



2025 Sustainability
Report

Sustain for a
Good Life



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Cover Design Concept

Clear skies and white clouds symbolize a broad sustainability vision and the brand's founding aspiration.

Birds taking flight represent the action of moving toward sustainable transformation hand in hand with partners.

The clear blue-and-white palette conveys transparent governance and steady development.

Far Eastern Department Stores continues to create a better future for society and the environment.

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

Far Eastern Department Stores Ltd. (hereinafter referred to as FEDS) communicates the direction, content, and concrete performance of the company's sustainability actions to stakeholders through this report. At the same time, FEDS provides more detailed information in the ESG section of its corporate website to enhance the completeness and transparency of sustainability disclosure. By establishing a sustainability-oriented management model and pursuing continuous improvement, FEDS is committed to enhancing corporate sustainable value from the inside out, working hand in hand with stakeholders to jointly realize the vision of "Sustain for a Good Life."

The Significance of Sustainability for FEDS

FEDS is the longest-operating and most steadily growing enterprise among Taiwan's chain department stores. Over 58 years of dedicated operation, FEDS has continued to keep pace with the times, driving corporate growth through innovation while accumulating solid sustainability resilience in a changing environment. For FEDS, sustainability is not merely a goal and a commitment, but a core driving force behind the company's long-term competitiveness.

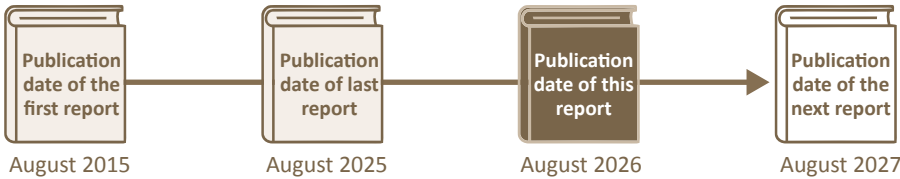
Facing rapidly changing retail trends and the global sustainability wave, FEDS firmly believes that sustainability must be put into practice across dimensions such as brand value, environmental protection, partner collaboration, and customer experience. By deepening green operations, strengthening supply chain partner responsibility, and enhancing customers' sustainable experience, FEDS aims to create a more positive, far-reaching, and far-spreading influence, working with stakeholders to build a more sustainable future.

Report Boundary

FEDS has diversified its expansion across retail sectors, with business operations spanning department stores, hypermarkets, shopping centers, and supermarkets, making it a highly representative integrated retail channel in Taiwan. To ensure that information disclosure is material, comparable, and locally representative, the boundary of this report is defined by financial materiality, the scope of operations in Taiwan, and relevance to the sustainability strategy. Financial performance information is disclosed within the scope of the consolidated financial statements; non-financial sustainability information primarily covers all of FEDS's operating locations in Taiwan and does not include subsidiaries. To enhance information completeness, the social and environmental information of three subsidiaries—A.Mart, City'Super, and The Mall—is compiled in the appendix of this report. Far Eastern SOGO Department Store prepares its own sustainability report; therefore, this report does not duplicate the disclosure of its related information—please refer to its 2025 sustainability report.

Reporting Period

This report is the 12th 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, 2025. To enhance information integrity, some content traces back to previous years. The full report can be downloaded from the sustainability section of the company's website.



Compilation Guidelines and Assurance

This report was prepared with reference to the following standards. For details, please refer to the appendices: the GRI Standards Index Table, the SASB Index, the TCFD Index, the Climate-Related Information of TWSE/TPEX Listed Company Index, the United Nations Global Compact Index Table, and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Index Table.

To ensure the transparency and credibility of the information disclosed in this report, FEDS commissioned SGS Taiwan Ltd. (SGS) to perform the engagement in accordance with the AA1000AS v3 Type 2 moderate assurance level. SGS has completed the verification of the information covered in this report and issued an independent assurance statement, which is detailed in the appendix of this report.

Compilation Basis and Guidelines

- ✓ GRI Standards issued by the Global Sustainability Standards Board
- ✓ SASB Sustainability Standards of the IFRS Foundation
- ✓ International Integrated Reporting Framework of the IFRS Foundation
- ✓ Task Force on Climate-Related Financial Disclosures (TCFD)
- ✓ United Nations Global Compact (UN Global Compact)
- ✓ UN's Sustainable Development Goals (SDGs)
- ✓ Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- ✓ Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

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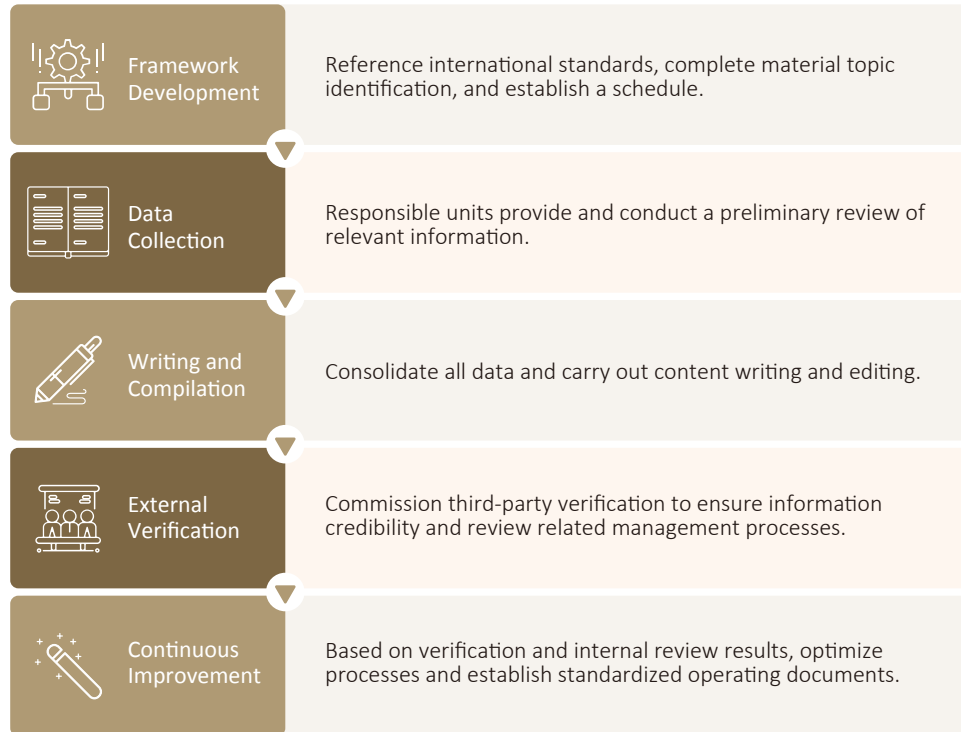
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Report Management Process

Compilation Process



Internal Audit

In accordance with the company's "Sustainability Report Compilation and Assurance Procedures," sustainability information management is incorporated into the internal control system. The audit unit conducts inspections according to its annual plan, and the audit results and improvement recommendations are reported to the Board of Directors and continuously tracked, thereby strengthening the accuracy, completeness, and credibility of sustainability information.

Review and Approval

The completed sustainability report is first reviewed by the President, then submitted to the Corporate Sustainability Committee for approval, and finally approved for publication after deliberation and approval by the Board of Directors.

Data Management and Quality

FEDS has established the "Sustainability Report Compilation and Assurance Procedures" and built a sound sustainability information management and internal control system to ensure the completeness and consistency of the disclosed content. In the event of changes to the scope or basis of data calculation, a note will be added below the relevant data table, and the comparative data of prior years will be updated accordingly to enhance the accuracy and traceability of the information presented.

External Certification	Certification Body
✓ Financial Data	▶ Deloitte & Touche
✓ ISO 50001 Energy Management System	▶ TÜV Rheinland Group, BSI
✓ GHG Protocol Greenhouse Gas Inventory	▶ TÜV Rheinland Group
✓ ISO 14046 Water Footprint	▶ TÜV Rheinland Group
✓ ISO 9001:2015 Quality Management System	▶ AFNOR Group, France

Contact Us

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Sustainability Report Download 

ESG Section 



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Message from the Chairman

(GRI 2-22)

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“Over the past year, global political and economic conditions have remained volatile, creating an increasingly dynamic business environment. At the same time, shifting consumer values and the rapid advancement of digital technologies are accelerating the transformation of the retail landscape. In the face of such uncertainty, Far Eastern Department Stores has remained committed to a philosophy of prudence, pragmatism, and forward-looking strategy — continuously advancing sustainable governance and driving innovation to strengthen corporate resilience and secure long-term growths. For us, sustainability is not only a corporate responsibility, but also a core driver of competitiveness and value creation.”

A Legacy of Sustainability: Nearly Six Decades of Retail Excellence

In 2025, Far Eastern Department Stores marks its 58th anniversary. As one of Taiwan’s most established and comprehensively networked department store operators, we continue to build on a foundation of steady growth, guided by “Sustainability” and “Innovation” as our dual pillars. Through ongoing optimization of retail spaces, refinement of brand portfolios, and integration of digital services, we enhance both customer experience and operational efficiency. Meanwhile, we remain committed to strengthening environmental stewardship, social value, and governance transparency—gradually shaping a retail model that is both competitive and sustainable.

Outstanding ESG Performance with Record-Breaking Global Recognition

Anchored in the belief that “Sustainability Is Competitiveness,” Far Eastern Department Stores systematically promotes its Environmental, Social, and Governance (ESG) initiatives, continuously enhancing corporate governance and sustainability management. This year, our ESG performance again reached new heights, earning 39 domestic and international awards—a record high. Notably, our Sustainability Report has received the Global Corporate Sustainability Awards (GCSA) for three consecutive years and the Asia Responsible Enterprise Awards (AREA) for four consecutive years. These achievements reflect our ongoing commitment to transparency, stakeholder engagement, and governance excellence, as well as our steady alignment with international sustainability standards.

Advancing Net-Zero: Dual Focus on Energy Efficiency and Green Energy

As climate risks intensify and stakeholder expectations for decarbonization grow, Far Eastern Department Stores is actively advancing its net-zero transition strategy. Guided by the principles of “Efficiency First and Green Energy Adoption,” we are progressively reducing operational carbon intensity. Through energy-efficient equipment upgrades, the implementation of smart energy management systems, and the planned adoption

of renewable energy, we continue to improve energy performance while strengthening carbon management capabilities—laying a solid foundation for a low-carbon and sustainable future.

Smart Retail: Enhancing Digital Competitiveness

With the rapid evolution of digital technologies and artificial intelligence, the retail industry is undergoing profound changes in both operations and customer engagement. Far Eastern Department Stores is actively advancing its smart retail transformation, leveraging AI and data analytics to optimize customer experience design and integrating technology across every touchpoint of the customer journey. By seamlessly connecting online and offline services and strengthening membership engagement, we enhance service efficiency and deepen customer relationships. This enables consumers to enjoy not only a diverse merchandise offering, but also an innovative, convenient, and warm shopping environment—further reinforcing operational performance and market competitiveness.

Partnering with Stakeholders to Build a Sustainable Future

Looking ahead, Far Eastern Department Stores will continue to place sustainability at the core of its long-term strategy—deepening governance transparency, strengthening climate action, and driving service innovation in collaboration with employees, customers, brand partners, and the broader community. We firmly believe that only by balancing economic value creation with environmental responsibility and social commitment can a company achieve resilient and sustainable growth in a rapidly changing world.

Message from the President

(GRI 2-22)

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“The retail industry is evolving at a rapid pace, compelling enterprises to continually adapt their operating models and service value in order to maintain a competitive edge in an increasingly dynamic market. We firmly believe that an organization’s long-term competitiveness is rooted in the shared growth of its stakeholders. Guided by this conviction, the Company has embedded ESG principles into its operations and governance. Through responsible and innovative management practices, we collaborate closely with employees, customers, and brand partners to progressively shape a retail model that integrates sustainability with service innovation, thereby generating a positive impact on the industry.”

Steady Operational Growth Strengthening Sustainable Momentum

Amid intensifying competition in the department store sector, Far Eastern Department Stores (FEDS) demonstrated resilient performance in 2025, achieving total sales of NT\$60 billion and maintaining stable growth momentum. Flagship locations, including Top City Taichung and Mega City Banqiao, continued to enhance their premium customer engagement through spatial optimization and brand portfolio upgrades. Other branches, meanwhile, tailored their strategies to local market characteristics and consumer preferences, integrating diverse marketing initiatives with experiential services to boost customer interaction and foot traffic. This solid operational performance not only underpins foundation for corporate developments, but also provides a stable support for advancing sustainability initiatives.

Safety as a Priority: Creating a Secure Shopping Environment

Public safety remains a fundamental pillar of department store operations. FEDS has incorporated safety management into the core of its governance framework, guided by the principles of “prevention first, rapid response, and continuous improvement.” Comprehensive measures have been integrated into daily operations, including disaster prevention training and drills, safety inspections of public facilities, management of drinking water and indoor air quality, as well as the installation of AED devices and personnel training. Through standardized procedures, routine inspections, and ongoing education, the Company has established a robust safety management system to ensure a secure and reassuring environment for customers, employees, and partners alike.

Employee Well-being and an Inclusive Workplace Culture

Employees are the Company’s most valuable asset. Far Eastern Department Stores is committed to fostering a healthy, diverse, and inclusive workplace culture, and has been advancing its employee wellness program for seven consecutive years. This program integrates occupational safety management, health

promotion, and gender equality education to holistically enhance both physical and mental well-being, as well as workplace safety awareness. Its achievements have been recognized with the Global Corporate Sustainability Awards (GCSA) for two consecutive years. By aligning health management, workplace safety optimization, and gender equality, the Company is progressively building a sustainable workplace model that balances well-being, safety, and inclusivity.

Mobilizing Social Impact through Collective Effort

Far Eastern Department Stores has long been dedicated to social responsibility, leveraging its extensive island-wide network to connect brand partners and community organizations in advancing public welfare initiatives. In 2025 alone, the Company organized 1,053 charitable events, with employees contributing over 1,135 volunteer service hours. Through diverse forms of engagement, FEDS integrates the strengths of both the enterprise and its stakeholders—responding to societal needs while strengthening its connection with the community and amplifying the long-term impact of its philanthropic efforts.

Driving Retail Transformation through Sustainability to Create Shared Value

In response to rapid industry changes and the growing imperative of sustainability, Far Eastern Department Stores will continue to position ESG as a core strategic pillar, embedding sustainable principles into both operational management and service innovation. By collaborating with employees, customers, brand partners, and the broader community, the Company aims to cultivate a more inclusive and innovative retail ecosystem. Looking ahead, we will build upon a foundation of prudent management and continuous innovation to advance both corporate growth and sustainable value, creating enduring and shared benefits for the industry and society.

Far Eastern Department Stores
President Nancy Hsu

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Creating Corporate Sustainable Value (GRI 2-23, 2-24)

FEDS firmly believes that a company's long-term value depends not only on profitability but on comprehensive investment across the ESG dimensions. Embracing the vision of "Sustain for a Good Life," FEDS is committed to building a sustainable value model that balances economic benefit, social inclusion, and environmental sustainability. Through sustainability actions in business governance, innovative stores, eco-friendly operations, product management, a happy workplace, and social care, FEDS continues to demonstrate the strategic direction of "sustainability as a core competitive advantage" in the retail industry, building a more resilient future of sustainable value.

