff from the Labor Safety Department participated. Looking ahead, the Labor Safety Department plans to evaluate and implement the ISO 45001 Occupational Health and Safety Management System, inspection APPs, and continuous monitoring systems to enhance management standards.

FEDS aims for zero workplace accidents and, in response to the Ministry of Labor's policies, established 20 occupational safety and health management procedures and set accident reporting standards as a KPI. In the event of a work-related injury, the branch immediately notifies the headquarters. Safety personnel investigate the incident, analyze the causes, develop improvement measures, conduct preventive education, and assist injured employees in returning to work. In 2024, the headquarters and all branches across Taiwan were awarded the "Accident-Free Work Hours Record Certificate," with a cumulative total of over 33.94 million hours without accidents.

The occupational safety and health management scope of FEDS covers all workers, including employees, counter staff, cleaning personnel, security personnel, and construction workers. In 2024, employees recorded zero occupational injuries and no work-related fatalities. Among non-employee workers, one fall incident occurred, with a recordable injury rate of 0.006%. The Labor Safety Department has reviewed and improved measures related to this occupational accident, strengthening the promotion of clear safety warnings for cable trays. All workers are advised to avoid running to ensure safety.

Major Items in Floor Safety Inspection



Electrical Safety
Use of sockets and extension cords



Environmental Safety
Use of non-hazardous chemicals



Fire Safety
Arrangement of items and escape routes



Construction Safety
Safety inspections during construction

Accident-Free Work Hours Record

33,941,154 Hours



Note: Statistics include official employees and contractors of both headquarters and branches.

Health and Safety Indicators

Item		2022			2023			2024		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
FEDS Employees	Number of Occupational Injury Fatalities (Persons)	0	0	0	0	0	0	0	0	0
	Occupational Injury Mortality Rate (%)	0	0	0	0	0	0	0	0	0
	Number of Recordable Occupational Injuries (Persons)	1	0	1	1	0	1	0	0	0
	Recordable Occupational Injury Rate (%)	0.20	0	0.07	0.21	0	0.08	0	0	0
Workers Who Are Not Employees	Number of Occupational Injury Fatalities (Persons)	0	0	0	0	0	0	0	0	0
	Occupational Injury Mortality Rate (%)	0	0	0	0	0	0	0	0	0
	Number of Recordable Occupational Injuries (Persons)	0	0	0	0	0	0	0	1	1
	Recordable Occupational Injury Rate (%)	0	0	0	0	0	0	0	0.006	0.006

Note: 1. FEDS total working hours = 8 hours × Number of employees × Working days, totaling 2,456,192 hours; total hours for non-employee workers = 8 hours × Total working hours announced by the Ministry of Labor for 2024, totaling 34,756,387 hours.
2. Occupational injury mortality rate = (Number of occupational injury fatalities ÷ Total working hours) × 200,000* (where * refers to the percentage per 100 employees based on 40 working hours per week, 50 weeks per year).
3. Recordable occupational injury rate = (Number of recordable occupational injuries ÷ Total working hours) × 200,000* (where * refers to the percentage per 100 employees based on 40 working hours per week, 50 weeks per year).
4. Recordable occupational injuries = Accidental falls, bumps, cuts, and crush injuries caused by improper operation in the workplace, excluding traffic accidents during commutes.
5. Serious occupational injury = Disability for more than 6 months due to an occupational injury, with 0 serious occupational injuries across all workers in 2024.
6. FEDS had no cases of occupational illness as defined by Taiwanese law in 2024.

Comprehensive Injury Index

Item	FEDS Employees	Workers Who Are Not Employees	Industry Average
Disabling Injury Frequency Rate (FR)	0	0.06	3.26
Disabling Injury Severity Rate (SR)	0	2	44
Comprehensive Employee Injury Index	0	0.01	0.37

Note: 1. Disabling injury frequency rate (FR) = Number of disabling injuries ÷ Total exposure hours × 1,000,000.
2. Disabling injury severity rate (SR) = Total lost workdays ÷ Total exposure hours × 1,000,000.
3. Comprehensive Injury Index: (A × B/1,000)^(1/2).
4. Industry averages are based on the "Aggregate Injury Index by Industry for the Past Three Years" published by the Occupational Safety and Health Administration of the Ministry of Labor on March 5, 2025.
5. Excludes commuting accidents.

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6 Heartwarming Social Caring

FEDS leverages the resources and strengths of its chain department store network to turn each of its locations into a local platform for charity. By connecting various social resources with care, the company is committed to promoting a range of charitable activities. At the same time, FEDS encourages employees to participate in volunteer services, fulfilling the company's commitment and care for society, contributing to the community, and driving the creation of positive social value.

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6.3.1 Caring for Women and Children in Rural Areas

6.3.2 Promoting Arts and Humanities

6.3.3 Join Hands to Protect the Environment

6.3.4 Embrace Healthy Living

6.3.5 Employee Volunteer Service



- In Response to **1** Material Topic

 - Social Welfare
- In Response to Stakeholders

 - Consumers
 - Employees
 - Business Partners (Counter Vendors/Suppliers)
 - Government
 - Society (Media/Community)



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2024 Highlights and Performance

**Initiating Links of Love
Held 1,051 Public
Welfare Activities**



**Amount of Investment
in Social Welfare
Approximately
NT\$3.42 Million**

**Blood Donation
Over 16.76 Million CC
Donated in 5 Years**

**Volunteer Service
Invested in 178 Events
over a Period of 5 Years**



**Holiday Care
for Vulnerable Groups
Held 19 Caring Events
for Major Holidays**



**Supporting Local Small Farmers
411 Farmers' Markets Held over 5 Years
Over 21,000 Items Sold**

**Caring for Children in Rural Areas
Shoes Delivered to over 3,500 Children**

**Held for 16 Consecutive Years
Tainan Christmas Charity Lighting Event
Sponsored for 13 Consecutive Years
Christmasland in New Taipei City**

**Support for Local Cultural and
Architectural Arts
For 3 Consecutive years,
We Have Sponsored the
"Far Eastern Architecture Design
Award - Monument Visiting Month" Event**

**Utilization of
Department Store Space
Organizing a Second-Hand
Clothing Recycling Event
A Total of 7,253 Articles of Clothing
Were Collected Throughout the Year**



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Management Objectives and Actions

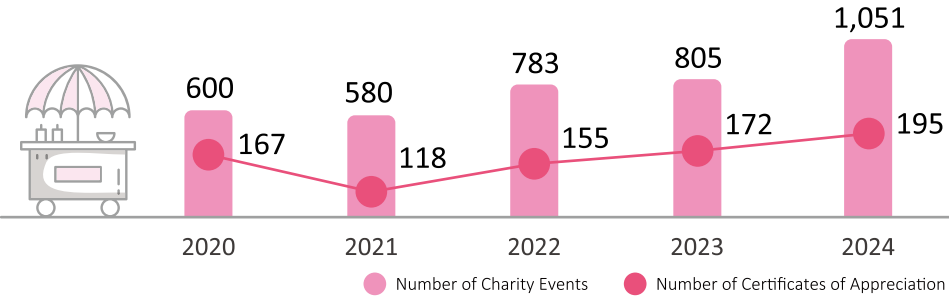
Target Plans	2024 Performance Results	Future Medium- to Long-Term Goals
 Invest in Public Welfare Activities	<ul style="list-style-type: none">In alignment with the objective of doing charitable activities every day, the total number of events organized by all branches amounted to 1,051	Focusing on care, environmental protection, and health, FEDS leverages its channel advantages to maximize the overall impact of its public welfare
 Encourage Volunteer Service	<ul style="list-style-type: none">The total volunteer service hours for all branches totaled 1,593 hours	FEDS continues to encourage employees to participate in corporate volunteer work, with a cumulative total of 8,000 volunteer service hours

FEDS has been deeply rooted in the local community for 58 years. Upholding the spirit of "taking from society and giving back to society," the company actively contributes to social welfare while pursuing sustainable business operations. Through six major approaches—sponsorship, donations, material contributions, fundraising, capital raising, and charity sales—FEDS promotes five key types of public welfare. In 2024, FEDS held 1,051 public welfare activities, investing approximately NT\$3.42 million and receiving 195 letters of appreciation. Moving forward, FEDS will continue its "Links of Love" public welfare campaign, weaving a more extensive network of social good, maximizing collective impact, caring for those in need, promoting the public interest, and working together with the community to create a sustainable and better life.

Types of Charity Activities for 2024

 International Events	In collaboration with representative organizations from Europe, South Korea, Thailand, and other countries in Taiwan, FEDS has launched cultural, tourism, local product, and experiential events.	29
 Support for the Underprivileged	FEDS focuses on supporting vulnerable groups by organizing blood donation drives, distributing supplies to families and elderly individuals in need, and providing volunteers to support social work.	234
 Care for Women and Children	Focusing on women and children in rural areas, FEDS aims to promote their physical and mental well-being through tangible material assistance, health screenings, hygiene education.	310
 Environmental Protection	FEDS organizes activities such as tree planting, beach and mountain clean-ups and the recycling of old clothes and empty cosmetic containers to actively support environmental protection.	96
 Local Development	FEDS invites local vendors to hold markets to create business opportunities. It provides sales channels for agricultural from different counties and cities, fostering a new win-win situation with smooth product circulation.	340
 Others	Other charity activities.	42

Number of Charity Events and Certificates of Appreciation over the Years



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6.1 Response to Global Initiatives

As a global citizen, FEDS actively supports the UN SDGs. In 2024, FEDS is responding to diverse sustainability initiatives focused on women's empowerment, energy conservation, care for vulnerable groups, animal conservation, and children's rights, promoting the concept of sustainability to the public and advancing social well-being.


3/8



International Women's Day

To mark International Women's Day, the Tainan Store organised a charity sale event to celebrate the achievements of Tainan's young female farmers. The store also held a series of activities, including a maternity experience camp and breast cancer screening, to promote accurate health knowledge among women.

3/23



Earth Hour

"Earth Hour" invites businesses and the public to turn off unnecessary lights on the last Saturday of March each year to raise awareness of climate change. In 2024, ten branches and A.Mart hypermarkets, jointly responded to the event, calling on all employees and customers to conserve energy, reduce carbon emissions, and protect the Earth through concrete actions.


4/24



International Guide Dog Day

This event is being held in collaboration with the Hui Guang Guide Dog Education Foundation. Taoyuan Store and Hsinchu Store held charity sales to raise public awareness and care for the visually impaired. The proceeds from these sales were donated to the foundation to provide practical support to visually impaired people and guide dogs.

6/24



Domestic Violence Prevention Day

To raise awareness of "zero violence, zero tolerance", Hualien Store held a 29-day interactive exhibition on domestic violence prevention. The exhibition featured six themed areas, and attracted approximately 300 participants, allowing them to gain a deeper understanding of domestic violence and child protection issues.

8/17



International Homeless Animals Day

The Taoyuan Store has participated in this event for three consecutive years, aiming to raise greater awareness of animal rights issues. The store partnered with a non-profit organization to hold the charity sale and advocacy event. The sale raised over NT\$150,000, all of which was used to support animal-related causes.

11/20



International Children's Rights Day

The Taoyuan Store held a coloring contest and a 25-day exhibition showcasing outstanding works. The exhibition featured 33 children's human rights artworks, expressed through vibrant colors, to share with the public and promote greater awareness and respect for children's rights.

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6.2 Transnational Window into Culture

In 1973, FEDS pioneered the first merchandise exhibition in collaboration with the U.S. Department of Commerce, becoming the first department store in Taiwan to host an international exhibition. This established FEDS as a leader in promoting international cultural exchange. Over the past fifty years, FEDS has continuously organized numerous international exhibitions, carefully selecting distinctive products from various countries, and introducing rich elements of international culture. It has become a cultural showcase where consumers can experience unique international specialties.

In 2024, FEDS held 43 international product exhibitions across its various locations, featuring goods from Japan, South Korea, Thailand, Europe, and other regions. At the same time, FEDS integrated these international exhibitions with charitable efforts by organizing cross-border philanthropic collaborations. The products displayed and sold became charitable supplies, enhancing the significance of the international exhibitions. During the 2024 exhibitions, FEDS simultaneously donated 17 batches of aid materials to children in remote areas and disadvantaged elderly groups.



The "Apple" of Your Eye at the Hirosaki Exhibition

FEDS has collaborated with Hirosaki City in Aomori Prefecture, Japan, to introduce authentic Hirosaki cultural products. For thirteen consecutive years, FEDS has hosted the "Hirosaki City Cultural Products Carnival," making the annual purchase of the world-renowned Aomori apples at the "Hirosaki Exhibition" a regular practice for many consumers. In November 2024, the 55-day event took place consecutively at branches across Taiwan and The Mall. The event featured the traditional "Nebuta Festival Grand Parade," showcasing local customs to help more people appreciate the unique charm of Hirosaki.



The Charm of Korean Fashion Fairs

FEDS has partnered with the Korea Agro-Fisheries & Food Trade Corporation (aT) to hold the "Korean Wave Charm at FEDS" Korean Products Exhibition for the twelfth consecutive year. In 2024, the exhibition toured various branches across Taiwan and The Mall, lasting 37 days. The event featured the most popular authentic Korean quality products and offered a variety of special Korean gift boxes, delivering a delicious feast of Korea's century-old culture.



Sendai Product Exhibition

The Tainan Store held its first "Sendai Product Exhibition," opening with a traditional Japanese blessing ceremony and a performance by a Taiwanese drum troupe, showcasing cultural exchange between Taiwan and Japan. The event featured local specialties such as Japanese sake and exquisite crafts for sale. Japanese artisans were invited to prepare a variety of distinctive foods on-site, allowing visitors to experience Sendai's culinary delights without traveling abroad.



Thailand Product Exhibition: An Immersive Thai Feast

The FEDS XinYi A13 collaborated with the Thailand Trade and Economic Office in April 2024 to jointly host the "Thailand Cultural Festival" themed around the Songkran Festival. Featuring the four aspects of "eating, drinking, playing, and enjoying," the event set up 25 booths, inviting the public to taste classic Thai delicacies. Mega City BanQiao Store and FEDS Zhubei hosted the "Thai Style at FEDS" Thai Food and Cultural Products Exhibition, gathering unique Thai specialties, allowing the public to easily savor authentic Thai flavors.



European Goods Exhibition

In August 2024, FEDS held its first European Products Exhibition, titled "Discover European Alleys at FEDS." The event showcased representative delicacies from various European countries, ranging from Eastern Europe's Hungarian red and white wines to Southern Europe's Spanish olive oil and Portuguese egg tarts, as well as Western Europe's Belgian chocolates, Austrian Hubertus rolls, and German herbal teas. Visitors could enjoy authentic European flavors without time zone or distance constraints.



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6.3 Local Social Welfare and Care

FEDS has long upheld the principle of 'taking from society and giving back to society' and has been deeply committed to social welfare, establishing each of its locations as a platform for charity within its local community. The company cares for women and children, people in remote areas, the elderly and local small-scale farmers. FEDS also addresses issues such as arts and culture, environmental protection, and health and well-being. Through sincere care and tangible actions, FEDS strives to create a sustainable and better future for society.

6.3.1 Caring for Women and Children in Rural Areas

FEDS has supported these families by helping them to obtain daily necessities through fundraising, sponsorship and donations. For sixteen consecutive years, FEDS has held a Christmas charity lighting event. Additionally, for seven consecutive years, FEDS has collected children's books and toys to enhance educational and reading resources in rural areas. The company also frequently organizes activities to mobilize public support, caring for and protecting the rights of women and children, eliminating all forms of violence and discrimination against them, and working together toward a better and more equitable life.

■ Illuminating Hope in Rural Areas

For Sixteen Consecutive Years, FEDS Has Held a Christmas Charity Lighting Event with Children from Remote Rural Areas

The Tainan Store has hosted a charitable Christmas event for sixteen consecutive years, providing shoes to children in remote areas and organizing a one-day outing to bring warmth and joy to these students. FEDS Chairman Douglas Hsu and President Nancy Hsu personally presented 320 pairs of brand-new athletic shoes to 320 children from ten schools. Since its inception, the event has benefited over 3,500 children, becoming a landmark charitable activity in the local community.

Other FEDS stores simultaneously held Christmas charity events. The Taoyuan Store, Zhubei Store, Hsinchu Store, and Hualien Store organized a Christmas Wish Adoption campaign, inviting the public to play Santa Claus and deliver warm blessings, fulfilling the Christmas wishes of 1,057 disadvantaged children. Among them, the Hsinchu Store has partnered with the Hsinchu City Government for ten consecutive years, having distributed nearly 4,000 Christmas wish gifts in total. Additionally, Mega City, BanQiao Store, and Top City engaged in various activities such as handicraft workshops, charity art exhibitions, and Christmas-themed mall experiences to support disadvantaged children. They also prepared special Christmas gifts to help these children feel cared for and enjoy a joyful holiday season filled with laughter.



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Free Haircuts in Rural Areas

The Top City Taichung Store partnered for the first time with the local university's Department of Hairdressing and nearby salons to provide free haircuts to 200 rural families, children, and elderly residents in the remote Heping District of Taichung City before November 26. Selected branded products were also distributed.

Organizing a Stationery Donation Event

To provide learning support for children facing special circumstances, Taoyuan Store, in collaboration with counter vendors, held a "Stationery Charity Sponsorship" event before the start of the 2024 September school term. The public was invited to purchase designated stationery sets from the vendors, a total of 225 stationery sets were collected and donated to the Taoyuan City Social Affairs Bureau, which coordinated the distribution of the supplies to children in need.



Collecting Books and Toys:
Bringing Love to Remote Areas

The Chiayi Store launched a fundraising campaign to collect children's books and toys for children in remote areas. For seven consecutive years, the store has encouraged consumers and employees to donate unused toys and books. These resources are provided to Yunlin Elementary School's mobile toy and book vehicle, which shares them with schools and communities in remote areas with limited resources. In 2024, a total of 367 children's books and toys were collected.



Holding an Indigenous
Peoples Market

To support local tourism development, Top City Taichung Store collaborated with the Council of Indigenous Peoples, the Chunri Township Office of Pingtung County, and the Daren Township Office of Taitung County to hold a Paiwan-themed market during a weekend period. Additionally, lively Paiwan dance performances attracted many visitors who stopped to watch and purchase indigenous goods, thereby sharing indigenous culture.



"Love Shines Through Food"
Gathers Public Compassion

To mark its anniversary, the Kaohsiung Store joined forces with the Meinong District Office and the Andrew Charity Association to launch the "Love Shines Through Food: Sustainable Fifty" rice donation campaign. The campaign received significant public support, resulting in the collection of 156 boxes of high-quality domestic rice and providing food security to families in need.