Sustainable Actions	Sustainable Management and Governance	Material Topics	Business Performance and Innovation Strategy	Risk Management	Information Security and Personal Data Protection	Integrity in Business Operations and Compliance with Regulations
Goal Plan	Policy Commitments	2025 Key Performance Highlights			Future Medium- to Long-Term Goals	
 Refine Corporate Governance and Board Functions	Continuously optimize the governance structure, enhance the professionalism and diverse backgrounds of the Board, strengthen the internal control system and information transparency, and pursue steady operations.		- Ranked among the top 20% of listed companies in the Corporate Governance Evaluation, maintaining steady results. - Enhanced directors' professionalism, with an average of 7.7 training hours per director, exceeding regulatory requirements. - The Board passed 18 major resolutions, ensuring the company's sustainable operations and governance. - Held integrity-management training courses with 5,116 participations, a 1.33-fold increase over the previous year.			- Continuously enhance Board governance effectiveness, refine information disclosure and internal control mechanisms, and become a benchmark enterprise in corporate governance. - Expand integrity-management and regulatory-compliance courses, progressively increasing training capacity year by year, with the number of trainees and training hours rising by at least 2%, deepening the internalization and implementation of legal compliance.
 Strengthen Risk Control Mechanisms and Operations	Establish a complete risk management process to identify various risks in advance and respond appropriately, reducing impact and ensuring operational stability.		- Implemented risk inventory, covering five major dimensions identifying a total of 16 risk factors. - Closely tracked changes in domestic and international financial markets and policy interest rates, and assessed their impact on financial conditions. - Assessed reasonable idle funds on the books daily to reduce interest-rate exposure arising from borrowing. - Reviewed asset and liability structures monthly, analyzing the impact of market interest-rate fluctuations on the cost of liabilities. - Dynamically planned the combination of fixed- and variable-rate borrowings according to market conditions, flexibly adjusting the structure of short- and long-term funds.			Conduct comprehensive risk inventories and risk management projects on a regular annual basis, optimize risk assessment and response processes, enhance organizational risk resilience.

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Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Enhancing Cybersecurity and Information Security Resilience	Establish and continuously optimize information security policies and management processes, and drills to ensure that critical information remains secure.	- The information security training completion rate among all employees reached 100%. - The completion rate for the improvement or mitigation of high-risk items was 100%. - No verified incidents of customer privacy infringement or personal data loss occurred during the year. - Management reviews and internal audits were all completed as planned.	- Continuously enhance the maturity of information security governance and deepen its integration with enterprise risk management. - Introduce new information security protection and monitoring technologies. - Strengthen information security and personal data management requirements for the supply chain and outsourced vendors.
 Establish a Sustainability-Oriented Management Model	Incorporate ESG topics into operational decision-making, set goals and performance indicators, regularly review implementation effectiveness, and drive long-term corporate value and sustainable growth.	- The management division formulated 62 ESG KPIs, translating the company's sustainability value concretely into daily operations. - Enhanced employees' sustainability awareness, with total training hours for employees participating in sustainability-related courses reaching 6,629 hours, a 1.07-fold increase over the previous year. - Continued to advance 25 management-level action projects, strengthening the organization's "accountability, agility, operational capability, and strategic capability." - Established value plan, systematically reviewing operational strategy and capital allocation to ensure that resource investment is aligned with the creation of shareholder value.	Incorporate ESG goals into the operational strategy and performance management framework, forming a management cycle of continuous improvement, enhancing overall sustainability performance, and advancing.

Sustainable Actions
Innovative Benchmark Stores
Material Topics

Store Safety and Services

Customer Service and Communications

Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Expand Membership Management Strategies and Data Application	Leverage data analytics to understand customer needs and provide more attentive services, while rigorously protecting personal data security.	- FEDS App membership 1.88 million, increased by 14%. - Expanded the FEDS App points-plus-cash redemption service, growing redeemable products over 200% year-on-year. - Through big data analysis, the degree of insight into member preferences increased from 25% to 80%. - No member data breach incidents occurred.	Deepen customer insight and precision marketing capabilities through big data analysis, continuously optimize the membership management model, steadily maintain a membership scale in the millions.

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Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Introduce Intelligent Service Systems	Use digital technology and intelligent systems to optimize operational processes and service efficiency, enhancing service quality and customer experience.	- Upgraded and maintained 98 digital management systems to enhance operational and service efficiency. - Tainan Store established customer service System to reduce language communication barriers and serve a more diverse customer base. - FEDS XinYi A13 set up "high-coverage free Wi-Fi throughout the store" and "smart lockers supporting diverse payment methods," allowing customers to obtain the information they need in real time and complete baggage-storage services through automated equipment. - For Smart Parking Services, installed 96 EV charging stations across 11 stores.	Continuously optimize intelligent service facilities according to customer needs, optimizing at least 1 intelligent application service function each year.
 Providing a Convenient Digital Experience	Integrate online and offline service resources to create a convenient digital experience that meets customers' diverse consumption needs.	- Provided 12 mobile payment options to enhance checkout and payment efficiency. - The cloud invoice issuance rate reached 72%, a 6% year-over-year increase, exceeding the National Taxation Bureau's annual promotion target. - Offering a "rent-instead-of-buy" model, deploying 452 power bank units in stores to enhance customers' real-time charging convenience. - Providing one-click claiming and instant redemption of e-vouchers through the App; in 2025, issued 7,712,193 e-vouchers, enhancing customer interaction efficiency.	Continuously introduce AI and digital technology applications, integrate O2O service scenarios, embed digital convenience throughout the complete consumption journey, and create a highly efficient customer experience.
 Build a Safe and Friendly Shopping Environment	Create a shopping environment that is safe, convenient, healthy, and environmentally friendly, providing consumers with a comfortable and reassuring shopping experience.	- Formulated the SOP for Accident Reporting and Handling" and conducted training for floor management and other relevant personnel, achieving a 100% training coverage rate. - Enhanced the friendliness of facility use, with accessible, friendly elevators installed in all 12 stores in Taiwan. - With 10 stores in Taiwan obtaining the Dementia-Friendly Label and becoming dementia-friendly businesses. - All stores in Taiwan 100% awarded the "Good" Indoor Air Quality certification. - A total of 21 AEDs were installed across all stores in Taiwan, all 100% certified as "AED Safe Places."	Regularly review and optimize the accident reporting and improvement mechanism each year and create a high-quality shopping environment for consumers.

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 Maintain Long-Term, Positive Customer Relationships	Establish diverse communication channels and complaint-handling mechanism, actively responding to customer opinions and needs, and strengthening customer trust and satisfaction.	- Received 2,929 items of customer feedback, a 3.1-fold increase over the previous year. - Provided professional training for customer service personnel, with a total of 1,335 training participations and 1,425 total training hours. - Ensured stable service quality, with 4 branches continuing to pass the ISO 9001:2015 recertification audit.	Deepen customer service quality management and personnel professional training, enhance customer satisfaction and trust, and build stable customer relationships.

Sustainable Actions	Efficient Environmental Protection Operations	Material Topics	Climate Change Response	Energy Management	Waste Management and Resource Sustainability
Goal Plan	Policy Commitments	2025 Key Performance Highlights			Future Medium- to Long-Term Goals
 Promote Energy and Resource Efficiency Management	Continuously save energy and reduce carbon emissions, enhance resource use efficiency, and advance toward low-carbon operations.	- Total electricity consumption across all operating locations in Taiwan was 208.75 million kWh, a year-over-year decrease of 6.11 million kWh, exceeding the annual target of 1.5%. - Continued to advance energy-saving projects, implementing 34 in 2025, achieving total energy savings of 4,259,032 kWh. - Water consumption per unit of floor area was 8.81, 10% better than the recommended water-use indicator value of the Water Resources Agency, Ministry of Economic Affairs, in 2025.			Continuously enhance energy-saving performance and resource use efficiency, progressively reducing energy intensity and carbon emission intensity per unit of sales.
 Strengthen Green Procurement Capacity	Give priority to products and services with eco-labels or low environmental impact, encourage suppliers to jointly implement environmental management, and increase the overall green procurement ratio.	- Green procurement amount was NT\$89.72 million, a 238% year-over-year increase, covering 82 procurement items, an 82% increase over the previous year. - Enhancing resource use efficiency through the sharing economy model, with an annual leasing amount of approximately NT\$45.9 million. - Procured office consumables with environmental certifications with an annual procurement amount of NT\$721,767. - Required suppliers to comply with 10 environmental sustainability commitments in the "Supplier Code of Conduct and CSR Commitment."			Increase the low-carbon certifications, progressively incorporate sustainability indicators into supplier selection and cooperation conditions, and strengthen the influence of green procurement.

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 Enhance Green Consumption and Sustainable Services	Provide products and services with green value, promote the concept of responsible consumption, and practice sustainability together with customers through purchasing power.	100% of shopping paper bags were made from FSC-certified paper, with low-pollution eco-friendly ink used for paper bag printing. - Reduced the use of paper and distribution resources, with the volume of DMs printed decreasing by 462,975 copies compared to the previous year, a decline of approximately 21%. - Implemented responsible retailing, selling coffee certified by the Rainforest Alliance, with an annual sales volume of 98 kilograms. - Promoted local sustainable products, holding 46 small-farmer markets and produce exhibitions, gathering 682 booths and selling 3,592 quality agricultural products.	Expand the proportion of sustainable products and eco-friendly service options, enhance consumer participation through awareness and marketing activities, and jointly promote responsible consumption behavior.
 Implement Waste Reduction and Circular Recycling Mechanisms	Promote source reduction, sorted recycling, and resource reuse measures to reduce the impact of waste on the environment.	- The volume of general industrial waste incinerated per NT\$1 of sales was decrease 1.2% from the previous year. - The volume of recycled resources was 1,535 metric tons, a 3% year-over-year increase. - Food waste decreased by 210 kilograms, a 6.4% year-over-year decrease, and waste cooking oil decreased by 26 kilograms, an 11.8% year-over-year decrease.	Increase the recycling rate and reduce the intensity of waste generation year by year, with a target of reducing waste by 3% annually.

Sustainable Actions

Safe Product Management

Material Topics

Product Quality and Safety

Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Strengthen the Product Quality Management System	Establish a comprehensive product quality management and audit system, comply with laws and regulations, and carefully select safe, high-quality products for consumers so that customers can shop with peace of mind.	- Established the "Online Shopping Supplier Cooperation Agreement" to strengthen compliance requirements for the disclosure of e-commerce product and service information. - Inspected the labeling, expiry dates, and other details of cosmetic and skincare testers at branches across Taiwan, covering a total of 807 individual items. - Conducted quarterly spot checks and inventory of self-operated cosmetics, with a full inventory of all items every six months; product loss rate: below 0.01%.	Continuously optimize the product quality control mechanism, keep abreast of inspect, label, and manage the products sold in compliance with regulations, ensuring that product quality.

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Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Implement Food and Beverage Hygiene and Safety Management	In accordance with food safety regulations, establish a food and beverage hygiene management and audit mechanism, and strengthen source management of suppliers to ensure food safety.	- Added "kitchen safety and hygiene" requirements for food and beverage counters, enhancing the overall hygiene and operational safety levels of food and beverage venues. - Inspected the safety and hygiene management of 304 supermarket and self-operated product counters and 434 food and beverage counters, ensuring. - Promoted Green Restaurant certification, with 109 food and beverage counters obtaining certification in 2025, a 21% year-over-year increase.	Strengthen the food safety management mechanism of "establishing clear standards, implementing self-management, and conducting regular inspections" to ensure food and beverage quality and hygiene safety.
 Establish a Contractor Safety Management System	Formulate contractor safety management standards, implement construction and operational risk management, and ensure the operational safety of contractor personnel and on-site staff.	- To reduce potential hazards of high-risk operations and protect the safety of contractor personnel, required contractors to take out 416 construction insurance policies. - Adjusted the contractor construction application form, dividing construction categories into general operations and high-risk operations.	Regularly review and revise the "Contractor Management Regulations" to effectively protect the safety of contractor personnel, jointly advancing toward zero workplace accidents.
 Promote Sustainable Supply Chain Management	Establish a supplier evaluation and management system, incorporate environmental, labor and human rights, and ethical standards into selection and cooperation conditions, and work with suppliers to enhance sustainability performance.	- Conducted 5,181 supplier evaluations based on procurement cases, with 99% of evaluation results rated "good" or above. 270 suppliers were screened based on ESG principles, and on-site audits of 56 suppliers were completed. - A cumulative total of 1,916 "Supplier Code of Conduct and CSR Commitment" were signed.	Build four major systems — a centralized procurement item database, a supplier database, a price-comparison database, and an online quotation platform — to enhance procurement transparency and efficiency, and progressively incorporate ESG performance into the supplier management mechanism.

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Sustainable Actions	A Healthy and Happy Workplace		Material Topics	Occupational Safety and Health	Talent Cultivation and Retention	Labor Rights
	Goal Plan	Policy Commitments		2025 Key Performance Highlights		Future Medium- to Long-Term Goals
	 Establish a Systematic Talent Development Mechanism	Build a comprehensive education, training, and career development system, provide diverse learning and growth opportunities, cultivate professional talent.		- Managerial personnel received an average of 26.9 training hours per person, a 1% increase over the previous year. - General staff received an average of 27.8 training hours per person, an 8% increase over the previous year. - Sales personnel received an average of 11.7 training hours per person, a 16% increase over the previous year. - Added 12 online courses to the digital learning platform, with cumulative views of 32,184.		Regularly assess employee competencies, cultivate interdisciplinary talent, promote digital learning projects, and enhance the convenience of learning.
	 Optimize the Compensation and Benefits System	Establish a remuneration system with market competitiveness and internal fairness, provide diverse benefits and incentive measures, and motivate employees to continuously create value.		- Employees' average monthly salary was 1.43 times the average monthly total salary in the retail industry in 2025 as published by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan. - Employee benefit funds were fully borne by the company, with each person enjoying an average of NT\$27,000 in benefits. - Promoted a pregnancy care mechanism, conducting workload surveys for 38 employees.		Continuously review and optimize a market-competitive compensation and benefits system to achieve the goal of attracting and retaining talent.
	 Implement Labor and Human Rights Protection	Comply with labor regulations and human rights principles, eliminate discrimination and improper treatment, and provide a dignified, safe, and fair working environment.		- Regularly convening labor-management meetings, with a total of 48 sessions held at the headquarters and branches. - Implemented human rights policies and risk control mechanisms, with no incidents of human rights disputes, and involved suppliers employees. - Promoted the employment of people with disabilities, employing 14 employees with disabilities.		Regularly review internal management regulations and their implementation to ensure compliance with labor regulations and human rights principles, maintaining zero major violations of labor laws.

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Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Promote Employee Health and Workplace Safety	Establish the "Occupational Safety and Health Committee," advance health promotion and risk prevention programs, and provide employees with a healthy, safe workplace environment.	- Regularly convened the Occupational Safety and Health Conference to discuss safety inspection and health promotion topics, with 24 personnel participating in 2025. - Held "Accident Reporting and Handling" training, with a total of 834 participations. - No occupational accidents occurring throughout the year, successfully achieving the "zero workplace accident" goal.	Establish an institutionalized health promotion program and occupational safety management mechanism, reduce the incidence of occupational accidents and major occupational injuries, and create a supportive and healthy workplace environment.

Sustainable Actions

Heartwarming Social Welfare

Material Topics

Social Welfare

Goal Plan	Policy Commitments	2025 Key Performance Highlights	Future Medium- to Long-Term Goals
 Continuously Invest in Social Welfare	Combine the company's core capabilities and resources to invest in charitable activities, promoting local community development and shared social good.	- Invested in cultural development, with a cultural investment amount of NT\$3.79 million. - Total social welfare expenditure for the year was NT\$6.414 million, holding 1,053 diverse charitable activities.	With care, environmental protection, and health as the main themes, leverage channel advantages to expand the scale and influence of charitable participation, creating long-term social value.
 Encourage Employee Participation in Volunteer Service	Establish a volunteer service system and support mechanism, encourage employees to participate in social service and charitable activities, build team cohesion, and expand social influence.	- Held 50 employee volunteer activities, with 358 participations and 1,146 hours of service contributed. - Employee volunteer service hours continued to grow, with the cumulative total rising to 6,654 hours compared to the base year (2022).	Optimize the institutionalized participation and incentive mechanism, encourage employees to engage in charitable service, with cumulative volunteer service hours reaching over 8,000 hours.

Note: Time-frame definitions: Medium term is 3 to 5 years; long-term is more than 5 years.

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Asia-Pacific Sustainability Expo Debuts with "Sustainable Green Building"

The Only Department Store to Exhibit for 4 Consecutive Years

FEDS has participated in the "Asia-Pacific Sustainability Expo" for four consecutive years, communicating ESG concepts with the public in innovative ways. In 2025, with "Sustainable Green Building" as the core theme, FEDS demonstrated its action outcomes in energy conservation and carbon reduction, environmental friendliness, and social inclusion through educational and interactive displays, inviting the public to explore the future possibilities of green buildings together.

This year's exhibition area focused particularly on the design highlights of "energy conservation and carbon reduction," presenting FEDS' sustainability practices in buildings and operations on site. For example, store buildings use Low-E glass, which can significantly lower indoor temperatures and achieve both energy savings and comfort. At the same time, solar power generation equipment was displayed on site, symbolizing FEDS' efforts to move toward a greener direction in energy use. In addition, the application of permeable paving technology not only improves the urban heat island effect but also helps the recycling of water resources, strengthening the building's friendliness to the natural environment.

The exhibition area featured a specially built Low-E glass house simulation device, allowing visitors to compare the difference in heat-insulation effects between Low-E glass and ordinary glass. The public can better understand how Low-E glass effectively lowers indoor temperatures and reduces air-conditioning energy consumption. Through this, FEDS hopes not only to convey the value of green buildings, but also to guide the public in extending the concept of environmental friendliness into daily life, gradually forming a sustainability culture in which all citizens participate.

Through design and experience, transforming sustainable consumption from awareness into action



**From Channel to Exhibition:
Opening a New Role as a
"Sustainable Department Store"**

Entering the venue for the first time with the concept of a "sustainable department store" to enhance public awareness of green consumption and corporate sustainability.



**Guiding Low-Carbon
Consumption Choices through
Dialogue and Experience**

Set up a "sustainability dialogue area" and guiding the public through interactive experiences to choose more environmentally friendly consumption behaviors.



**Combining Industry-Academia
Innovation to Bring Sustainable
Design into Daily Life**

Combined industry-academia collaboration outcomes, displaying recycled materials and installation art remade from recycled materials, integrating sustainable design.



**From Experience to Action:
Making Sustainability Concepts
Part of Daily Life**

Through low-carbon design and an interactive experience, transformed sustainability concepts are transformed into actionable practices, to extend the concept into daily life.

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The Employee Carbon Reduction Platform Drives Behavioral Transformation

Industry-first: Systematic Employee Carbon Reduction Data Tracking

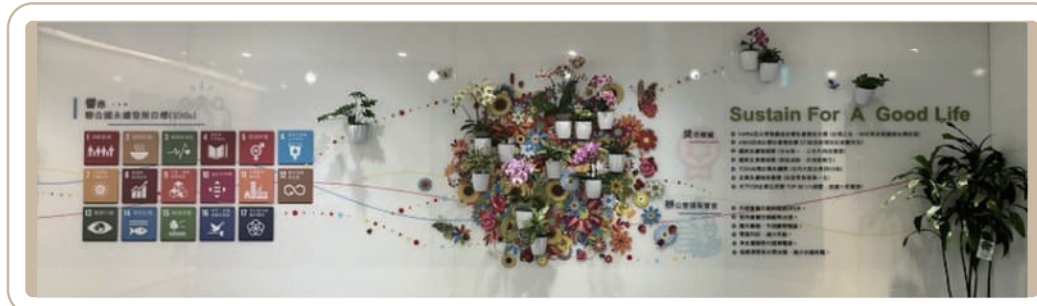
FEDS launched the "Employee Carbon Reduction Platform" in June 2024, becoming the first company in the department store industry to track employee carbon reduction in a systematic way. The platform is designed with 23 quantifiable carbon reduction action indicators, guiding employees to internalize sustainability concepts in their daily work and life situations.

According to platform statistics, in 2025 each employee reduced an average of 3.7 kilograms of carbon per day, with a cumulative annual carbon reduction of 1,624 metric tons of CO₂e (equivalent to the annual carbon absorption of about 4 Da'an Forest Parks), demonstrating the concrete results brought about by high employee participation and institutionalized promotion.

To strengthen the dissemination of and identification with its sustainability culture, FEDS set up a corporate sustainability image wall in its office spaces, integrating the SDGs, ESG action directions, environmental declarations, and management outcomes, and using green plant design to symbolize sustainable vitality.

In addition, the company also encourages employees to give priority to public transportation when on official business, with a response rate exceeding 70% over the past five years, shaping a green mobility culture.

Through the "Employee Carbon Reduction Platform" and diverse sustainability culture promotion measures, FEDS makes sustainability not merely a concept, but action outcomes jointly accumulated by all employees.



Launching an Anti-Fraud Awareness Mechanism to Strengthen Information Security

Enhancing Stakeholders' Anti-Fraud Awareness

In the face of frequent fraud cases in recent years, FEDS proactively launched an anti-fraud awareness mechanism, incorporating customer rights protection into daily operations and risk management. Through its official website and digital communication channels, FEDS systematically disclosed the company's official external contact principles and anti-fraud information, reminding customers to stay alert. FEDS clearly stated that the company will not proactively ask customers to provide personal data or make online transfers, nor does it hold any activities offering monetary returns as incentives, thereby reducing the consumption risks arising from brand impersonation.

Moreover, FEDS established a customer collaboration reporting mechanism, encouraging customers to not only call the government's 165 anti-fraud hotline but also proactively report relevant links and supporting evidence to branches or official channels, helping the company identify potential fraud patterns in real time and carry out subsequent handling and clarification.

Through the disclosure of anti-fraud information and a two-way reporting mechanism, FEDS incorporates consumers into its overall risk management framework, shaping a cooperative model in which the company and stakeholders jointly guard against fraud, and demonstrating its long-term commitment to customer information security and rights protection. This initiative not only helps reduce the impact of fraud incidents on customers and the brand, but also strengthens customers' ability to identify official channels, enhancing the safety and trust foundation of the overall retail consumption environment and supporting, through concrete action, society's shared goal of combating fraud.



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Tree Planting Program: Realizing Environmental Sustainability

Driving Enterprises and Communities to Jointly

FEDS launched the "Tree Planting First Year Program" in 2024, starting from concrete action and extending carbon reduction and environmental care from corporate operations into communities, campuses, and the natural environment. FEDS hopes to make sustainability not merely a goal, but a daily action that can be seen and participated in, realizing the commitment of "Sustain for a Good Life."

On March 22, 2024, FEDS held its first tree-planting event at Wensheng Elementary School in Banqiao District, New Taipei City, joining hands with the New Taipei City Government to plant 40 Taiwan-endemic incense-cedar (*Calocedrus*) trees on the school grounds. The event invited teachers, students, and local representatives to participate together, naturally integrating environmental protection and sustainability concepts into campus life.

In 2025, FEDS joined hands with the Tainan City Government and the Siraya National Scenic Area Headquarters to launch the "Plant to Protect, Sustainability Helps" event at the Nanhua Visitor Center, planting 6 purple trumpet trees and 40 chinaberry trees, formally entering the "Tree Planting Second Year Program", connecting nature and life more closely.

FEDS has long mobilized employees to participate in tree-planting and environmental actions, and will continue to expand the tree-planting program to the counties and cities where its operating locations are situated. We also encourage more people to join us in building a harmonious relationship with nature.



Deepening Sustainable Workplace Culture through Retail Employees' Day

A First Mover in the Department Store Industry

In response to the international retail industry's emphasis on the value of frontline personnel, FEDS once again participated in International Retail Employees' Day in 2025, advancing an employee care initiative through institutionalized planning and a uniform implementation approach across Taiwan.

The activity was coordinated and planned by the headquarters' marketing planning department and jointly implemented with each store's management team. Through clear activity goals and an implementation framework, the care initiative reached frontline employees and counter partners at department store sites.

For the "employees" dimension, on the day of the event, a thank-you video and thank-you letter from supervisors were sent via the internal system; at the same time, each employee was presented with a "Peace & Sweetness apple gift," and the Employee Welfare Committee uniformly distributed an employee benefit package including gift vouchers, translating gratitude into tangible rewards.

For the "counter partners" dimension, each store's manager and deputy manager personally took part in the implementation, expressing gratitude to counter staff before store opening and during clock-in times. The activity also presented counter partners with the gift, with different quantities allocated according to counter size, enhancing counter partners' sense of participation.

Through this institutionalized care initiative, FEDS strengthens employees' sense of identification with and belonging to the company. In the future, FEDS will continue to listen to frontline voices, incorporating employee feedback into institutional optimization and operational decision-making, and building an inclusive and developmental workplace.



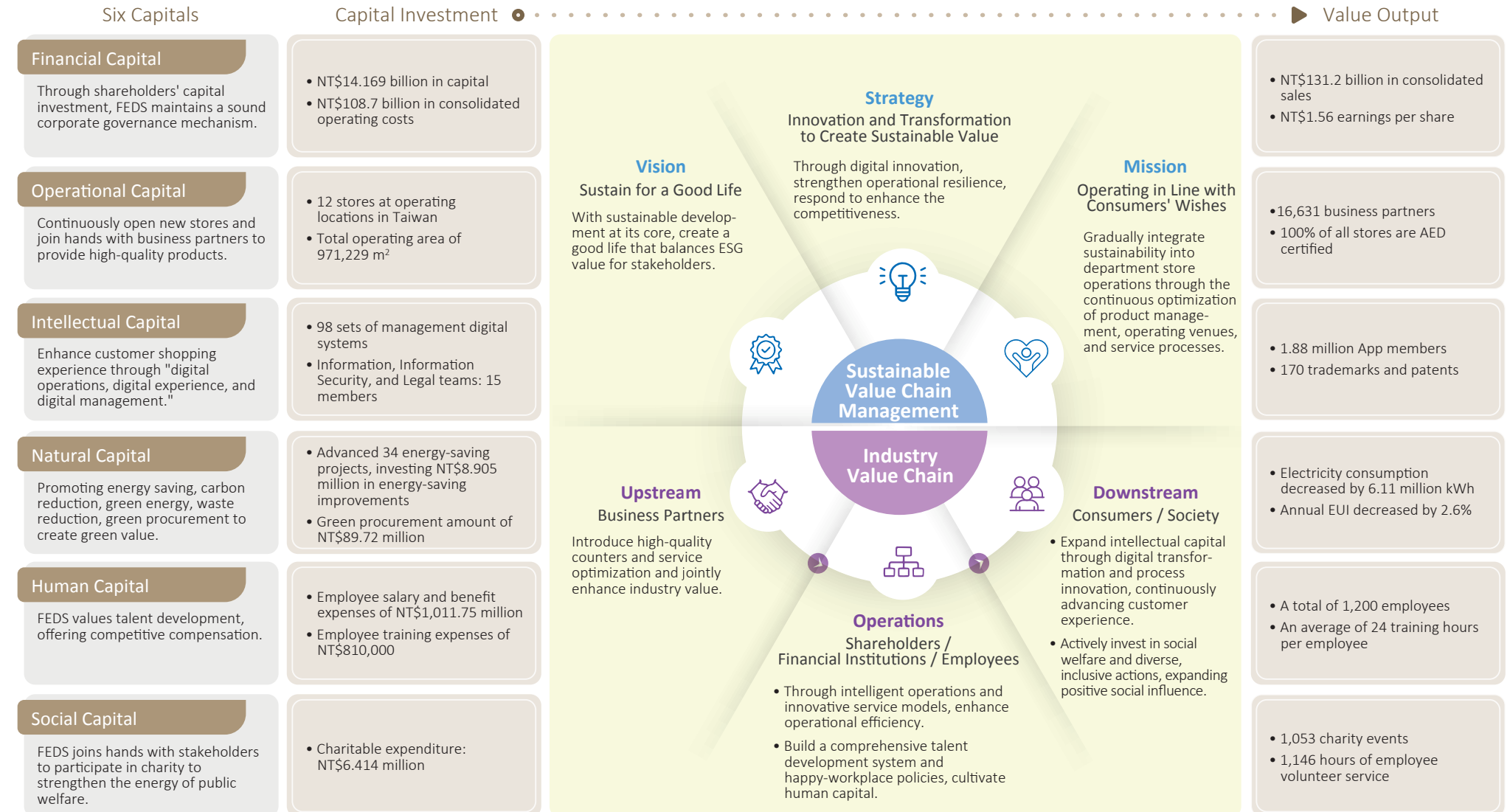
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Sustainable Value Creation Chain (GRI 2-6)

With sustainability as its core driving force, FEDS uses six forms of capital – financial capital, intellectual capital, natural capital, social capital, human capital, and operational capital – as the foundation for corporate investment and value creation. By connecting upstream counter vendors with downstream consumers along the industry chain, FEDS systematically builds a sustainable value creation chain, creating maximum sustainability value at every link.



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Exerting Sustainable Influence

Upholding the core spirit of "Thinking Globally, Acting Locally," FEDS continues to respond to international sustainable development trends and, in combination with Taiwan's sustainable development policies, implements localized sustainability actions. Based on the core capabilities of its own retail channels, FEDS plans concrete and actionable sustainability action programs, systematically linking them to the United Nations Sustainable Development Goals (SDGs), and, through stakeholder engagement, transforming sustainability goals into measurable and trackable local practice outcomes. By continuously advancing low-carbon operations, responsible consumption, friendly services, and social good, FEDS enhances the company's long-term operational resilience and builds a multi-win sustainable growth model.