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Supporting Women and Children in Vulnerable Situations

Protecting Mommy Together to Prevent Health Red Light



FEDS has long focused on women's health issues, aiming to promote knowledge of self-care and disease prevention among women. As breast cancer and cervical cancer increasingly pose significant threats to women's health, FEDS frequently invites mammography and X-ray screening vehicles to its stores to provide free examinations for eligible women, reducing cancer risk and conveying the concept that an ounce of prevention is worth a pound of cure.

Zero Tolerance for Violence to Moving Towards a Happy Society



To promote a "zero violence, zero tolerance" awareness against abuse, in May 2024, Hualien Store, in collaboration with the Garden of Hope Foundation, held a 29-day interactive exhibition on domestic violence prevention. The exhibition featured six themed areas to deepen public understanding of domestic violence and child protection issues, and provided counseling services to help abused women and children live free from fear.

Joining Hands to Celebrate Festivals: Illuminating the Corners of Taiwan



The Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival are the three most important holidays for many Chinese people, during which families cherish moments of reunion and happiness. In 2024, FEDS' seven branches held fundraising and gift box donation events during these three major festivals to convey warm blessings. Across 19 events, a total of 1,261 gift boxes were distributed.

Sponsorship Activities to Support Children's Rights



Children's rights have become an increasingly important sustainability issue. To support this cause, the Hualien Store sponsored the "Forever Parents, Walking with Children" children's rights advocacy event organized by the Hualien Association for Children and Families. The event aimed to enhance family interaction and raise awareness of children's rights through educational and entertaining activities.

Celebrating Festivals Together: Warm Childlike Joy



Parents in disadvantaged families are often too busy to arrange leisure activities for their children. Therefore, on the eve of Children's Day, Tainan Store partnered with the Tainan City Government Social Affairs Bureau and specialty vendor Tom Bear to organize parent-child games for disadvantaged children, providing an opportunity for parents and children to spend quality time together.

A.Mart Spreads Warmth and Joy During the Festive Season



A.Mart frequently launches charity purchase campaigns before major holidays. In 2024, 2,306 generous holiday meals were collected during the Lunar New Year; 4,096 warm rice dumplings were gathered during the Dragon Boat Festival; and 847 boxes of 'Ghost Festival Blessing Boxes' were donated during the Ghost Festival.



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6.3.2 Promoting Arts and Humanities

FEDS has long supported arts and cultural philanthropy and promoted cultural exchange. It frequently hosts diverse arts and cultural events, enabling more people to appreciate and experience local cultural heritage. The department store spaces are developed into platforms for cultural exchange, establishing FEDS as a department store with a rich cultural heritage.

Supporting Heritage Site Visits: Preserving Local Culture

Upholding the commitment to enhancing local history, culture, and architectural art, FEDS has sponsored the "Far Eastern Architecture Design Award - Monument Visiting Month" for three consecutive years. In 2024, the monument visits entered their third phase with the theme "The Elegance of Bangka's Ancient Temples." Renowned historians and architectural researchers led participants through Bangka Qingshuiyan and Bangka Longshan Temple, exploring Laosong Elementary School, Herb Alley, and other sites, providing detailed narratives on Taiwan's ancient architecture and the craftsmanship of master artisans.

Sponsored Christmasland in New Taipei City for 13 Consecutive Years

FEDS has long supported local events and has sponsored New Taipei City's annual highlight, "Christmasland in New Taipei," for 13 consecutive years, celebrating the festive Christmas season with the community. In 2024, "Christmasland in New Taipei" has successfully promoted local tourism, attracting 7.7 million visitors over the 48-day event, making it a particularly eye-catching Christmas fixture.



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Supporting Youth to Showcase Their Strengths: Hosting a Design Achievement Exhibition



FEDS is committed to supporting the development of young students by providing both indoor and outdoor spaces within its department stores as platforms for showcasing students' design creativity and learning achievements. In May 2024, the Department of Industrial and Commercial Design at Asia Eastern University of Science and Technology held its Graduation Project Exhibition at the main plaza of the BanQiao Store. Students explored new concepts, materials, and forms, challenged conventions, and demonstrated unique innovative designs.



Providing Space in the Arts and Culture Corridor for Hosting Charitable Art Exhibitions



The Hsinchu Store, in collaboration with the Hsinchu Council for the Promotion of Assistance for People with Disabilities (HCPAP), held the 9th Annual Art Exhibition for Individuals with Intellectual Disabilities. The 16-day event featured 45 creative paintings by people with learning difficulties and attracted many visitors who stopped to appreciate the artworks.

Midsummer Retro Exhibition: Promoting Traditional Crafts

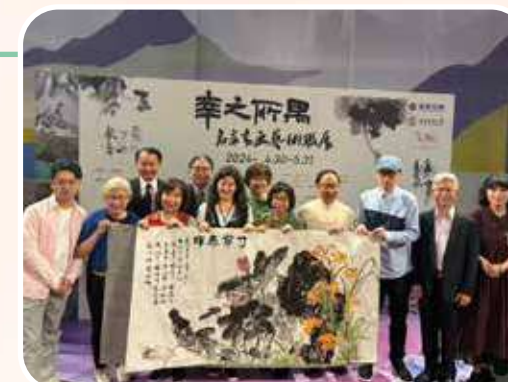


To promote Taiwanese local culture, Mega City, serving as a bridge between contemporary fashion and traditional crafts, held the "Midsummer Retro Time Tunnel Exhibition," showcasing childhood toys, vintage pinball machines, and other props. Multiple retro-themed photo spots were set up, sparking a wave of nostalgic Taiwanese style.



Joint Exhibition of Outstanding Works by Renowned Artists

The month-long "Master Calligraphy and Painting Art Exhibition" was grandly held at The Mall in April 2024. The event was jointly organized by FEDS, The Mall, and Asia Eastern University of Science and Technology. Eleven renowned calligraphy and painting masters were invited to create ink paintings on-site. Coinciding with the upcoming Mother's Day, the masters interacted with the public at the event, presenting customized blessing messages written on exquisite gift cards.



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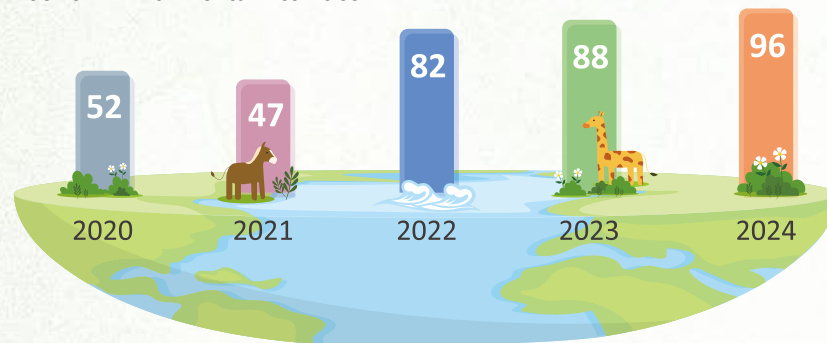
6.3.3 Join Hands to Protect the Environment

In response to the climate crisis, FEDS leverages its influence to collaborate with local governments and non-profit organizations to promote environmental recycling activities, encouraging public participation in environmental protection and advancing green sustainability. Additionally, from farm to table can lower the carbon footprint. FEDS has therefore long supported Taiwanese agriculture by marketing agricultural products, embodying the concept of local production for local consumers.

Environmental Protection Initiatives: Side-by-Side

FEDS is committed to environmental protection and actively promotes sustainability through various activities, such as recycling empty bottles and old clothes, as well as providing environmental education. These initiatives aim to raise public awareness of environmental issues. Over the past five years, FEDS has organized a total of 365 environmental events, fully dedicated to advancing a green lifestyle.

◆ Number of Environmental Activities



Gift Bags: Promoting Recycling and Reuse

The Tainan Store has participated for ten consecutive years in the "Gift Bags" environmental campaign promoted by the Tainan City Environmental Protection Bureau. The store collects clean, reusable shopping bags that are no longer used by the public and places them in recycling bins inside the store. These bags are available for free to those in need.



Clothing Recycling Campaign: Swapping for a Sustainable Future

In 2024, five FEDS branches collaborated with local government environmental protection bureaus and charitable organizations to hold used clothing recycling events. These initiatives encouraged the public to donate clean and undamaged clothing for reuse as second-hand garments, promoting the concept of resource recycling. A total of seven events were held throughout the year, collecting 7,253 pieces of clothing.



Environmental Education: Promoting Sustainable Environmental Protection

FEDS XinYi A13 leverages the high foot traffic during holidays and festivals in its department store to organize environmental education exhibitions. These events not only extend consumer dwell time but also effectively raise public awareness of environmental issues. In March 2024, FEDS partnered with Greenpeace to hold the "Plastic Ocean Photography Exhibition," promoting plastic reduction.



Recycling Empty Cosmetic Bottles: Creating a Beautiful Earth Together

FEDS encourages consumers to develop the habit of recycling empty cosmetic containers by regularly organizing genuine product empty bottle recycling events. Customers who participate in a recycling event can receive HAPPY GO points, cash vouchers, or eco-friendly dishwashing liquid as green gifts. In 2024, a total of 6,247 empty containers were collected, helping to protect the planet.



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Tree Planting First Year Sowing Seeds of a Low-Carbon Future

In response to global warming, tree planting is the simplest and most effective way to address climate change. On March 22, 2024, FEDS launched its inaugural tree-planting campaign, planting 40 Taiwan endemic Taiwan incense trees at Wensheng Elementary School in Banqiao District, New Taipei City. This effort aims to contribute to a net-zero carbon future. The tree-planting activities will continue to expand across FEDS locations in various counties and cities, protecting the environment and encouraging everyone to join the environmental movement by fostering a new relationship with nature through care for the land.