Ensure and promote healthy living and well-being across all age groups

FEDS Management Approach

Promote and facilitate various activities that enhance health and encourage a healthy lifestyle

Action Plans and Key Performance

- Leveraging long-term channel influence, called for blood donation actions, holding 128 blood donation events across branches in Taiwan and collecting more than 5.44 million cc of blood.
- Promoting healthy leisure, sponsored the "High School Dance Championships" for 8 consecutive years, gathering 111 teams with more than 800 students registered to participate.
- Valuing employee health, advanced the employee health promotion program for 7 consecutive years, with the headquarters and all branches in Taiwan obtaining "Healthy Workplace certification".



Enhancing social and economic security care services for vulnerable groups

FEDS Management Approach

Donated supplies to disadvantaged groups to meet basic living needs

Action Plans and Key Performance

- Held the Christmas charity lighting event for 17 consecutive years, cumulatively giving out more than 4,200 pairs of athletic shoes and 27,000 gifts.
- Donated supplies during major festivals such as the Lunar New Year, Mid-Autumn Festival, and Dragon Boat Festival, holding 17 events and giving out 1,276 gift boxes, 1,800 catties of rice, and 990 rice dumplings.



Ensure comprehensive, equitable, and high-quality education, and promote lifelong learning

FEDS Management Approach

Establish a training blueprint to systematically cultivate industry talent

Action Plans and Key Performance

- Annual employee training program (in-person courses and digital learning) reached 23,703 participants
- An average of 24 training hours per employee, 0.7 training hours per counter staff member, and 2.6 training hours per security staff member.
- Implemented "Industry-Academia Talent Reserve Training Program," recruiting a total of 300 interns.



Ensure food security, eliminate hunger, and promote sustainable agriculture

FEDS Management Approach

Organizing farmers' markets to promote quality agricultural products

Action Plans and Key Performance

- Held 46 agricultural produce markets, promoting 3,592 agricultural products and generating approximately NT\$12.34 million in sales.



Achieving gender equality and the empowerment of all women

FEDS Management Approach

Establish and implement gender equality policies to create a friendly and respectful workplace

Action Plans and Key Performance

- Gender equality-themed training had a total of 1,756 participations and 1,051 total training hours, increases of 2.6-fold and 1.7-fold respectively over the previous year.
- Practiced DEI (diversity, equity, and inclusion), implementing "a diverse talent structure, equitable development opportunities, and a supportive workplace environment."
- The proportion of female directors was 63%, and the proportion of female managers at the vice-president level or above was 57%.
- Female floor management personnel may choose pants or skirt uniforms according to personal needs.

Taiwan Sustainable Development Goals

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Ensure environmental quality and sustainable management of environmental resources

FEDS Management Approach

Improve the water environment, enhance water use efficiency, and address water resource shortages

Action Plans and Key Performance

- Provide safe drinking water, conduct regular monthly maintenance of drinking water facilities, and perform quarterly water quality testing, with test results meeting 100% of the standards.
- The headquarters and 4 branches in Taiwan established rainwater harvesting systems, with a capacity of 3,221 thousand liters.
- Promote water conservation measures to achieve water usage efficiency that exceeds industry performance by 10%. NT\$6.27 million has been invested in wastewater treatment.



Establish a transportation system that is affordable for the public, safe, environmentally friendly, resilient, and sustainable

FEDS Management Approach

Promote digital transformation and use technology to create a new shopping journey and consumer experience for customers

Action Plans and Key Performance

- Member data-driven marketing, with FEDS App membership growing 14%, using data analysis to advance personalized precision marketing.
- Smart payment building a convenient experience, providing 12 categories of diverse payment and digital services such as e-vouchers, upgrading shopping convenience and efficiency.
- Digital systems enhancing operational efficiency, with 98 digital management systems established, strengthening operational management and service efficiency.



Ensure that everyone has access to affordable, stable, sustainable, and modern energy

FEDS Management Approach

Support green energy, enhance energy efficiency, and reduce energy intensity

Action Plans and Key Performance

- Enhanced energy efficiency, with electricity use per NT\$1 of sales down 26% since energy performance management indicators were first established in 2015.
- Installed 3 solar photovoltaic systems, with green electricity usage of 1.698 million kWh, a 638% year-over-year increase.
- Annual electricity use of 301 kWh per square meter of store area, a 2.6% year-over-year decrease, successfully reducing energy consumption per unit area.



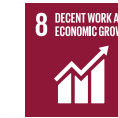
Reduce domestic and international inequality

FEDS Management Approach

Take appropriate actions to eliminate discrimination and reduce inequality

Action Plans and Key Performance

- Implementing responsible retail by selling environmentally friendly coffee, practicing environmental protection, social equity, and economic viability.
- Equal pay for equal work, with no instances of unequal pay for equal work based on gender, race, religion, or other social factors.
- Employed 14 employees with disabilities, of whom 4 had severe disabilities, exceeding the statutory employment ratio and implementing equal employment.
- Chiayi Store was awarded the "Elderly and Middle-Aged Employment Friendly Workplace Certification."



Promote inclusive and sustainable economic growth, enhance labor productivity, and ensure that all individuals have access to quality employment opportunities

FEDS Management Approach

Adjust the business model, enhance operational performance, increase employment opportunities, and promote economic growth

Action Plans and Key Performance

- Distributed dividends and employee bonuses according to annual operating results, with EPS of NT\$1.56, sharing growth with shareholders and employees.
- Continuously optimized management mechanisms, advancing 25 management-level action projects to strengthen decision-making and operational performance.
- Created employment opportunities through operational development, with a combined total of 17,113 employees and counter personnel, driving local economic growth.



Building cities and villages with inclusive, safe, resilient, and sustainable characteristics

FEDS Management Approach

Develop environmentally friendly buildings, increase urban green spaces, and provide safe commercial areas

Action Plans and Key Performance

- Utilize the four key principles of ecology, energy conservation, waste reduction, and health to create green buildings. Currently, there are five green buildings under FEDS management.
- Investing funds and manpower to adopt the street trees and park green spaces surrounding the shopping mall, covering a total area of 1,865.2 ping.
- All stores across Taiwan have obtained 100% "Certification for Safe Places" and conduct regular disaster prevention training for employees to ensure the safety of both customers and staff.

Taiwan Sustainable Development Goals

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Promote a green economy to ensure sustainable consumption and production patterns

FEDS Management Approach

Promote green consumption, provide environmentally friendly services, and enhance resource sustainability

Action Plans and Key Performance

- For eleven consecutive years, FEDS has promoted green consumer services based on the 3R's and 3E's, including packaging and printing reduction.
- Green procurement amount of NT\$89.72 million, a 238% year-over-year increase, recognized for "Outstanding Green Procurement Award" by the New Taipei City Government for 9 consecutive years.
- Promoted resource sustainability, recycling 1,535 metric tons of reusable resources during the year, a 3% year-over-year increase.



Comprehensive mitigation and adaptation actions to address climate change and its impacts

FEDS Management Approach

Developing climate change risk management actions to seek opportunities for green transformation

Action Plans and Key Performance

- Establish medium- and long-term goals for greenhouse gas reduction, complete a comprehensive greenhouse gas inventory and verification, achieving a coverage rate of 100%.
- Total carbon emissions (Scope 1 + Scope 2) decreased by 1,696metric tons compared to the previous year, a reduction of 2.3%.
- Established an internal carbon pricing system, setting NT\$300 per metric ton of carbon to accelerate carbon reduction action and low-carbon transformation.



Taiwan Sustainable Development Goals

Protect marine resources, reduce marine pollution, establish marine protected areas, and mitigate ocean acidification

FEDS Management Approach

Promoting environmental education and conserving marine ecology

Action Plans and Key Performance

- 5 branches jointly participated in marine conservation actions, combining employee volunteers, local governments, and partner organizations to plan beach cleanups and marine education activities.
- The "Hua Bao Charity Show" volunteer team of Top City Taichung Store performed a charity play, portraying marine creatures to convey the concept of protecting the environment.



Conserve and sustainably use terrestrial ecosystems, ensure biodiversity, and prevent land degradation

FEDS Management Approach

Promoting environmental education and protecting terrestrial ecology

Action Plans and Key Performance

- Carried out the "Tree Planting Second Year" activity, planting 6 purple trumpet trees and 40 china-berry trees at the Nanhua Visitor Center in March 2025.
- Held 14 cosmetic empty-bottle recycling events at 8 branches, cumulatively recycling more than 11,750 empty bottles.
- Promoted the collection of used books and toys, cumulatively collecting 1,768 books and 1,302 toys, donated to non-profit organizations for use by children in remote areas.



Promote a peaceful and diverse society, ensure judicial equality, and establish a credible system that incorporates public opinion

FEDS Management Approach

Promote peace and justice, and reduce the occurrence of all forms of violence

Action Plans and Key Performance

- Taoyuan Store responded to International Children's Rights Day for 2 consecutive years, holding a painting competition and collaborating with the Jing Chuan Child Safety Foundation, attracting more than a hundred children to participate.
- FEDS Zhubei held the "Domestic Violence Prevention Month x Community Achievement Exhibition," connecting 26 communities in Hsinchu County and demonstrating the results of gender-based violence prevention efforts.
- Hualien Store held the "Stick Together Against Sexual Violence" sexual-trauma prevention advocacy exhibition, a month-long exhibition that attracted more than 3,000 visitors.



Establish diverse partnerships to collaboratively promote a vision of sustainability

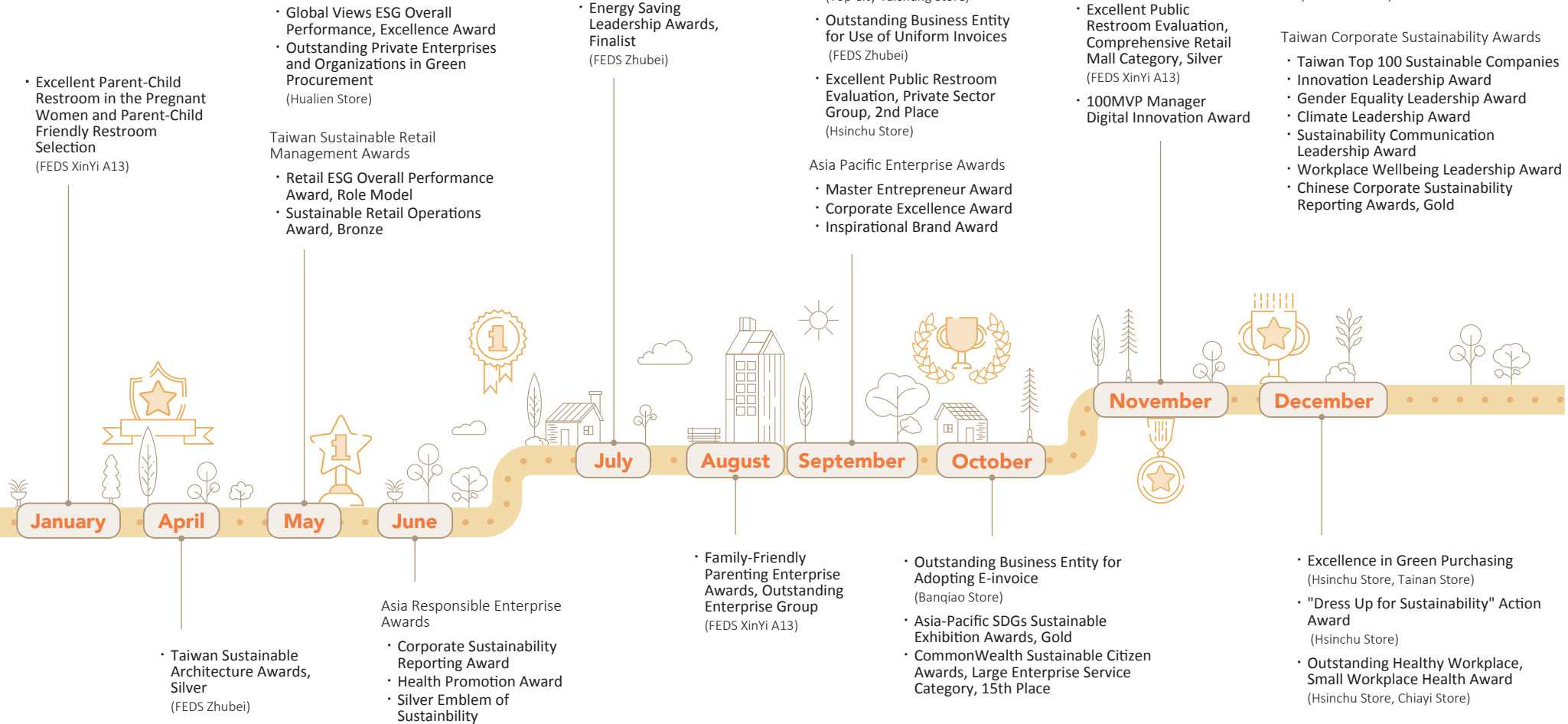
FEDS Management Approach

Establish multiple partnerships, exert positive influence, and enhance sustainable power

Action Plans and Key Performance

- Joined 49 public associations and organizations to exert influence.
- The only representative from Taiwan to join the Intercontinental Group of Department Stores, implementing the IGDS CSR Code together with 44 global members.

Awards and Honors



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18 Certifications (Labels)

E Environment	 CommonWealth Magazine "1.5°C Temperature Control Target" Label	 Taichung City Shopping Mall Low Carbon Certification (Top City Taichung Store)	S Social	 Dementia-Friendly Label / Certification (10 stores in Taiwan)	 Breastfeeding Room Certification (FEDS XinYi A13, Hsinchu Store, Chiayi Store)	 Healthy Workplace Certification (Headquaters and all branches in Taiwan)
	 ISO 50001: Energy Management System (Headquarters, Mega City Banqiao Store, and Tainan Store)	 Greenhouse Gas Inventory (GHGP) (Headquaters and all branches in Taiwan)		 ISO 14046: Water Footprint (Taoyuan Store)	 AED Safe Place Certification (All branches in Taiwan)	 Sports Enterprise Certification (Headquarters, 10 stores in Taiwan)
	 Green Building Gold Level Label (Zhubei Store)	 Indoor Air Quality Self-Management Label "Good Class" (All branches in Taiwan)		 Outstanding Public Restroom Venue Certification (All branches in Taiwan)	G Governance	 ISO/IEC 27001: Information Security Management System (Headquarters)
				 BS 10012: Personal Information Management System (Headquarters, FEDS XinYi A13, Mega City Banqiao Store, Taoyuan Store,,Hsinchu Store, Zhubei Store, Top City Taichung Store, Kaohsiung Store)		 ISO 9001: Quality Management System (Banqiao Store, Hsinchu Store, Tainan Store, Kaohsiung Store)

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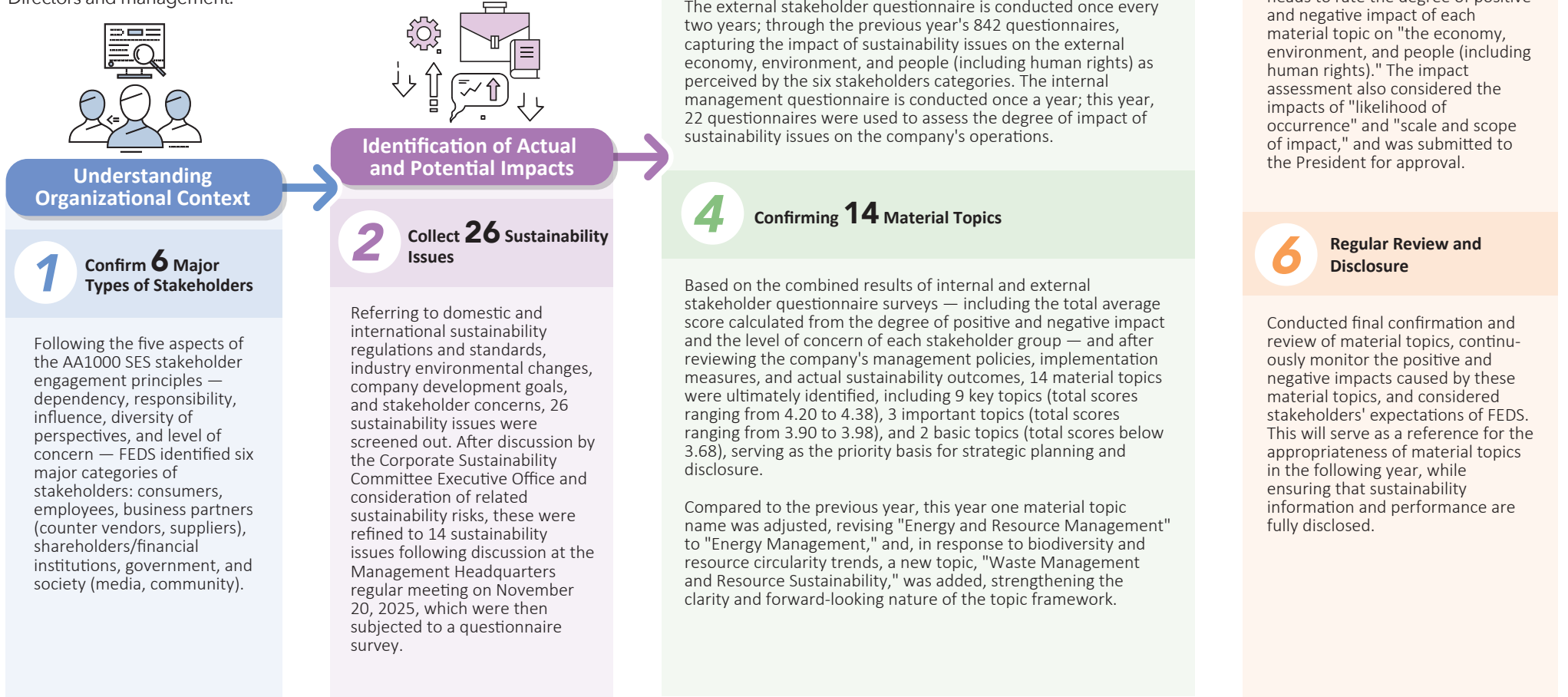
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Materiality Assessment (GRI 2-29, 3-1, 3-2, 3-3)

FEDS follows the AA1000 AccountAbility Principles and the GRI Sustainability Reporting Standards, and comprehensively considers domestic and international sustainability development trends, relevant sustainability standards and norms, industry peer practices, and topics of concern to stakeholders, as the core basis for material topic identification and sustainability report disclosure.

FEDS conducts a regular annual review of material topics, systematically evaluating the degree of impact of each topic on the economic, environmental, and people (including human rights) dimensions, and adjusting its sustainability management priorities according to the identification results, as a reference for resource allocation, action planning, and the enhancement of the quality of decision-making by the Board of Directors and management.

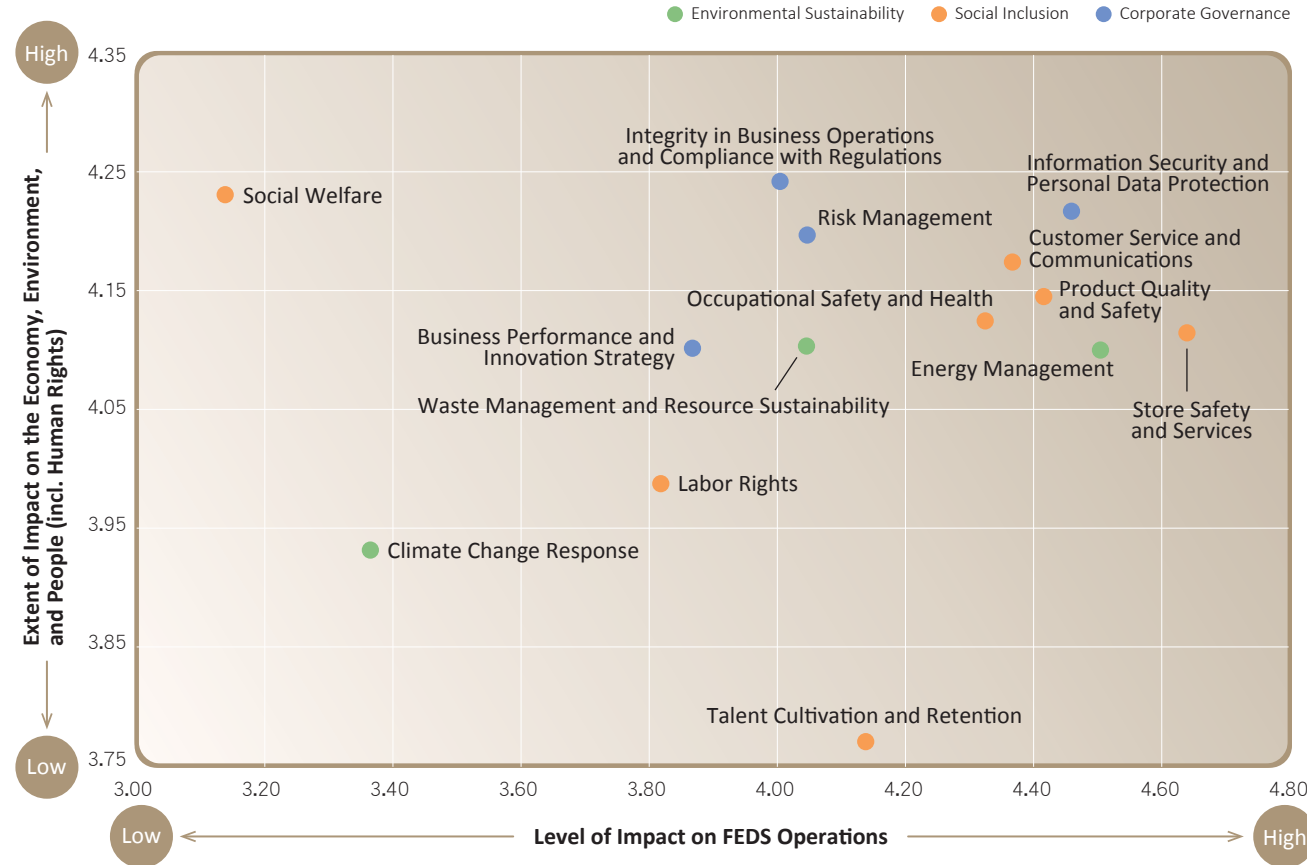


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Regular Review and Disclosure





- Energy Management
- Waste Management and Resource Sustainability
- Climate Change Response



- Store Safety and Services
- Product Quality and Safety
- Customer Service and Communications
- Occupational Safety and Health
- Talent Cultivation and Retention
- Labor Rights
- Social Welfare



- Information Security and Personal Data Protection
- Integrity in Business Operations and Compliance with Regulations
- Risk Management
- Business Performance and Innovation Strategy

Explanation of Material Topic Adjustments

	Topic Structure Adjustment 	Decreased Materiality Level 	Increased Materiality Level 
Adjustment Details	The former "Energy and Resource Management" was split into two topics: "Energy Management" and "Waste Management and Resource Sustainability."	"Business Performance and Innovation Strategy" was adjusted from a key topic to an important topic. "Social Welfare" was adjusted from an important topic to a basic topic.	"Product Quality and Safety" and "Risk Management" were elevated to key topics. "Talent Development and Retention" and "Labor Rights" were elevated from basic topics to important topics.
Reason for Change and Impact	In response to energy transition trends and the rising importance of biodiversity and circular economy, the topic was separated into two material topics to enhance management focus and disclosure transparency.	Based on the re-ranking from stakeholder questionnaire and the double materiality assessment, the impact of these topics on the company's long-term value and external impact has relatively decreased.	As retail operational risks, supply chain responsibility, and the competition for talent intensify, the impact of these topics on operational resilience and brand trust has increased, so their materiality levels were adjusted.

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Impact Assessment

FEDS follows the materiality identification process set out in the GRI Standards and adopts the Double Materiality principle proposed by the European Union, identifying 14 material topics. Through a quantitative scoring mechanism, it comprehensively considers the severity, likelihood of occurrence, and scope of impact, completing an overall ranking of the degree of impact, and further identifying the top five topics in terms of degree of impact across the three dimensions of economy, environment, and people (including human rights), as a basis for resource allocation and management priorities.

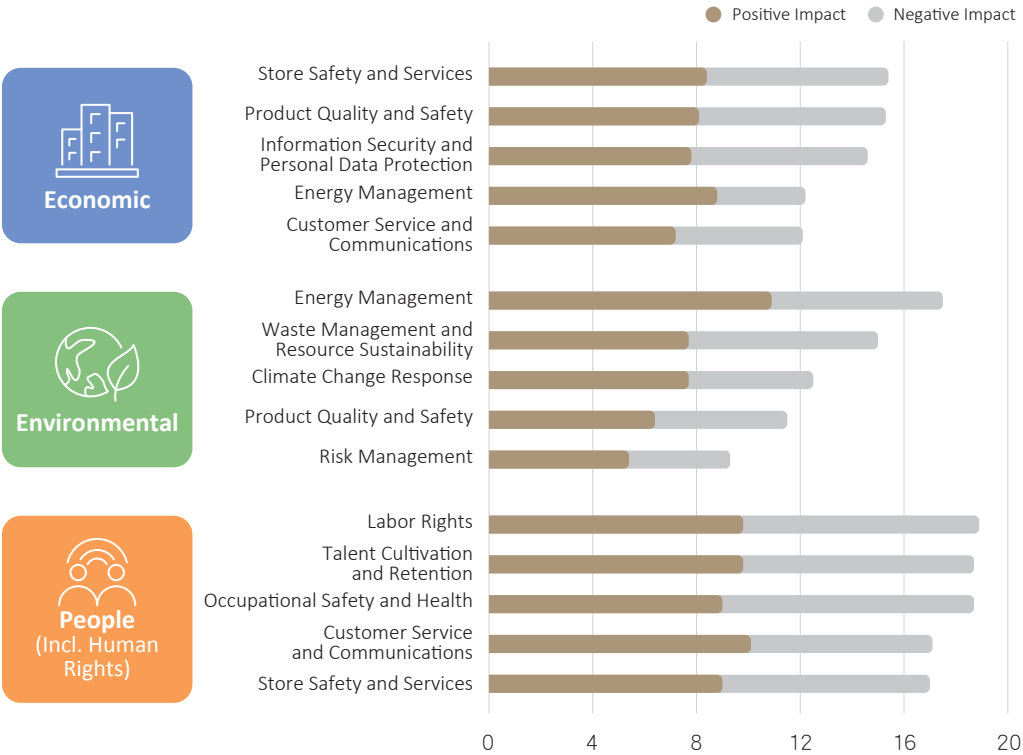
Among them, "Product Quality and Safety" presented the highest potential for positive impact in the assessment, indicating that FEDS' efforts in product quality management, supplier control, and food safety mechanisms have already taken effect, with key influence on safeguarding consumer rights and enhancing service trust. In the future, FEDS will continue to strengthen quality monitoring, risk prevention, and supply chain management through institutionalized management and continuous improvement mechanisms, in accordance with regulatory requirements and market trends.

"Occupational Safety and Health" showed relatively high negative impact in the assessment results, mainly reflecting that there is still room for improvement in safety management and regulatory compliance at operating locations. For the relevant deficiencies that occurred during the year, FEDS has completed improvements and incorporated them into a tracking and management mechanism. In the future, FEDS will continue to reduce potential risks and enhance the maturity of workplace safety management through institutional optimization and internal audit mechanisms.

Material Topic Impact Assessment Results



Top 5 in Terms of Economic, Environmental, and People (Incl. Human Rights) Impacts



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Impact Description and Management

● Economic ● Environmental ● People (Incl. Human Rights)

Topic		Positive / Negative Impact	Potential / Actual	Main Affected Parties	Impact Description	Changes in Ranking	Relevant Information Corresponding Section(s)
●	Store Safety and Services	+	Potential	Customers, Employees, Community	FEDS provides safe shopping and response mechanisms, reducing accident risks and strengthening trust.	↑	2.5 Ensuring a Safe Shopping Environment
		−	Potential	Customers, Employees	Inadequate safety management may lead to accidents, operational interruptions, and reputational losses.		
●	Product Quality and Safety	+	Actual	Customers, Suppliers	Rigorously controlling product quality and food safety ensures customer health and enhances brand trust.	↑	4.3 Safe Food Safety Control
		−	Potential	Customers	Product defects or food safety incidents may cause health risks and liability for compensation.		
●	Information Security and Personal Data Protection	+	Actual	Customers, Employees	FEDS strengthens information security and privacy protection by establishing an information security system and management mechanism.	↓	1.4 Rigorous Information Security Protection
		−	Potential		Information security incidents may lead to privacy infringement, operational interruptions, and expose the company to regulatory risks.		
●	Occupational Safety and Health	+	Potential	Employees, Contractors	Good occupational safety management can reduce the incidence of accidents and enhance employee wellbeing.	↑	5.5 Promoting Employee Health and Well-being
		−	Actual		Violations or inadequate management may lead to occupational safety accidents, fines, and health risks.		
●	Customer Service and Communications	+	Actual	Customers	Establishing good service processes and communication channels maintains long-term customer trust and enhances satisfaction.	↑	2.3 Professional and Attentive Customer Service
		−	Potential		Inadequate service quality or failure to handle complaints promptly and properly causes a decline in satisfaction.		
●	Energy Management	+	Actual	Environment, Investors	Energy-saving measures reduce carbon emissions and operating costs, enhancing climate governance performance.	↓	3.2 Enhancing Energy Efficiency and Management
		−	Potential		High-energy-consumption operations may increase greenhouse gas emissions, environmental burden, and operating costs.		
●	Talent Cultivation and Retention	+	Actual	Employees, Customers	A comprehensive talent development and growth system can enhance service quality and organizational stability.	↑	5.3 Talent Training and Career Development
		−	Potential	Employees	Inadequate professional training will make it impossible to attract and retain outstanding talent, affecting the company's long-term development.		