FEDS' ten branches, including XinYi A13, Mega City, Taoyuan Store, Zhubei Store, Hsinchu Store, Top City, Chiayi Store, Tainan Store, Kaohsiung Store, and Hualien Store, participated in a seedling giveaway event organized by the Forestry Bureau of the Council of Agriculture and other agencies. Customers could exchange donated receipts or bring reusable shopping bags to receive Taiwanese tree seedlings. A total of 3,480 seedlings were distributed throughout the year, demonstrating a joint commitment to environmental sustainability.



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
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Support for Small Farmers and Sustainable Agriculture

FEDS organizes agricultural markets through its retail channels to promote local agricultural products. It has also selected Taiwanese agricultural products as gifts for customers who reach a spending threshold. Through these events, consumers can purchase locally produced goods, thereby supporting local production and consumption. In 2024, FEDS held 69 agricultural markets, promoting 5,946 products.

Agricultural Product Markets in the Past Five Years

	2020	2021	2022	2023	2024
 Number of Events	118	68	100	56	69
 Number of Stalls	1,142	676	939	593	800
 Number of Products	4,403	3,153	4,423	3,721	5,946

Lishan Honey Apple Exhibition and Sale



In October 2024, the Top City Taichung Store collaborated with the Heping District Office to hold the "Lishan Forest Life Connection: Sweet Harmony Apples" event. This pop-up sale featured high-quality Lishan apples, providing tangible support for local farmers and showing encouragement to the Lishan community.

Taste of Nantou Food Exhibition



The Hsinchu Store has partnered with the Nantou County Government for nine consecutive years to host the "Taste Nantou - Mountain City Delicacies" exhibition and sale. The three-day event not only showcases Nantou specialties on-site but also offers a hands-on workshop for making pickles using Nantou's unique water bamboo shoots.

Direct Delivery of Hualien Agricultural Specialties

In April 2024, an earthquake caused the closure of Suhua Highway, making it difficult to transport agricultural products from Hualien to other regions. The Banqiao Store leveraged its distribution network to hold the "Direct Delivery of Agricultural Products" event, enabling customers to conveniently purchase Hualien agricultural products and support Hualien farmers during this difficult time.



Joint Government Units Host Kaohsiung Rural Party

The Kaohsiung Store has been a long-standing partner in supporting agriculture. In 2024, FEDS partnered for the eighth consecutive year with the Council of Agriculture of the Executive Yuan, and other organizations to hold the "Kaohsiung Rural Party." This event featured 36 rural communities and rural brands, showcasing a variety of local products such as camellia, seafood, and bananas. All receipts collected were donated to the Taiwan Fund for Children and Families.



Creative Market Supports Organic Agriculture

In March 2024, the Banqiao Store promoted a range of high-quality, non-toxic agricultural produce from New Taipei City. The promotion encouraged consumers to choose organic products and highlighted the environmental benefits of organic food. The 95 products on offer included green bamboo shoots, pumpkins, tea leaves and honey, generating NT\$180,000 in sales.



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6.3.4 Embrace Healthy Living

In line with United Nations Sustainable Development Goal 3 (Good Health and Well-being), FEDS organises health promotion activities every year to help the public maintain vitality and lead healthy lives. These diverse health initiatives aim to foster a vibrant and healthy society.

Health Activities: Building a Vivacious Society

FEDS has long supported the "Donate a Bag of Blood, Save a Life" campaign, frequently organizing blood donation drives during consecutive holidays or special occasions with high foot traffic. These events invite the public and employees to participate. Over the past five years, FEDS has held more than 350 blood donation events, collecting over 16.76 million cc of blood.

Blood Drives in the Past Three Years

	2022	2023	2024
Number of Activities	74	45	136
Number of People Responded	13,805	12,741	10,708
Blood Donation (CC)	3,446,650	3,185,750	5,354,000

A Drop of Kindness Through Blood Donation

In 2024, FEDS branches across Taiwan held a total of 136 blood donation events, leveraging our charitable platform to mobilize tens of thousands of participants and collect over 5.35 million cc of blood. Moving forward, FEDS will continue to hold blood drives, aiming to organize 200 events next year to engage more enthusiastic donors.

Sponsored the National High School Dance Competition

FEDS actively promotes a positive street dance culture, encouraging the public to showcase the energy of dance, and has provided venues for the 'National Secondary School Dance Competition' every year since 2018. In 2024, the competition was held at four branches: XinYi A13, Mega City, Top City, and Kaohsiung Store. FEDS sponsored a total prize pool of NT\$306,000 to encourage youth participation in dance activities. This event attracted 124 outstanding teams to participate.



Breakdancing Event Attracts Over 2,000 Spectators

To promote a healthy and active lifestyle, FEDS Zhubei has co-hosted the breakdancing competition for three consecutive years, providing a platform for enthusiasts to showcase their skills. In 2024, FEDS sponsored NT\$220,000 in prize money, attracting over 300 breakdancers from both domestic and international communities. The exceptional performances drew more than 2,000 spectators.



Promoting a Comfortable Society

On 3 April 2024, a magnitude 7.1 earthquake struck Hualien. The Hualien Store held 30 wellness and stress-relief events at its outdoor plaza to support the public through this difficult time. These sessions invited local residents to take part in simple relaxation exercises. Over the course of three months, around 750 people participated in the activities, providing mutual support and helping the community to recover their health and return to normal daily life.



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Promoting Well-being Together

To promote healthy living among senior citizens, FEDS actively collaborates with government agencies and charitable organizations to co-host senior activities. Through these events, FEDS shows care for the elderly, raises public awareness of aging-related issues, promotes the concept of active aging, and fosters a harmonious and happy environment across generations.

Evergreen Achievement Exhibition: Showcasing an Agelessness Spirit

The Kaohsiung Store collaborated with the Kaohsiung City Government Social Affairs Bureau to hold the "Kaohsiung Senior Learning Centers Joint Exhibition," themed "Life Restart: Embracing the Second Half of Life." The event encouraged seniors to fully express their favorite selves, featuring 850 seniors showcasing a rich array of works and diverse dynamic performances.

A Meal a Day Rice Donation

Since 2020, Hsinchu Store has held the annual "Rice Collection for Charity" event, inviting the public to unite in kindness and support by purchasing high-quality rice from the Hsinchu City Farmers' Association. The rice is donated to the Social Assistance and Elderly Welfare Division of the Hsinchu City Government's Social Affairs Department, which then distributes it to elderly individuals in need. In 2024, a total of 875 kg of rice was collected, demonstrating ongoing dedication to caring for the elderly.



Celebrating Double Ninth Together: A Warm and Happy Community

With heartfelt care for the elderly, the Chiayi Store specially organized the "Happiness +1 Neighborhood Sharing Warmth: Double Ninth Festival Respect for the Elderly" event in collaboration with the local community on Double Ninth Festival. Twenty seniors were invited to create traditional blessing fans filled with good wishes, accompanying the elderly in celebrating this warm and meaningful holiday.



Passion and Love: Realizing the Dreams of the Elderly

On November 22, 2024, the Hualien Store participated in the "Ageless Riders Charity Project," partnering with the Hualien County Elderly and Family Care Association to fulfill the dream of elderly individuals who once wished to ride motorcycles. Approximately 60 seniors, with an average age of 77, enthusiastically took part in the event.

Senior Art Exhibition: Shining at FEDS

For five consecutive years, the Hsinchu Store has celebrated Grandparents' Day with seniors. In 2024, the store invited 120 seniors from the Hsinchu Bethel Active Aging Health Centre to perform on stage. The event also featured a 'Silver Age Calligraphy and Painting Exhibition', displaying the seniors' artworks, the result of their hard work and practice.

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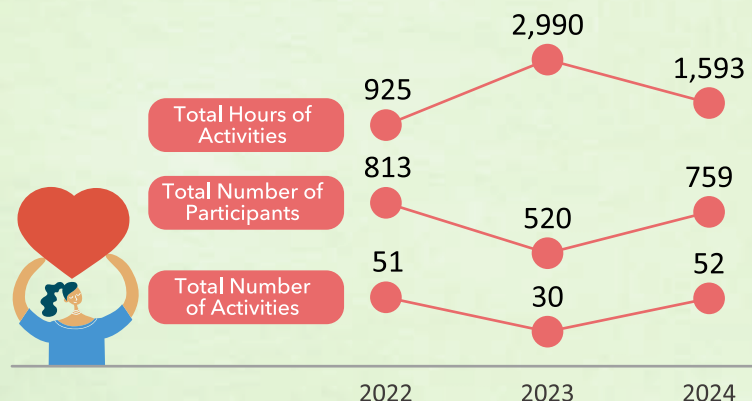
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6.3.5 Employee Volunteer Service

From a commitment to corporate sustainability to active social engagement, FEDS has ingrained social welfare into the DNA of every employee. Volunteer service teams, formed by employees from various branches, engage in activities such as environmental maintenance, supporting vulnerable groups and visiting the elderly. These teams demonstrate FEDS' dedication to social responsibility, contributing to a better life through concrete actions.

◆ Volunteer Activities in the Past Three Years



Caring for the Home Environment

In 2024, FEDS held 11 beach cleanup events across its eight branches in Taiwan, mobilizing employees to contribute actively to environmental protection by collecting marine debris to restore the cleanliness of the ocean. A total of 190 personnel participated, dedicating over 1,000 hours to the cleanup efforts. In addition, there were six street-cleaning events to give back to the local community, with 43 volunteers participating to help keep the neighbourhoods clean.