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● Economic
● Environmental
● People (Incl. Human Rights)

Topic		Positive / Negative Impact	Potential / Actual	Main Affected Parties	Impact Description	Changes in Ranking	Relevant Information Corresponding Section(s)
● Environmental	Waste Management and Resource Sustainability	+	Actual	Environment, Community	Advancing waste reduction and circular recycling measures implements resource sustainability.	↓	3.4 Waste Reduction and Circular Recycling
		−	Potential		Improper waste handling may cause environmental pollution and regulatory risks.		
● Economic	Integrity in Business Operations and Compliance with Regulations	+	Actual	Investors, Employees, Suppliers	Establishing governance and internal control mechanisms can reduce corruption risk and enhance corporate transparency and market trust.	↑	1.5 Comprehensive Regulatory Compliance
		−	Potential	Investors	Violations or dishonest conduct may result in penalties and reputational losses.		
● People (Incl. Human Rights)	Labor Rights	+	Actual	Employees, Counter and Outsourced Personnel	Complying with human rights policies and regulations can reduce labor risks and strengthen employee cohesion.	↓	5.4 A Diverse, Inclusive, and Friendly Workplace
		−	Potential		Failure to uphold labor rights may give rise to issues such as discrimination, overtime, or forced labor.		
● Environmental	Climate Change Response	+	Potential	Environment, Investors	Carbon reduction strategies and transformation actions can reduce climate risks and operational impacts.	↓	3.1 Net-Zero Transition and Climate Action
		−	Potential		Failure to effectively manage carbon emissions may result in policy and market risks.		
● People (Incl. Human Rights)	Social Welfare	+	Actual	Community, Society	Investing corporate resources in public welfare can strengthen social influence and local connections.	↓	6 Heartwarming Social Caring
		−	Potential		A lack of planning or improper resource allocation may reduce influence.		
● Economic	Risk Management	+	Actual	Investors, Employees, Customers	Comprehensive risk identification and control can reduce operational impacts and enhance corporate resilience.	↓	1.3 Sound Risk Management
		−	Potential		Inadequate risk identification may lead to operational interruptions or financial losses.		
● Economic	Business Performance and Innovation Strategy	+	Actual	Investors, Employees	Innovation and the enhancement of operational performance can promote industry upgrading and corporate competitiveness.	↓	1.1 Forward-Looking Innovative Management
		−	Potential		Inadequate innovation and operational performance may weaken corporate growth momentum.		

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◆ Explanation of Major Violations and News Events (GRI 2-27, 416-2)

In 2025, FEDS had no major violations with a single penalty amount exceeding NT\$150,000. There were an additional 23 non-monetary penalty cases, all of which have been improved and incorporated into the internal management mechanism for continuous tracking. Self-operated products and services all complied with relevant regulatory requirements, with no violations of food safety, product safety, or environmental hygiene regulations, and no harm to customer rights due to products or services failing to comply with regulations, indicating that the company's related management systems operate stably.

The main event that received media attention during the year was a brief elevator malfunction at Top City Taichung Store that left customers trapped. After the incident, the company immediately conducted a comprehensive inspection of the equipment with the maintenance vendor. It carried out in-depth repairs and preventive maintenance on the abnormal equipment, while dispatching additional professional maintenance personnel on site to promptly eliminate potential risks, ensuring customer safety and operational stability.

Time	News	Handling and Response
August, September, December 2025	Top City Taichung Store Elevator Malfunction	1. Promptly activated the response mechanism and properly handled the trapped situation 2. Comprehensive safety inspection of all elevator equipment in the store 3. Specialized repairs and preventive maintenance on abnormal equipment 4. Dispatched additional repair and maintenance personnel to strengthen on-site management

● Prioritization of Material Topics and Scope of Impact

○ Direct Impact △ Linked Impact □ Value Chain Impact

	Topic	Significance for FEDS	Corresponding GRI Standards	Scope of Impact						
				Upstream			Operations		Downstream	
				Government	Counter Vendors	Suppliers	Shareholders / Financial Institutions	Employees	Consumers	Society
Key Topic	Store Safety and Services	Regularly review store safety and facilities, and carry out internal staff communication training to ensure mall safety and service quality, thereby protecting the company's reputation.	410-1、416-1、416-2	○	○	△	□	○	○	□
	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.	418-1	○	△	△	□	○	○	□
	Energy Management	Advance energy-saving equipment optimization, energy monitoring mechanisms to respond to net-zero trends and regulatory requirements.	302-1、302-3~302-5、303-1~303-5	○	○	△	□	△	□	□
	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	○	○	□	□	△	○	□
	Customer Service and Communications	Through comprehensive training programs to enhance service quality, FEDS has established multiple channels to maintain communication with customers.	417-3	○	□	□	□	○	○	□

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○ Direct Impact △ Linked Impact □ Value Chain Impact

	Topic	Significance for FEDS	Corresponding GRI Standards	Scope of Impact						
				Upstream			Operations		Downstream	
				Government	Counter Vendors	Suppliers	Shareholders / Financial Institutions	Employees	Consumers	Society
Key Topic	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 ~ 403-10	○	△	△	□	○	□	□
	Integrity in Business Operations and Compliance with Regulations	Establishing a culture of integrity and honesty, and implementing compliance management, are fundamental to sustainable operations.	205-1 ~ 205-3	○	△	△	△	△	□	□
	Waste Management and Resource Sustainability	Advance waste reduction and resource circular reuse, reducing the impact of operational activities on the environment.	306-1 ~ 306-5	○	○	○	□	△	□	□
	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	○	□	□	○	○	□	□
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 、 201-4	○	□	□	○	○	□	□
	Talent Cultivation and Retention	Cultivate employees' professional skills and offer competitive compensation to attract and retain talent, ensuring the stable development of the company.	202-1 、 401-1~401-3 、 404-1~404-3	○	△	△	□	○	□	□
	Labor Rights	Formulate and implement human rights management policy to protect the rights and interests of employees.	402-1 、 405-1 、 405-2 、 406-1 、 407-1 、 409-1	○	○	○	□	○	□	□
Basic Topic	Social Welfare	Integrating resources to transform each business location into a local public welfare platform, thereby creating the greatest overall social impact.	NA	□	△	△	□	△	△	○
	Climate Change Response	Identify climate change risks and opportunities, enhance climate response resilience and transformation adaptability, moving toward the 2050 net-zero goal.	201-2 、 305-1 、 305-2 、 305-4 、 305-5	○	△	△	△	△	□	□

Communication with Stakeholders (GRI 2-29)

FEDS refers to the AA1000 Stakeholder Engagement Standard (SES, 2011) and, following the five major principles of Accountability, Dependency, Influence, Diversity, and Tension, has established a stakeholder identification and engagement mechanism, identifying the key stakeholders in the company's sustainable development process from the dimensions of operational activities, value chain impact, and risks and opportunities. In 2025, FEDS identified six major categories of stakeholders and, according to their degree of association with and influence on the company's operations, planned differentiated communication and engagement methods, serving as an important basis for sustainability strategy and management actions.

Customers	Channels and Frequency of Communication	Communication Strategy
 Significance for FEDS Customers are the core driving force behind FEDS' value creation and sustainable growth. By responding to diverse consumption needs and customer feedback, FEDS continuously optimizes service quality, operating models, and the overall shopping experience. Contact Point Each branch's Telephone: Toll-free hotline, please refer to the website: https://www.feds.com.tw/en/OverSea	Regular FEDS App/event DM/social media Irregular TV commercials/satisfaction survey/customer service hotline/suggestion mailbox Top 3 Material Topics of Concern - Social Welfare - Integrity in Business Operations and Compliance with Regulations - Information Security and Personal Data Protection Corresponding Chapters - Sustainable Management and Governance - Heartwarming Social Caring	Operating in line with consumers' wishes, FEDS provides quality services and a reassuring consumption environment through diverse communication channels, collecting customer opinions and continuously improving to enhance customer satisfaction and trust. Communication Achievements - Total social media followers reached 1,593,000 (including Facebook and LINE) - Average monthly traffic on the official website of 4,027,369 visitors - Issued 337 annual event DMs - A total of 2,929 items of customer feedback (including 123 items of positive feedback and 2,806 improvement suggestions) - Pushed 4,472,427 messages through the FEDS App

Employees	Channels and Frequency of Communication	Communication Strategy
 Significance for FEDS Employees are FEDS' most important human capital. Through comprehensive training, reasonable compensation, and career development, FEDS builds professionalism and cohesion, laying the key foundation for the company's sustainable operations and competitiveness. Contact Point Human Resources Department Telephone: 02-7727-8168	Regular Department meeting/labor-management meeting/Employee Welfare Committee/Occupational Safety and Health Committee/questionnaire survey Irregular Internal announcement/email/employee suggestion mailbox Top 3 Material Topics of Concern - Social Welfare - Integrity in Business Operations and Compliance with Regulations - Risk Management Corresponding Chapters - Sustainable Management and Governance - Heartwarming Social Caring	Establish smooth and diverse internal communication channels, build a safe, healthy, and supportive workplace environment, listen to employee opinions, promote labor-management mutual trust, and grow together with employees. Communication Achievements - A total of 48 labor-management meetings held 5 Employee Welfare Committee meetings, 40 Occupational Safety and Health Committee meetings 554 employee satisfaction questionnaires collected 0 items received in the employee suggestion mailbox 559 internal announcements published via the Enterprise Information Portal (EIP) 7,060 employee survey questionnaires collected

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Business Partners

(Counter Vendors/Suppliers)

 Significance for FEDS

Business partners are important members of FEDS' value chain. Through stable cooperation and collaborative development, FEDS jointly builds a safe and comfortable shopping environment, provides high-quality products and services, and enhances the overall consumption experience.

 **Contact Point** Counter Contract Department, Procurement Department
Telephone: 02-7727-8168

Channels and Frequency of Communication

 **Regular**

Morning meeting/vendor conference

 **Irregular**

Coordination meeting/promotion meeting/sales visit/phone call/email

 **Top 3 Material Topics of Concern**

- Information Security and Personal Data Protection
- Product Quality and Safety
- Integrity in Business Operations and Compliance with Regulations

 **Corresponding Chapters**

- Sustainable Management and Governance
- Safe Product Management

Communication Strategy

Build mutually trusting and mutually beneficial partnerships, advance sustainable supply chain management, jointly enhance product and service quality with business partners, respond to customer needs, and create long-term value for shared good.

 **Communication Achievements**

- 2,602 counter vendor meetings, 55 supplier meetings
- Held a large annual vendor fellowship gathering, with 342 vendors participating
- 270 "Supplier Code of Conduct and CSR Commitment" letters signed
- Food and beverage counters obtained 126 GHP labels (a 15.6% year-over-year increase)
- 11,679 training sessions for counter staff



Shareholders/ Financial Institutions

 Significance for FEDS

Shareholders and financial institutions provide capital and governance oversight and are key partners supporting FEDS' long-term growth, influencing corporate value, investment trust, and operational resilience.

 **Contact Point** Investor relations portal
Email: ir@feds.com.tw

Channels and Frequency of Communication

 **Regular**

Shareholders' meeting/annual report/financial statement/Market Observation Post System

 **Irregular**

Investor conference/phone call/email

 **Top 3 Material Topics of Concern**

- Customer Service and Communications
- Integrity in Business Operations and Compliance with Regulations
- Energy Management
- Waste Management and Resource Sustainability
- Product Quality and Safety
- Risk Management

 **Corresponding Chapters**

- Sustainable Management and Governance
- Innovative Benchmark Stores
- Efficient Environmental Protection Operations
- Safe Product Management

Communication Strategy

Through steady financial performance, transparent information disclosure, and integrated ESG management, respond to the material topics of concern to investors, strengthen capital market trust, and enhance long-term investment value.

 **Communication Achievements**

- Held 2 investor conferences and 1 annual general meeting of shareholders
- Disclosed financial information on the official website monthly
- 84 items received in the investor suggestion mailbox
- Released 47 material information of the company in both Chinese and English

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 Government  Significance for FEDS Government agencies, through laws and policies, shape a sound retail operating environment. FEDS aligns with policy directions to ensure compliant operations, risk control, and long-term operational stability.  Contact Point Each business unit Telephone: 02-7727-8168	 Channels and Frequency of Communication  Irregular Forum/seminar/safety inspection/on-site audit/phone call/email  Top 3 Material Topics of Concern - Social Welfare - Integrity in Business Operations and Compliance with Regulations - Information Security and Personal Data Protection  Corresponding Chapters - Sustainable Management and Governance - Heartwarming Social Caring	 Communication Strategy Proactively comply with relevant regulatory and policy requirements, strengthen corporate governance and internal control systems, and ensure that corporate operations are lawful, transparent, and resilient.  Communication Achievements - Participated in the 12th Corporate Governance Evaluation - Promptly responded to inquiries and questions from regulatory authorities - Participated in policy briefings and related communication meetings
 Society (Media/Community)  Significance for FEDS Good interaction with the media and local communities helps enhance trust and reputation and reduce impacts on society and the environment during operations, implementing corporate citizenship.  Contact Point Integrated Marketing Department, all branches Telephone: 02-7727-8168; toll-free hotline, please refer to the website: https://www.feds.com.tw/en/OverSea	 Channels and Frequency of Communication  Irregular Press conference/brand event/in-person visit/phone call/email  Top 3 Material Topics of Concern - Integrity in Business Operations and Compliance with Regulations - Product Quality and Safety - Risk Management  Corresponding Chapters - Sustainable Management and Governance	 Communication Strategy Through proactive communication, information transparency, and community participation, respond to social concerns and media oversight, and expand the company's positive social influence.  Communication Achievements - Adopted street trees and park green spaces totaling 1,865.2 ping - Held 1,053 charity events 50 employee volunteer service events, contributing 1,146 hours 63 items received in the stakeholder mailbox - Released 99 press releases - Received 185 letters of appreciation

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Sustainable Management and Governance

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- 1.2 Robust Sustainable Governance
- 1.3 Sound Risk Management
- 1.4 Rigorous Information Security Protection
- 1.5 Comprehensive Regulatory Compliance

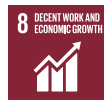
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1 Sustainable Management and Governance

Sustainable management and governance is the core foundation for FEDS in driving the company's long-term development. We have built sound risk management mechanisms to identify and respond to operational and sustainability-related risks, and we ensure information security and operational stability through rigorous information security protection. In terms of regulatory compliance, FEDS continues to strengthen its internal control system and compliance management to ensure operations meet legal requirements, laying the governance cornerstone for steady corporate growth and the creation of sustainable value.

- 1.1 Forward-Looking Innovative Management
- 1.2 Robust Sustainable Governance
- 1.3 Sound Risk Management
- 1.4 Rigorous Information Security Protection
- 1.5 Comprehensive Regulatory Compliance

Professional Board Governance

- Female directors reached 63%, outperforming EU norms
- Performance evaluations all exceeded 90%, refining governance effectiveness
- Senior executive remuneration linked to ESG performance, deepening governance

Continued Operational Growth

- Annual sales of NT\$60 billion, with continued growth
- Operating locations covering 53% of Taiwan's cities and counties
- Employee productivity improved by 4.6%, strengthening overall operational efficiency

Sustainable Responsible Investment

- Secured NT\$7 billion in sustainable financing facilities
- Sustainable time deposits of NT\$1.21 billion

Innovation-Driven Management

- Implemented 25 management innovation projects, enhancing competitiveness
- Established 62 ESG indicators, strengthening sustainability management
- 100% employee sustainability education participation rate, deepening sustainability culture

Rigorous Risk Control

- Zero personal data breach incidents throughout the year
- Zero major corruption cases involving violations of laws and regulations
- Ethical management training attendance grew 133%, strengthening compliance awareness

Outstanding Sustainability Performance

- Recognized with a total of 39 domestic and international awards
- Recognized 9 international awards, an all-time high

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1.1 Forward-Looking Innovative Management

FEDS maintains financial stability and enhances operational performance through innovation, transformation, and diversification strategies, while advancing sustainability management to strengthen the company's positive impact. Each generation of store format takes sustainability as its core philosophy, continuously responding to shifts in consumption trends and optimizing the customer experience through business model and management innovation. The FEDS retail system spans department stores, shopping centers, hypermarkets, and supermarkets, with a total of 43 operating locations as of the end of 2025. Through a strategy of new-location expansion and management innovation, FEDS continues to strengthen brand competitiveness, lay the groundwork for steady long-term growth and ongoing value creation.

1.1.1 Innovation-Led Business Model Transformation (GRI 2-1)

FEDS has driven the systematic transformation of its business models and store formats with "sustainability" and "innovation" as core strategies. From the first-generation Baoqing Store to the fifth-generation FEDS XinYi A13 and FEDS Zhubei, every generation of store format takes "sustainability" thinking as its starting point, fully integrating it into product mix, service design, spatial planning, and the building itself, demonstrating innovative value that keeps pace with the times. At the same time, FEDS continues to integrate leisure, entertainment, education, environmental, and experiential elements into its retail operations, enhancing customer experiences and advancing a sustainability-centered retail model toward becoming a benchmark sustainable brand.

Advancing Sustainable Operation Through Innovation



Company Profile

Far Eastern Department Stores Ltd.

Company Type	Industry Category
Publicly Listed Company	Trading and Department Stores
Stock Code	Location of Headquarters
2903	18th Floor, No.16, Xinzhan Road, Banqiao District, New Taipei City
Chairman	Paid-in Capital
Douglas Hsu	NT\$14.17 billion
President	Number of Employees
Nancy Hsu	1,200
Year Established	
August 31, 1967	



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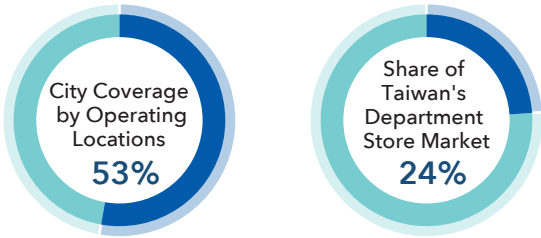
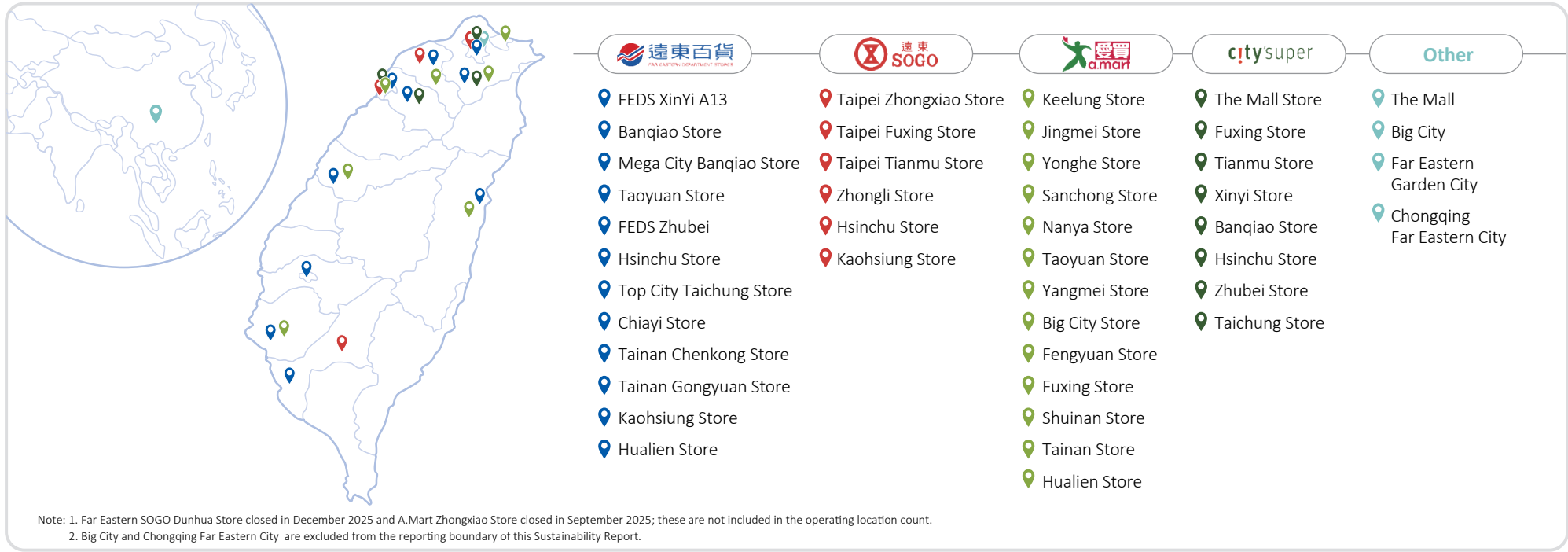
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1.1.2 Cross-Sector Integration Driving Diversified Retail (GRI 2-6)

FEDS has actively pursued cross-sector operations and diversified development, systematically expanding its retail footprint. At present, the FEDS retail system spans four major formats—department stores, shopping centers, hypermarkets, and premium supermarkets—responding to the public's comprehensive lifestyle and consumer needs through differentiated positioning and resource integration. As of December 2025, the FEDS retail system comprised 43 operating locations with combined sales of NT\$131.2 billion, demonstrating steady growth momentum and economies of scale, and progressively taking shape as a large-scale retail group with international competitiveness, consolidating the foundation for long-term sustainable operations.

1.1.3 Advancing Retail Footprint and Market Share

FEDS continues to deepen its retail presence across Taiwan, operating 12 stores in 10 cities nationwide in 2025—the department store company with the highest coverage of operating locations in Taiwan, covering more than 50% of cities and counties (excluding outlying islands). FEDS takes "continuous store expansion and optimization of existing operating locations" as its core growth strategy to strengthen regional operating depth and brand competitiveness. Baoqing Store, a key location in Taipei's Ximending district, ceased operations at the end of July 2023 and commenced reconstruction in response to building age and market changes; it is currently in the construction phase and is expected to reopen in 2028. Upon completion, Baoqing Store will be relaunched as a "young flagship store" targeting younger customers, optimizing the consumer experience and injecting long-term operational momentum.



Note: Taiwan's department store market share calculation includes FEDS, SOGO, and The Mall.

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1.1.4 Creating Economic Value (GRI 2-4, 201-1, 201-4)

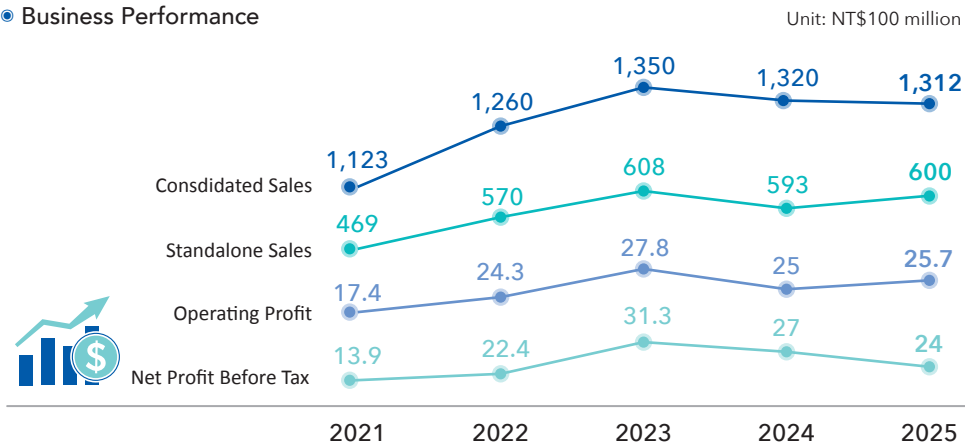
FEDS creates stable economic value through differentiated operating strategies, and—with sound tax governance and transparent disclosure mechanisms—ensures that the value the company creates is returned to society in a responsible and compliant manner, promoting long-term shared value between the company and its stakeholders.

Steady Growth in Financial Performance

Taiwan's overall department store retail market recorded sales of NT\$455.5 billion in 2025, up 1.4% year-on-year. Affected by factors such as increased outbound travel spending by Taiwanese consumers, more cautious high-end consumption, and the gradually diminishing marginal effectiveness of promotional campaigns, the department store industry's operating environment faces certain pressures; at the same time, the successive openings of several new shopping centers continue to heat up market competition.

FEDS continues to dynamically adjust its operating strategies, taking "differentiated operations" and "experiential value" as core development directions. It deepens strategic cooperation with brand partners and—through themed curation and integrated marketing campaigns—enhances customer visitation momentum and dwell time, strengthening the overall consumer experience. The Company recorded sales of NT\$60 billion in 2025, maintaining steady growth. Among them, Top City Taichung Store once again ranked among the top three department stores in Taiwan by sales, consolidating its leading position in the central Taiwan high-end consumer market and serving as an important driver of overall operational growth.

Business Performance



Note: Business performance includes the core business of FEDS and excludes reinvestment income.

Financial Performance Statements (IFRS)

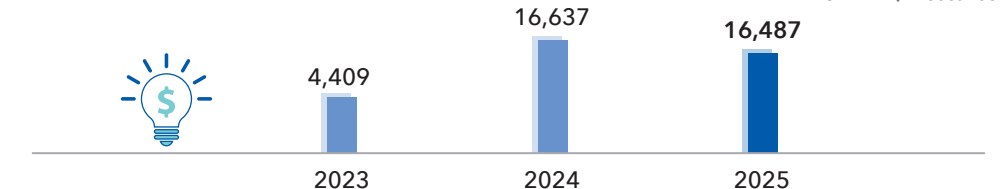
Unit: NT\$ thousands

Category		2023	2024	2025
Operating Ability	Total assets	133,831,038	142,263,215	140,551,428
	Total liabilities	96,357,230	104,872,178	104,187,668
	Total shareholders' equity	37,473,808	37,391,037	36,363,760
	Operating revenue	36,725,103	35,006,753	34,068,301
	Net profit after tax (attributable to the parent company)	2,752,303	2,325,717	2,197,617
Economic Value Distributed	Operating costs	16,180,018	15,173,459	14,383,249
	Employee remuneration and benefits	4,443,723	4,164,296	3,985,492
	Distribution of shareholder dividends	2,354,444	2,997,748	2,340,433
	Interest paid	890,727	1,019,346	976,779
	Government income taxes and fines paid	710,550	1,271,173	777,872
Profitability	Community investment	19,538	17,614	69,841
	Return on assets (%)	3.63	2.96	2.66
	Return on equity (%)	10.15	7.67	6.96
	Earnings per share (NT\$)	1.95	1.65	1.56
	Economic Value Retained	12,126,103	10,363,117	11,534,635

Note: The information provided for "Employee remuneration and benefits" in 2023 and 2024 does not include director remuneration and transportation expenses.

Government Financial Subsidies

Unit: NT\$ thousands



Note: Financial subsidies received from the government include energy-saving project subsidies and deductions under the Statute for Industrial Innovation.

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Transparent and Compliant Tax Governance

FEDS attaches importance to responsible tax management, committing to fulfilling its corporate tax obligations on the principles of integrity and transparency. It strictly complies with the tax regulations of each operating location, filing and paying taxes in accordance with local laws and legislative intent, and regularly discloses relevant tax information through public channels such as financial reports and annual reports to enhance financial transparency and strengthen stakeholder trust.

Governance Structure



The Company's tax management is handled by the Finance Department and Accounting Department for routine tax filing and management operations, and reports to the Board of Directors or the Audit Committee as needed to ensure that the tax governance mechanism operates effectively and that potential risks are identified in a timely manner.

Legal Compliance



Upholding the principle of ethical management, the Company strictly complies with the tax regulations of each operating region, ensuring that all operating activities are conducted within a legal and compliant framework. It follows the arm's-length principle for market transactions, avoiding any form of improper tax avoidance, and fulfills its corporate tax obligations responsibly.

Risk Assessment and Management



The Company has established a systematic tax risk management mechanism, regularly identifying and assessing potential tax risks and conducting tax impact analyses for major transactions or important operating decisions, in order to reduce unnecessary tax burdens and compliance risks and ensure stable operations and long-term value creation.

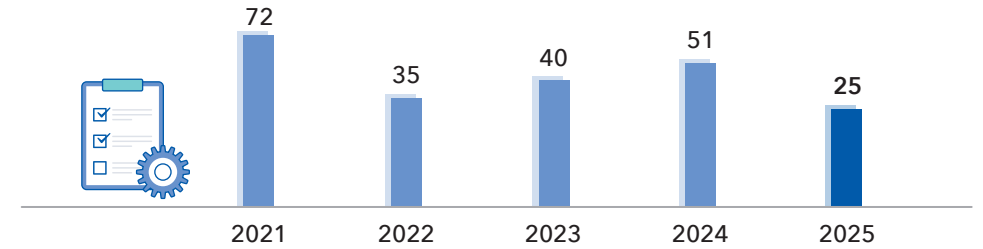
FEDS recorded an effective tax rate and a cash tax rate of 18.95% and 24.49%, respectively, in 2025, indicating that the company's overall tax strategy is centered on compliance and reasonable filing, with continued fulfillment of corporate tax responsibilities.

1.1.5 Management Innovation to Ensure Competitiveness

FEDS systematically integrates "innovation" and "differentiation" thinking into its management actions, launching management innovation action projects beginning in 2018, with a cumulative total of 375 projects executed as of 2025. Each project operates through a cross-departmental project organization that integrates internal resources and formulates concrete plans, strengthening execution efficiency and management effectiveness, thereby boosting overall operational performance.

The Company drove 25 management action projects in 2025, continuing to strengthen the organization's "accountability, agility, operational capability, and strategic capability" to enhance decision-making efficiency and responsiveness to market changes. By continuously deepening management innovation actions, FEDS is able to steadily advance innovative growth in a highly volatile business environment, strengthen competitive advantages, and cultivate long-term sustainable development momentum.