Caring for the Environment and Nurturing Adopted Trees

Since 2023, Taoyuan Store has adopted six cherry blossom trees at the 405 Highland of Mt. Datong in Taoyuan. In 2024, the store continued to lead employee volunteers in fertilizing and watering the adopted trees, maintaining the forest environment. A total of five events were held, involving 120 volunteer participants who took part in environmental restoration and greening efforts.

Volunteer Service Program: Delivering Happiness through Public Welfare

Since 2019, Top City Taichung Store has implemented the "Let Love Travel: Flower Treasure Charity Project," aiming to "go wherever FEDS volunteers are needed." In 2024, seven charity events were held, involving 56 volunteers and assisting approximately 300 people throughout the year.

Packing Up Love for the Disadvantaged

To support vulnerable groups through concrete actions, on November 6, 2024, ten employees from Hsinchu Store volunteered for a day at the Andrew Food Bank. They assisted in preparing 102 boxes of food supplies to deliver to beneficiary families, extending their warmest wishes to those in need.

Caring for Animals: Engaging Customers in Volunteer Services

The Banqiao Store partnered with the Taiwan Stray Rabbit Association for the first time to hold an employee volunteer service event. This activity not only encouraged employees to participate but also invited rabbit enthusiasts among consumers to join. A total of 20 volunteers contributed their care and support by cleaning the environment for stray rabbits and assisting in packaging hay.

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◆ Employment Contracts

Type	A.Mart									City'Super									The Mall								
	2022			2023			2024			2022			2023			2024			2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-Time Employees	747	690	1,437	714	694	1,408	676	647	1,323	86	243	329	81	235	316	77	207	284	7	17	24	8	15	23	9	15	24
Informal Employees	327	386	713	315	362	677	227	329	556	19	62	81	21	76	97	20	92	112	0	2	2	0	2	2	0	3	3
Total Number of Employees	1,074	1,076	2,150	1,029	1,056	2,085	903	976	1,879	105	305	410	102	311	413	97	299	396	7	19	26	8	17	25	9	18	27
Number of Permanent Employees	1,074	1,076	2,150	1,029	1,056	2,085	903	976	1,879	105	305	410	81	235	316	77	207	284	7	17	24	8	15	23	9	15	24
Number of Temporary Employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	2	2	0	3	3
Number of Employees without Guaranteed Hours	0	0	0	0	0	0	0	0	0	0	0	0	21	76	97	20	92	112	0	0	0	0	0	0	0	0	0

Note: Full-time employees are defined as employees who are on indefinite contracts and those hired on a yearly basis. Informal employees include temporary, seasonal short-term contract employees, and monthly salaried employees. Short-term part-time employees are classified as temporary.

◆ Non-Employee Workers of Subsidiaries

Type	A.Mart			City'Super			The Mall		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Counter Staff	N/A	N/A	N/A	N/A	N/A	N/A	272	179	82
Cleaning Staff	106	106	106	N/A	N/A	N/A	7	5	5
Security Guard	81	82	82	N/A	N/A	N/A	15	13	15

Note: N/A indicates no such personnel or information not available.

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Employee Age Distribution

Type	Gender	A.Mart						City'Super						The Mall					
		2022		2023		2024		2022		2023		2024		2022		2023		2024	
		Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Under 29 Years Old	Male	99	7%	87	6%	85	6%	9	3%	7	2%	8	3%	0	0%	0	0%	0	0%
	Female	87	6%	87	6%	71	6%	21	7%	21	7%	16	6%	4	17%	1	4%	4	17%
	Total	186	13%	174	12%	156	12%	30	10%	28	9%	24	9%	4	17%	1	4%	4	17%
30-49 Years Old	Male	435	30%	404	29%	350	26%	47	15%	48	15%	44	15%	7	29%	6	26%	6	25%
	Female	378	26%	361	27%	333	25%	140	45%	138	44%	118	42%	8	33%	9	39%	7	29%
	Total	813	56%	765	56%	683	51%	187	60%	186	59%	162	57%	15	62%	15	65%	13	53%
Over 50 Years Old	Male	213	15%	223	16%	241	18%	24	8%	26	8%	25	9%	0	0%	2	9%	3	12%
	Female	225	16%	246	16%	243	18%	70	22%	76	24%	73	25%	5	21%	5	22%	4	17%
	Total	438	31%	469	32%	484	36%	94	30%	102	32%	98	34%	5	21%	7	31%	7	29%
Total Employees	Male	747	52%	714	51%	676	51%	80	26%	81	25%	77	27%	7	29%	8	35%	9	37%
	Female	690	48%	694	49%	647	49%	231	74%	235	75%	207	73%	17	71%	15	65%	15	63%
	Total	1,437	100%	1,408	100%	1,323	100%	311	100%	316	100%	284	100%	24	100%	23	100%	24	100%

Note: 1. The proportion of employees in each age group is calculated as the number of employees in each age group divided by the total number of employees.
2. The above statistics of The Mall and City'Super only include full-time employees.

Gender and Age of New Employees

Age	Gender	A.Mart						City'Super						The Mall					
		2022		2023		2024		2022		2023		2024		2022		2023		2024	
		Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Under 29 Years Old	Male	60	32%	30	17%	23	15%	4	13%	4	14%	2	8%	0	0%	0	0%	0	0%
	Female	43	23%	37	21%	15	10%	7	23%	16	57%	3	13%	2	50%	0	0%	4	100%
	Total	103	55%	67	39%	38	24%	11	37%	20	71%	5	21%	2	50%	0	0%	4	100%
30-49 Years Old	Male	45	6%	33	4%	17	2%	5	3%	15	8%	6	4%	0	0%	1	7%	1	8%
	Female	56	7%	37	5%	21	3%	15	8%	28	15%	10	6%	0	0%	1	7%	1	8%
	Total	101	12%	70	9%	38	6%	20	11%	43	23%	16	10%	0	0%	2	13%	2	15%
Over 50 Years Old	Male	13	3%	8	2%	6	1%	0	0%	1	1%	1	1%	0	0%	1	14%	0	0%
	Female	28	6%	20	4%	4	1%	7	7%	14	14%	7	7%	0	0%	0	0%	0	0%
	Total	41	9%	28	6%	10	2%	7	7%	15	15%	8	8%	0	0%	1	14%	0	0%
Total Employees	Male	118	8%	71	5%	46	3%	9	3%	20	6%	9	3%	0	0%	2	9%	1	4%
	Female	127	9%	94	7%	40	3%	29	9%	58	18%	20	7%	2	8%	1	4%	5	21%
	Total	245	17%	165	12%	86	7%	38	12%	78	25%	29	10%	2	8%	3	13%	6	25%

Note: Percentage of new employees = Number of new employees ÷ Total number of employees in that age group.

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Gender and Age of Resigned Employees

Age	Gender	A.Mart						City'Super						The Mall					
		2022		2023		2024		2022		2023		2024		2022		2023		2024	
		Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Under 29 Years Old	Male	56	30%	41	24%	39	25%	6	20%	4	14%	3	13%	1	25%	0	0%	0	0%
	Female	34	18%	41	24%	49	31%	15	50%	14	50%	9	38%	3	75%	2	200%	2	50%
	Total	90	48%	82	47%	88	56%	21	70%	18	64%	12	50%	4	100%	2	200%	2	50%
30-49 Years Old	Male	51	6%	89	12%	64	9%	11	6%	18	10%	8	5%	0	0%	1	7%	1	8%
	Female	62	8%	63	8%	49	7%	43	23%	38	20%	33	20%	0	0%	0	0%	4	31%
	Total	113	14%	152	20%	113	17%	54	29%	56	30%	41	25%	0	0%	1	7%	5	38%
Over 50 Years Old	Male	30	7%	34	7%	31	6%	4	4%	3	3%	6	6%	0	0%	0	0%	0	0%
	Female	40	9%	37	8%	36	7%	11	12%	14	14%	23	23%	1	20%	2	29%	0	0%
	Total	70	16%	71	15%	67	14%	15	16%	17	17%	29	30%	1	20%	2	29%	0	0%
Total Employees	Male	137	10%	164	12%	134	10%	21	7%	25	8%	17	6%	1	4%	1	4%	1	4%
	Female	136	9%	141	10%	134	10%	69	22%	66	21%	65	23%	4	17%	4	17%	6	25%
	Total	273	19%	305	22%	268	20%	90	29%	91	29%	82	29%	5	21%	5	22%	7	29%

Note: Percentage of staff left through resignation = Number of staff left through resignation ÷ Total number of staff left through resignation in that age group.

Number and Gender of Supervisors at or Above Manager/Assistant Manager Level

Age	Gender	A.Mart						City'Super						The Mall					
		2022		2023		2024		2022		2023		2024		2022		2023		2024	
		Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Above Vice President Level	Male	1	100%	1	100%	2	100%	1	100%	1	100%	1	100%	0	0%	0	0%	0	0%
	Female	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	Total	1	100%	1	100%	2	100%	1	100%	1	100%	1	100%	0	0%	0	0%	0	0%
Assistant Vice President Level	Male	8	89%	6	86%	6	86%	3	75%	1	50%	1	50%	0	0%	0	0%	1	100%
	Female	1	11%	1	14%	1	14%	1	25%	1	50%	1	50%	0	0%	0	0%	0	0%
	Total	9	100%	7	100%	7	100%	4	100%	2	100%	2	100%	0	0%	0	0%	1	100%
Manager/Assistant Manager Level	Male	107	74%	96	65%	89	64%	14	70%	17	61%	16	64%	0	0%	0	0%	0	0%
	Female	37	26%	52	35%	50	36%	6	30%	11	39%	9	36%	1	100%	1	100%	0	0%
	Total	144	100%	148	100%	139	100%	20	100%	28	100%	25	100%	1	100%	1	100%	0	0%
Total	Male	116	75%	103	66%	97	66%	18	72%	19	61%	18	64%	0	0%	0	0%	1	100%
	Female	38	25%	53	34%	51	34%	7	28%	12	39%	10	36%	1	100%	1	100%	0	0%
	Total	154	100%	156	100%	148	100%	25	100%	31	100%	28	100%	1	100%	1	100%	1	100%

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◆ Comparison of Minimum Salary for Each Position

Year	A.Mart						City'Super						The Mall					
	2022		2023		2024		2022		2023		2024		2022		2023		2024	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Managerial Positions	1	0.88	1	0.88	1	0.87	1	0.74	1	0.83	1	0.83	1	1.19	1	1.18	1	0.91
General Employees	1	1.01	1	0.99	1	0.99	1	1.04	1	1.08	1	1.13	1	0.96	1	0.95	1	0.96

◆ Comparison of Average Salary for Each Position

Year	A.Mart						City'Super						The Mall					
	2022		2023		2024		2022		2023		2024		2022		2023		2024	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Managerial Positions	1	0.88	1	0.87	1	0.87	1	0.74	1	0.83	1	0.83	1	1.19	1	1.18	1	0.91
General Employees	1	1.01	1	0.99	1	0.99	1	1.04	1	1.07	1	1.13	1	0.96	1	0.95	1	0.96

Note: Average salary = Minimum wage + Remuneration

◆ Comparison of Minimum Salary Against National Minimum Wage

A.Mart						City'Super						The Mall					
2022		2023		2024		2022		2023		2024		2022		2023		2024	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1	1	1	1	1	1	1.03	1.03	1.04	1.04	1	1	1.12	1.12	1.07	1.07	1.06	1.06

Note: The formula of calculation is the starting salary of the basic personnel ÷ national minimum wage. The minimum wage data comes from the Ministry of Labor.

◆ Frequency of Performance Appraisal

Type	Frequency	A.Mart	City'Super	The Mall
Performance Appraisal for New Recruits	After Three Months	V	V	V
	One Year			V
	Monthly			V
Performance Appraisal for Employees	Quarterly			
	Annually	V	V	V

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Statistics of Parental Leave

Type	A.Mart						City'Super						The Mall					
	2022		2023		2024		2022		2023		2024		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Gender																		
Number of Employees Eligible to Apply	17	26	17	21	9	14	7	23	4	21	5	20	0	0	0	0	0	0
Actual Number of Applicants	4	8	0	3	3	5	0	4	0	4	0	3	0	0	0	0	0	0
Application Rate (%)	24	31	0	14	33	36	0	17	0	19	0	15	0	0	0	0	0	0
Number of Employees Subject to Reinstatement in the Current Year	2	9	4	4	1	9	0	4	0	1	0	3	0	0	0	0	0	0
Actual Number of Reinstatement Applicants	2	5	1	1	1	6	0	4	0	0	0	1	0	0	0	0	0	0
Reinstatement Rate (%)	100	56	25	25	100	67	0	100	0	0	0	33	0	0	0	0	0	0
Number of Reinstated Employees Last Year	2	2	2	5	1	1	0	4	0	4	0	0	0	0	0	0	0	0
Number of Employees Who Were Reinstated for One Year	2	2	2	3	1	1	0	1	0	2	0	0	0	0	0	0	0	0
Retention Rate (%)	100	100	100	60	100	100	0	25	0	50	0	0	0	0	0	0	0	0

Note: 1. Reinstatement rate = actual number of reinstatement applicants in the current year ÷ number of employees subject to reinstatement in the current year.
2. Retention rate = number of employees who had been reinstated for one year last year ÷ number of reinstated employees last year.

Occupational Health and Safety Indicators

Type	A.Mart									City'Super									The Mall								
	2022			2023			2024			2022			2023			2024			2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Gender																											
Number of Occupational Injury Fatalities (Persons)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Injury Mortality Rate (%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of Workers with Recordable Occupational Injuries (Persons)	11	17	28	15	31	46	30	7	37	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recordable Occupational Injury Rate (%)	1.21	2.24	1.68	1.75	4.22	2.89	3.45	0.98	2.33	0	0.44	0.33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: 1. Total working hours = 8 hours × number of people × number of working days. In 2024, the total number of working hours by A.Mart, City'Super and The Mall were 3,172,064, 632,000, and 47,616, respectively.
2. Occupational injury mortality rate = (Number of recordable occupational injuries ÷ Total hours of work) × 200,000* (where * refers to the percentage per 100 employees based on 40 working hours per week, 50 weeks per year)
3. Recordable occupational injury rate = (Number of recordable occupational injuries ÷ Total hours of work) × 200,000* (where * refers to the percentage per 100 employees based on 40 working hours per week, 50 weeks per year)
4. Number of workers with recordable occupational injuries = Accidental falls, bumps, cuts, and crush injuries caused by improper operation in the workplace, and those who have external medical needs, excluding traffic accidents during commutes.
5. Serious occupational injury = Disabled for more than 6 months due to an occupational injury, with 0 serious occupational injuries at subsidiaries in 2024.
6. There were no cases of occupational illnesses in 2024.

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Type	A.Mart			City'Super			The Mall		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Power Consumption (10,000 kWh)	7,910	8,342	8,333	822	800	741	518	508	593
Energy Intensity (kWh/m²•yr)	341	360	363	528	514	476	250	248	247

Appendix 3. GRI Standards Index Table

Statement of Use	FEDS's report is prepared in accordance with GRI standards. The disclosure period of this report is the fiscal year 2024 (January 1, 2024 to December 31, 2024).
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

GRI 2: General Disclosures 2021

Disclosure Items		Chapter	Page
2-1	Organizational Details	About FEDS Report	2
		1.1 Forward-Looking Innovative Management	21
2-2	Entities Included in the Organization's Sustainability Reporting	About FEDS Report	2
2-3	Reporting Period, Frequency and Contact Point	About FEDS Report	2
2-4	Restatements of Information	About FEDS Report	2
		5.1 Compensation and Benefits Superior to Peers	85
2-5	External Assurance	About FEDS Report	2
2-6	Activities, Value Chain and Other Business Relationships	Sustainable Value Creation Chain	8
		1.1 Forward-Looking Innovative Management	21
		4.3 Comprehensive Supply Chain Management	77
2-7	Employees	5.1 Compensation and Benefits Superior to Peers	85
2-8	Workers Who Are Not Employees	5.3 Considerate and Friendly Workplace	93
2-9	Governance Structure and Composition	1.2 Robust Sustainable Governance	25
2-10	Nomination And Selection of the Highest Governance Body	1.2 Robust Sustainable Governance	25
2-11	Chair of the Highest Governance Body	1.2 Robust Sustainable Governance	25
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	Communication with Stakeholders	15
		1.2 Robust Sustainable Governance	25
2-13	Delegation of Responsibility for Managing Impacts	1.2 Robust Sustainable Governance	25
2-14	Role of the Highest Governance Body in Sustainability Reporting	1.2 Robust Sustainable Governance	25

Disclosure Items		Chapter	Page
2-15	Conflicts of Interest	Please refer to the Company's 2024 Annual Report under "3. Corporate Governance Report"	
2-16	Communication of Critical Concerns	1.2 Robust Sustainable Governance	25
2-17	Collective Knowledge of the Highest Governance Body	1.2 Robust Sustainable Governance	25
2-18	Evaluation of the Performance of the Highest Governance Body	1.2 Robust Sustainable Governance	25
2-19	Remuneration Policies	1.2 Robust Sustainable Governance	25
		5.2 Integrated Talent Cultivation	89
2-20	Process to Determine Remuneration	1.2 Robust Sustainable Governance	25
		5.1 Compensation and Benefits Superior to Peers	85
2-21	Annual Total Compensation Ratio	This information is not disclosed due to internal confidentiality restrictions.	
2-22	Statement on Sustainable Development Strategy	Message from the Chairman	4
		President's Remarks	5
2-23	Policy Commitments	1.1 Forward-Looking Innovative Management	21
		3.2 Intelligent Energy Resource Management	58
		4.3 Comprehensive Supply Chain Management	77
		5.3 Considerate and Friendly Workplace	93
2-24	Embedding Policy Commitments	1.1 Forward-Looking Innovative Management	21
		3.2 Intelligent Energy Resource Management	58
		4.3 Comprehensive Supply Chain Management	77
		5.3 Considerate and Friendly Workplace	93
2-25	Processes to Remediate Negative Impacts	2.3 Optimized Space	46
		4.1 Carefully Selected High-Quality Products	70
2-26	Mechanisms for Seeking Advice And Raising Concerns	1.3 Sound Risk Management	30
		2.2 Professional Services	43
		5.3 Considerate and Friendly Workplace	93
2-27	Compliance with Laws and Regulations	1.3 Sound Risk Management	30
2-28	Membership Associations	1.2 Robust Sustainable Governance	25
2-29	Approach to Stakeholder Engagement	Materiality Assessment	12
		Communication with Stakeholders	15
2-30	Collective Bargaining Agreements	There is no labor union, so no collective bargaining agreements are signed.	

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GRI 3: Material Topics

	Disclosure Items	Chapter	Page
3-1	Process to Determine Material Topics	Materiality Assessment	12
3-2	List of Material Topics	Materiality Assessment	12
3-3	Management of Material Topics	Materiality Assessment	12

GRI 200 Economy Topics

★ : Material Topic of Interest

	Disclosure Items	Chapter	Page
GRI 201: Economic Performance 2016 ★			
201-1	Direct Economic Value Generated and Distributed	1.1 Forward-Looking Innovative Management	21
201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	3.1 Towards a Net-Zero Future	54
201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.1 Compensation and Benefits Superior to Peers	85
GRI 202: Market Presence 2016 ★			
202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	5.1 Compensation and Benefits Superior to Peers	85
202-2	Proportion of Senior Management Hired From the Local Community	5.1 Compensation and Benefits Superior to Peers	85
GRI 204: Procurement Practices 2016			
204-1	Proportion of Spending on Local Suppliers	4.1 Carefully Selected High-Quality Products 4.3 Comprehensive Supply Chain Management	70 77
GRI 205: Anti-Corruption 2016 ★			
205-1	Operations Assessed for Risks Related to Corruption	1.3 Sound Risk Management	30
205-2	Communication and Training about Anti-Corruption Policies and Procedures	1.3 Sound Risk Management	30
205-3	Confirmed Incidents of Corruption and Actions Taken	1.3 Sound Risk Management	No relevant matters

GRI 300 Environment Topics

★ : Material topic of interest

	Disclosure Items	Chapter	Page
GRI 302: Energy 2016 ★			
302-1	Energy Consumption within the Organization	3.2 Intelligent Energy Resource Management	58
302-3	Energy Intensity	3.2 Intelligent Energy Resource Management	58
302-4	Reduction of Energy Consumption	3.2 Intelligent Energy Resource Management	58
302-5	Reductions in Energy Requirements of Products and Services	3.2 Intelligent Energy Resource Management	58
GRI 303: Water and Effluents 2018 ★			
303-1	Interactions with Water as a Shared Resource	3.2 Intelligent Energy Resource Management	58
303-2	Management of Water Discharge-Related Impacts	3.2 Intelligent Energy Resource Management	58
303-3	Water Withdrawal	3.2 Intelligent Energy Resource Management	58
303-4	Water Discharge	3.2 Intelligent Energy Resource Management	58
303-5	Water Consumption	3.2 Intelligent Energy Resource Management	58
GRI 305: Emissions 2016 ★			
305-1	Direct (Scope 1) GHG Emissions	3.1 Towards a Net-Zero Future	54
305-2	Energy indirect (Scope 2) GHG Emissions	3.1 Towards a Net-Zero Future	54
305-4	GHG Emissions Intensity	3.1 Towards a Net-Zero Future	54
305-5	Reduction of GHG Emissions	3.1 Towards a Net-Zero Future	54
305-6	Emissions of Ozone-Depleting Substances (ODS)	Not applicable	
GRI 306: Waste 2020 ★			
306-1	Waste Generation And Significant Waste-Related Impacts	3.2 Intelligent Energy Resource Management	58
306-2	Management of Significant Waste-Related Impacts	3.2 Intelligent Energy Resource Management	58
306-3	Waste Generated	3.2 Intelligent Energy Resource Management	58
306-4	Waste Diverted from Disposal	3.2 Intelligent Energy Resource Management	58
306-5	Waste Directed to Disposal	3.2 Intelligent Energy Resource Management	58
GRI 308: Supplier Environmental Assessment 2016			
308-1	New Suppliers That Were Screened Using Environmental Criteria	4.3 Comprehensive Supply Chain Management	77
308-2	Negative Environmental Impacts in the Supply Chain And Actions Taken	4.3 Comprehensive Supply Chain Management	77

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GRI 400 Social Topics

★ : Material Topic of Interest

Disclosure Items		Chapter	Page
GRI 401: Employment 2016 ★			
401-1	New Employee Hires and Employee Turnover	5.1 Compensation and Benefits Superior to Peers	85
401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	5.1 Compensation and Benefits Superior to Peers 5.3 Considerate and Friendly Workplace	85 93
401-3	Parental Leave	5.1 Compensation and Benefits Superior to Peers	85
GRI 402: Labor/Management Relations 2016			
402-1	Minimum Notice Periods Regarding Operational Changes	5.3 Considerate and Friendly Workplace	93
GRI 403: Occupational Health and Safety ★			
403-1	Occupational Health and Safety Management System	5.3 Considerate and Friendly Workplace	93
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.3 Considerate and Friendly Workplace	93
403-3	Occupational Health Services	5.3 Considerate and Friendly Workplace	93
403-4	Worker Participation, Consultation and Communication on Occupational Health and Safety	5.3 Considerate and Friendly Workplace	93
403-5	Worker Training on Occupational Health and Safety	5.3 Considerate and Friendly Workplace	93
403-6	Promotion of Worker Health	5.3 Considerate and Friendly Workplace	93
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	4.3 Comprehensive Supply Chain Management	77
403-8	Workers Covered by an Occupational Health and Safety Management System	5.3 Considerate and Friendly Workplace	93
403-9	Work-Related Injuries	5.3 Considerate and Friendly Workplace	93
403-10	Work-Related Ill Health	5.3 Considerate and Friendly Workplace	93
GRI 404: Training and Education 2016 ★			
404-1	Average Hours of Training Per Year Per Employee	5.2. Integrated Talent Cultivation	89
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	5.2. Integrated Talent Cultivation	89
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	5.2. Integrated Talent Cultivation	89
GRI 405: Diversity and Equal Opportunity ★			
405-1	Diversity of Governance Bodies and Employees	1.2 Robust Sustainable Governance 5.1 Compensation and Benefits Superior to Peers	25 85
405-2	Ratio of Basic Salary and Remuneration of Women To Men	5.1 Compensation and Benefits Superior to Peers	85

Disclosure Items		Chapter	Page
GRI 406: Non-Discrimination 2016 ★			
406-1	Incidents of Discrimination and Corrective Actions Taken	5.3 Considerate and Friendly Workplace	93
GRI 407: Freedom of Association and Collective Bargaining ★			
407-1	Operations and Suppliers in Which the Right to Freedom of Association and Collective Bargaining May be at Risk	5.3 Considerate and Friendly Workplace	93
GRI 409: Forced or Compulsory Labor ★			
409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	5.3 Considerate and Friendly Workplace	93
GRI 410: Security Practices 2016			
410-1	Security Personnel Trained in Human Rights Policies or Procedures	4.3 Comprehensive Supply Chain Management	77
GRI 413: Local Communities 2016			
413-1	Operations with Local Community Engagement, Impact Assessments and Development Programs	3.3 Persistent Green Actions	63
GRI 414: Supplier Social Assessment 2016			
414-1	New Suppliers that were Screened Using Social Criteria	4.3 Comprehensive Supply Chain Management	77
414-2	Negative Social Impacts in the Supply Chain and Actions Taken	4.3 Comprehensive Supply Chain Management	77
GRI 416: Customer Health and Safety ★			
416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	2.3 Optimized Space 4.1 Carefully Selected High-Quality Products	46 70
416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	1.3 Sound Risk Management	30
GRI 417: Marketing and Labeling 2016 ★			
417-1	Requirements for Product and Service Information and Labeling	4.1 Carefully Selected High-Quality Products	70
417-2	Incidents of Non-Compliance Concerning Product and Service Information and Labeling	1.3 Sound Risk Management	No relevant matters
417-3	Incidents of Non-Compliance Concerning Marketing Communications	1.3 Sound Risk Management	No relevant matters
GRI 418: Customer Privacy 2016 ★			
418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	1.3 Sound Risk Management	30

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Topic: Energy Management						
Code	Metric	Corresponding Disclosure			Chapter	Page
		2022	2023	2024		
CG-MR-130a.1	(1) Total Energy Consumed (GJ)	814,284	802,404	773,496	3.1 Towards a Net-Zero Future	54
	(2) Percentage Grid Electricity (%)	100%	100%	100%		
	(3) Percentage Renewable (%)	0.04%	0.04%	0.05%		
Topic: Data Security						
Code	Metric	Corresponding Disclosure			Chapter	Page
CG-MR-230a.1	Description of Approach to Identifying and Addressing Data Security Risks	For details on data security risks, please refer to "1.3.2 Systemic and non-systemic risk management and response"			1.3 Sound Risk Management	30
		2022	2023	2024		
CG-MR-230a.2	(1) Number of Data Breaches	0	0	0	1.3 Sound Risk Management	30
	(2) Percentage of Personal Data Leakage	0	0	0		
	(3) Number of Customers Affected	0	0	0		
Topic: Labor Practices						
Code	Metric	Corresponding Disclosure			Chapter	Page
		2022	2023	2024		
CG-MR-310a.1	(1) Average Hourly Wage (Unit: NT\$)	258	277	279	5.1 Compensation and Benefits Superior to Peers	85
	(2) Percentage of In-Store and Distribution Centre Employees Earning Minimum Wage, by Region (%)	0%	0%	0%		
CG-MR-310a.2	(1) Voluntary Turnover Rate for In-Store and Distribution Centre Employees (%)	21%	23%	17%		
	(2) Involuntary Turnover rate for In-Store and Distribution Centre Employees (%)	0%	0.3%	0%		
CG-MR-310a.3	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Labor Law Violations (Unit: NT\$)	0	0	0	1.3 Sound Risk Management 5.1 Compensation and Benefits Superior to Peers	30 85

Topic: Workplace Diversity and Inclusion								
Code	Metric	Corresponding Disclosure			Chapter	Page		
		2022	2023	2024				
CG-MR-330a.1	Percentage of Gender Representation	Executive Managers	0.3%	0.3%	0.3%	5.1 Compensation and Benefits Superior to Peers 5.3 Considerate and Friendly Workplace	85 93	
		Male	Non-Executive Managers	0.7%	0.6%			0.6%
			Other Employees	35.3%	35.7%			35.3%
			Female	Executive Managers	0.1%			0.1%
		Non-Executive Managers		0.3%	0.4%			0.4%
		Other Employees		63.3%	62.9%			63.3%
	Percentage of Racial/Ethnic Group/Disability Representation	Aboriginal	Executive Managers	FEDS implements the principle of fair and equitable employment and guarantees equal employment rights for employees, regardless of race/ethnic status.				
			Non-Executive Managers					
			Other Employees					
		New Immigrant	Executive Managers					
			Non-Executive Managers					
			Other Employees					
		Persons with Disabilities	Executive Managers	0%	0%			0%
			Non-Executive Managers	0%	0%			0%
			Other Employees	0.9%	1.2%			1.4%
CG-MR-330a.2	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Employment Discrimination (Unit: NT\$)		0	0	0			

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Topic: Product Sourcing, Packaging and Marketing						
Code	Metric	Corresponding Disclosure			Chapter	Page
CG-MR-410a.1	Revenue from Products Certified by Third-Party Environmental/Social Sustainability Standards	For details regarding third-party certification and product revenue related to social sustainability certification, please refer to Chapter 3.3.3.			3.3 Persistent Green Actions	63
CG-MR-410a.2	Discussion of Processes to Assess and Manage Risks and/or Hazards Associated with Chemicals in Products	For details on product safety, please refer to the Chapter 4.1.1.			4.1 Carefully Selected High-Quality Products	70
CG-MR-410a.3	Discussion of Strategies to Reduce the Environmental Impact of Packaging	For details on green packaging, please refer to Chapter 3.3.3.			3.3 Persistent Green Actions	63
Topic: Activity Metrics						
Code	Metric	Corresponding Disclosure			Chapter	Page
		2022	2023	2024		
CG-MR-000.A	(1) Number of Retail Locations	13	13	12	1.1 Forward-Looking Innovative Management	21
	(2) Number of Distribution Centers	0	0	0		
CG-MR-000.B	(1) Total Area of Retail Locations (Unit: m²)	987,737	958,702	971,229		
	(2) Total Area of Distribution Centers (Unit: m²)	0	0	0		

Appendix 5. TCFD and Climate-Related Information for Listed Companies Index

	TCFD-Recommended Disclosure Items	Climate-Related Information of Listed and Over-the-Counter Companies	Chapter	Page
Governance	Describe the Board Oversight of Climate-Related Risks and Opportunities.	The Board of Directors and management's oversight and governance of climate-related risks and opportunities.	3.1 Towards a Net-Zero Future	54
	Describe Management's in Assessing and Managing Climate-Related Risks and Opportunities.		3.1 Towards a Net-Zero Future	54
Strategy	Describe the Climate-Related Risks and Opportunities the Organization Has Identified Over the Short, Medium, and Long term.	Describe how the identified climate risks and opportunities affect the organization's operations, strategy, and finances in the short, medium, and long term.	3.1 Towards a Net-Zero Future	54
	Describe the Impact of Climate-Related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning.	Describe the financial impact of extreme weather events and transition actions.	3.1 Towards a Net-Zero Future	54
	Describe the organization's strategic resilience, taking into account different climate-related scenarios, including a 2°C or more severe scenario.	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	3.1 Towards a Net-Zero Future	54
Risk Management	Describe the Organization's Process for Identifying and Assessing Climate-Related Risks.	Explain how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	3.1 Towards a Net-Zero Future	54
	Describe the organization's process for Managing climate-related risks.		3.1 Towards a Net-Zero Future	54
	Describe how Processes for Identifying, Assessing, and Managing Climate-Related Risks are Integrated into the Organization's Overall Risk Management.		3.1 Towards a Net-Zero Future	54
Metrics and Targets	Disclose the Metrics Used by the Organization to Assess Climate-Related Risks and Opportunities in Line with its Strategy and Risk Management Process.	Explain the content of plan, and the metrics and targets used to identify and manage physical risks and transition risks if company has transition plan to manage climate-related risks.	1.3 Sound Risk Management 3.1 Towards a Net-Zero Future	30 54
	Disclose Scope 1, Scope 2 and, if Appropriate, Scope 3 GHG Emissions and the Related Risks.	Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans.	3.1 Towards a Net-Zero Future	54
	Describe the Targets used by the Organization to Manage Climate-Related Risks and Opportunities and Performance Against Targets.	If climate-related targets have been set, the report should specify the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the annual progress achieved. If carbon offsets or renewable energy certificates (RECs) are used to meet these targets, the source and quantity of the offset emissions reductions or the number of RECs should be disclosed.	3.1 Towards a Net-Zero Future	54

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Category	10 Principles	Chapter	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights	5.3 Considerate and Friendly Workplace	93
	2. Make sure that they are not complicit in human rights abuses	5.3 Considerate and Friendly Workplace	93
	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	5.3 Considerate and Friendly Workplace	93
Labor Standard	4. The elimination of all forms of forced and compulsory labor	5.3 Considerate and Friendly Workplace	93
	5. The effective abolition of child labor	5.3 Considerate and Friendly Workplace	93
	6. The elimination of discrimination in respect of employment and occupation	5.3 Considerate and Friendly Workplace	93
Environment	7. Businesses should support a precautionary approach to environmental challenges	3.1 Towards a Net-Zero Future	54
	8. Undertake initiatives to promote greater environmental responsibility	3.1 Towards a Net-Zero Future	54
	9. Encourage the development and diffusion of environmentally friendly technologies	3.1 Towards a Net-Zero Future	54
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	1.3 Sound Risk Management	30

Appendix 7. Code of Conduct for Sustainable Development of Listed Companies

Content		Chapter	Page
Chapter. 1 General Principles	Purpose of policy, scope of practice and principles	Message from the Chairman	4
		President's Remarks	5
		Creating Sustainable Value	6
		1.1 Forward-Looking Innovative Management	21
		1.2 Robust Sustainable Governance	25
		1.3 Sound Risk Management	30
Chapter. 2 Corporate Governance Implementation	Regulating corporate governance implementation	Materiality Assessment	12
		Communication with Stakeholders	15
		1.1 Forward-Looking Innovative Management	21
		1.2 Robust Sustainable Governance	25
		1.3 Sound Risk Management	30
		5.2 Integrated Talent Cultivation	89
Chapter. 3 Development of a Sustainable Environment	Regulating the development of a sustainable environment	3.1 Towards a Net-Zero Future	54
		3.2 Intelligent Energy Resource Management	58
		3.3 Persistent Green Actions	63
Chapter. 4 Safeguarding Public Welfare	Regulation to safeguard public welfare	4.1 Carefully Selected High-Quality Products	70
		4.3 Comprehensive Supply Chain Management	77
		5.1 Compensation and Benefits Superior to Peers	85
		5.2 Integrated Talent Cultivation	89
		5.3 Considerate and Friendly Workplace	93
Chapter. 5 Enhancement of Corporate Sustainable Development Information Disclosure	Regulating enhancement of corporate sustainable development information disclosure	Creating Sustainable Value	6
		6.1 Response to Global Initiatives	102
		6.2 Transnational Window into Culture	103
		6.3 Local Social Welfare and Care	104
Chapter. 5 Appendix	Regulating the amendment of the sustainable development system	Materiality Assessment	12
		Communication with Stakeholders	15

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ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FAR EASTERN DEPARTMENT STORES LTD.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Far Eastern Department Stores Ltd. (hereinafter referred to as FEDS) to conduct an independent assurance of the Sustainability Report for 2024 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 Moderate level during 2025/3/12 to 2025/4/22. FEDS Taiwan service sites as disclosed in FEDS's Sustainability Report of 2024. The boundary is not the same as FEDS's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all FEDS's Stakeholders.

RESPONSIBILITIES

The information in the FEDS's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of FEDS.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP.2018).

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance	
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 Moderate Level (AA1000AP Evaluation only)

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract:

Reporting Criteria Options

TWJPP 5008 Issue 2502

1	AA1000 Accountability Principles (2018)
2	GRI Standards (With Reference to)

- The evaluation of the reliability and quality of specified sustainability performance information in FEDS's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for FEDS and moderate level of scrutiny for its subsidiaries or joint ventures.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the data for 2024, which is related to GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material in FEDS's Sustainability Report.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

SGS affirms our independence from FEDS, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

FEDS has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, it is encouraged to develop formal strategies for ongoing engagement and communication with stakeholders.

TWJPP 5008 Issue 2502



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MATERIALITY

FEDS has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. It is encouraged to communicate with stakeholders as needed, as per their established boundaries of disclosure in an appropriate and timely manner in the future.

IMPACT

FEDS has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, we checked Sustainability Committee minutes of meetings, Supplier evaluation management documents, Human resources statistics system reports, ISO 50001, 14064-1 and ISO14046 certifications. We have confidence that the specified performance information included in the scope of assurance is reliable at a Moderate level of scrutiny for FEDS and at a moderate level of scrutiny for its subsidiaries or joint ventures.

ADHERENCE TO GRI

The report, FEDS's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to FEDS's contributions to sustainability development.

For future reporting, FEDS is encouraged to prepare for the transition to reporting in accordance with the GRI Standards, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
20 May, 2025
WWW.SGS.COM

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Assurance Statement





遠東百貨
FAR EASTERN DEPARTMENT STORES

2024 Sustainability Report