Number of Management Innovation Action Projects

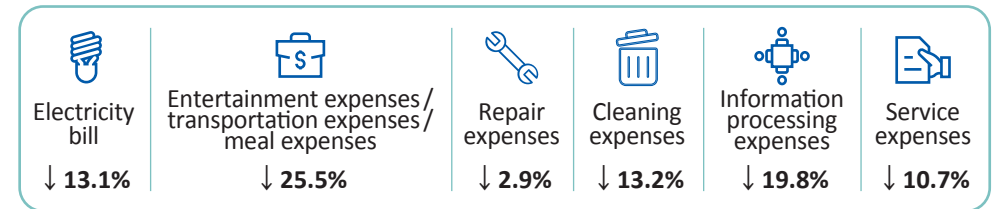


Management Innovation 1: Data Analysis Enhancing Efficiency

FEDS established the "Budget Committee" in 2015, setting clear control indicators for operating expenses across seven major categories: repair expenses, cleaning expenses, information processing expenses, electricity expenses, entertainment expenses, transportation expenses, and meal expenses. The Accounting Department consolidates the performance of each department and branch on a monthly basis, reviewing the causes of overspending in real time and proposing improvement measures through KPI data tracking and variance analysis. In 2025, control results for all seven expense categories fully met their targets, with savings ranging from 2.9% to 25.5%. Going forward, we will take raising the overall operating margin to 5% as an important execution goal.

Operating Margin Growth of **2.4%**

Expense Control Results in 2025



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Management Innovation 2: Building a Highly Agile Organization

FEDS has promoted a paperless and mobile-office policy since October 2019, optimizing internal management processes with digital tools, and reached its sixth year in 2025. By integrating functions such as electronic forms, announcements, and questionnaires through the Enterprise Information Portal (EIP) system, it has progressively built a highly efficient digital office environment.

In 2025, EIP system electronic form usage reached 50,046 forms, with 559 announcements issued and 7,060 employee questionnaires collected, and the paperless ratio of forms continued to rise. By issuing and delivering information in real time through digital platforms, the company has effectively reduced communication and administrative costs and significantly shortened document approval and turnaround times. The mobile-office mechanism enables management and colleagues to handle business in real time, reducing the need to physically submit documents, improving cross-departmental collaboration efficiency, and maintaining management transparency and operational traceability.

Through mobile office and digital management, FEDS has not only improved employee productivity and organizational agility but also achieved its energy- and paper-saving goals, demonstrating the company's continued progress in organizational management and sustainable operations.

Continuous Growth in Employee Productivity

Category	2023	2024	2025
Growth Rate	14.3%	0.8%	4.6%

Management Innovation 3: Sustainability-Oriented KPI Mechanism

FEDS is committed to establishing a sustainability-oriented management model. In 2025, the management department set 62 ESG key performance indicators (KPIs), embedding the company's sustainable value into daily operations and putting the management spirit of "Retail is Detail" into practice. These indicators are tracked and reviewed on a regular monthly basis to ensure that each unit genuinely implements sustainability management actions.

Setting 62 ESG Indicators

- Number of ESG KPIs

2021	2022	2023	2024	2025
51	53	59	68	62

Management Innovation 4: Deepening Sustainability Awareness

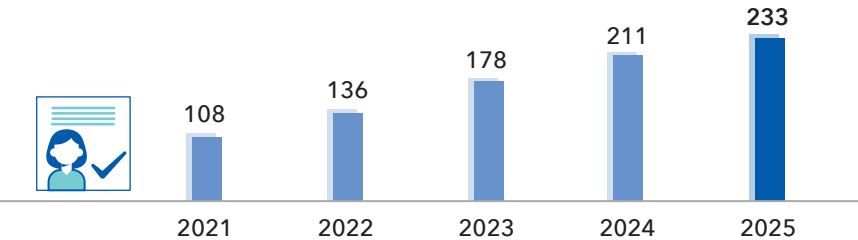
To cultivate employees' systematic understanding of sustainability issues and effectively embed sustainability concepts into daily management and operating processes—thereby shaping a corporate culture with sustainability awareness—FEDS has continuously built employee consensus on sustainability since 2018 through diverse approaches such as sharing sessions, newsletters, and training, establishing shared sustainability values and injecting steady momentum into the company's long-term sustainable development.

In the "President's Remarks" column of the Company's EIP system, the President encourages colleagues to put ESG concepts into practice in their daily work, internalizing sustainable management into the company's DNA and demonstrating a top-down commitment to advancing sustainable development. To enhance employees' understanding of benchmark enterprises' sustainability practices, the company encourages colleagues to participate in corporate sustainability training courses and to serve as volunteer reviewers for the "Corporate Sustainability Report Award" of the TCSA. As of 2025, a cumulative 233 person-times have participated in review work, deepening professional capabilities through practical experience, and expanding the positive impact on Taiwan's social sustainability performance.

Employee Continuing Education and Training Status	2024	2025	Growth Rate
Attendance (person-times)	1,887	3,363	+78%
Total Hours	3,199	6,629	+107%
Participation Rate	82%	100%	+22%

100% Employee Sustainability Education Participation Rate

Cumulative TCSA Volunteer Reviewer Person-Times



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1.2 Robust Sustainable Governance

FEDS has built a sound and institutionalized corporate governance framework, ensuring the effective implementation of corporate governance through specialized division of labor and a mechanism with clearly defined authority and responsibility. The Company places great emphasis on the functions of the Board of Directors and on information transparency, and has established diverse functional committees. FEDS actively participates in domestic and international department store and retail industry organizations and associations, continuously broadening its governance perspective and exerting industry influence.

1.2.1 Sustainable Governance Framework (GRI 2-12, 2-13, 2-14, 2-24)

FEDS has established the "Corporate Governance Principles" and appropriately links them to the governance mechanisms of its subsidiaries, ensuring the effective implementation of corporate governance through an operating approach with clearly defined authority and responsibility. The Board of Directors is the company's highest governance body, chaired by the Chairman, with diverse functional committees and an Audit Office established beneath it to assist the Board in carrying out oversight and management functions.

FEDS has established a Sustainability Committee directly under the Board of Directors, which is the Company's highest-level dedicated unit for sustainable development. The committee operates on the principle of corporate sustainable development. The Sustainability Committee comprises three members—one director and two independent directors—who possess the sustainability expertise required by the committee, assisting the Company in implementing corporate sustainable development and strengthening sustainable management. The Sustainability Committee convened four meetings in 2025, in which the management team reported to the three members on the implementation status and performance of issues such as sustainability report compilation, energy conservation and carbon reduction, green electricity plans, and information security management.

Company Organizational Chart

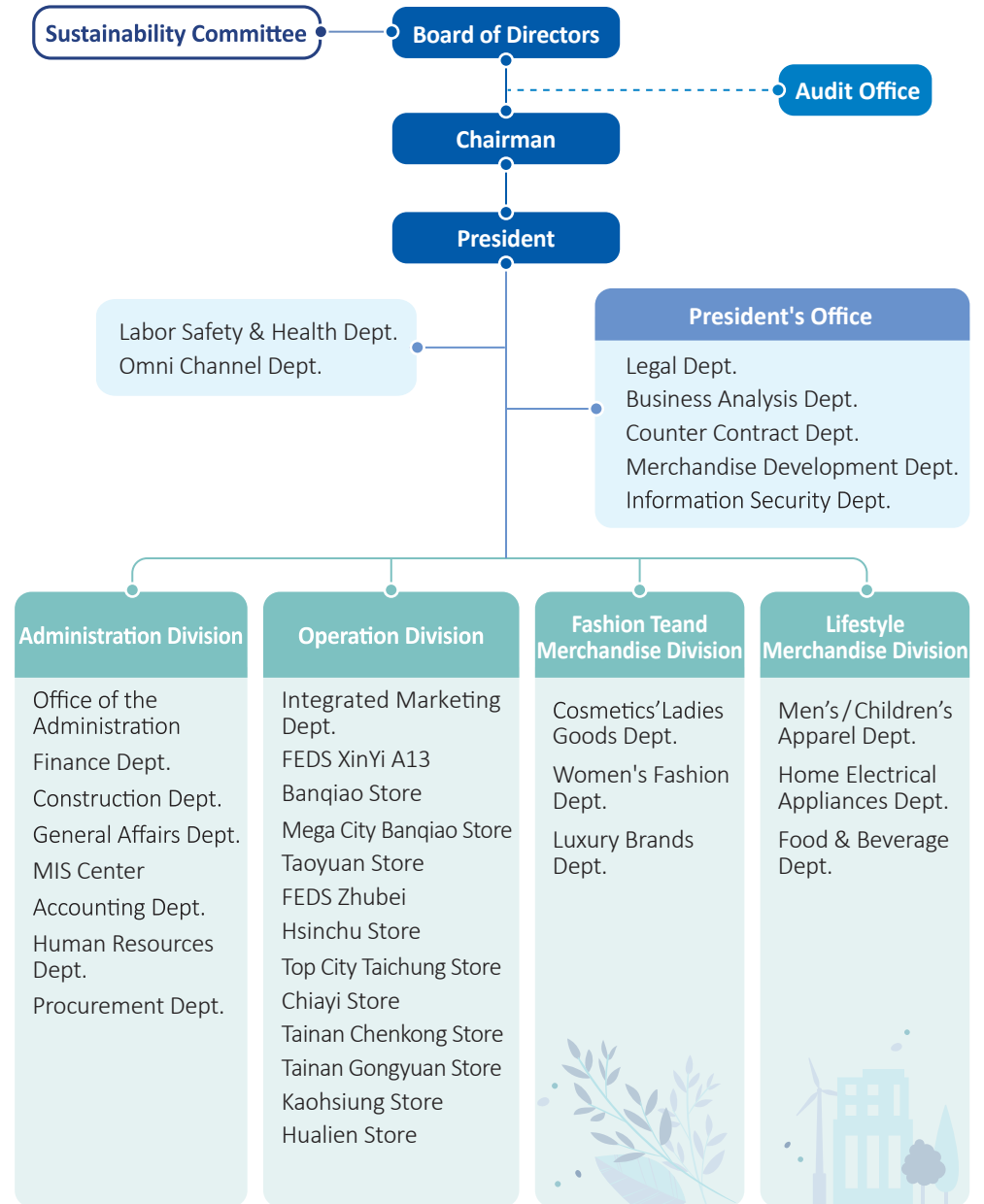
Board of Directors Resolutions

Key Responsibilities of the Sustainability Committee

- Promote and advance matters related to the Company's sustainable development.
- Oversee other sustainability-related matters as resolved by the Board of Directors.



Sustainability Committee Organizational Chart



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● Board Composition and Diversity

Position	Name	Principal Experience/ Education	Professional Expertise							Functional Committees		
			Judgment	Leadership and Decision-Making	Operation Management	Crisis Management	Industry Expertise	Global Market Perspective	Accounting and Finance	Audit Committee	Remuneration Committee	Sustainability Committee
Chairman	Douglas Hsu	Honorary Ph.D. of Management, National Chiao Tung University, Taiwan M.A. in Economics, Columbia University, USA Chairman of Far Eastern New Century Co. Ltd.	✓	✓	✓	✓	✓	✓	✓			
	Nancy Hsu	Department of Fashion Design, Shih Chien University President of Far Eastern Department Stores Ltd.	✓	✓	✓	✓	✓	✓	✓			
Directors	Nicole Hsu	Interior Design Arts, New York School of Interior Design, USA B.A., Simmons College, Boston, USA Senior Designer, Saladino Group, New York, USA	✓	✓	✓	✓	✓	✓				
	Philby Lee	Department of Accounting, North Arizona State University, USA U.S. CPA Chairman of Far Eastern Big City Shopping Malls Co., Ltd.	✓	✓	✓	✓	✓	✓	✓			
	Chee Ching	Ph.D. in Management Information Systems, Purdue University, USA Ph.D. in Management Information Systems, Purdue University, USA President of Far EasTone Telecommunications Co., Ltd.	✓	✓	✓	✓	✓	✓	✓			●
	Jin-Lin Liang	M.A. in Mass Communication, University of Illinois, USA Consultant of Ding Ding Integrated Marketing Services Ltd. Director, Yuan Hsin Digital Payment Co., Ltd.	✓	✓	✓	✓	✓	✓	✓			
Independent Director	Edward Wei	MBA, University of Georgia, USA CEO, Deloitte Taiwan Director of Deloitte Touche Tohmatsu Chairman of United Way of Taiwan CPA in Georgia State, USA	✓	✓	✓	✓	✓	✓	✓	●	●	●
	Ding Yu Dong	Ph.D. in Engineering, Stanford University, USA Assistant Professor, San José State University, USA Chairman of Elite Material Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	●	●	●
	Susan S. Chang	Master's, Department of Economics, National Taiwan University Chairman, Bank of Taiwan Chairman, Taiwan Financial Holding Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	●		

Note: Independent Director Susan S. Chang resigned on November 6, 2025; the vacancy will be filled by by-election at the 2026 shareholders' meeting in accordance with regulations.

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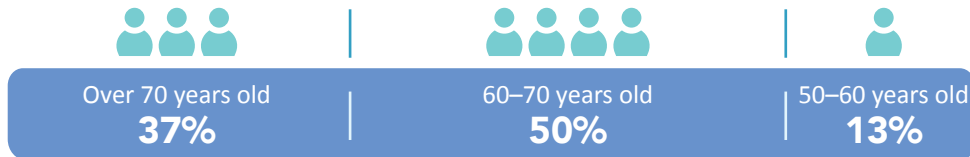
1.2.2 Board Operations (GRI 2-9, 2-10, 2-11, 2-16, 2-17, 2-18, 405-1)

Board Independence and Diversity

The FEDS Board of Directors operates on the principles of independent operation and information transparency. All three independent directors comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and all directors meet the relevant independence requirements of the "Securities and Exchange Act," ensuring that the Board possesses effective oversight and checks-and-balances functions.

To promote the sound and diverse development of the Board's composition, FEDS continues to strengthen gender diversity among directors and implements it in the director-seat selection mechanism. At the end of 2025, there were five female directors, accounting for 63% of board seats—not only surpassing the company's target of having over 20% female directors, but also 3.14 times higher than the average level of Taiwan-listed companies, and exceeding the EU's trend requirement of 40% female directors by 2026. In the department store industry, where female consumers are the primary customer base, a diverse and representative board structure helps the company make operating decisions more closely aligned with the market and customer needs.

Age Structure of Board Members



Gender Structure of Board Members



Operations of Functional Committees

To strengthen the Board's oversight responsibilities and governance effectiveness and to deepen the corporate sustainable governance culture, FEDS has established functional committees beneath the Board of Directors, assisting the Board in deliberating and making decisions on major operational, risk management, and sustainability issues.

Each functional committee regularly reports its execution results and recommendations to the Board, ensuring that the governance mechanism operates effectively and continues to improve. Through a sound functional-committee structure, FEDS strengthens the functions of the Board, reinforces management capabilities, and implements corporate governance norms—safeguarding shareholder rights while taking stakeholder interests into account and steadily advancing corporate sustainable development.

 Audit Committee Composed of three independent directors, with one independent director serving as convener	Primary Responsibilities Fair presentation of the company's financial statements; appointment (dismissal), independence, and performance of the attesting CPA; effective implementation of the company's internal controls; the company's compliance with relevant laws and regulations; and the control of the company's existing or potential risks. Number of Meetings At least once per quarter; convened four times in 2025.
 Remuneration Committee Composed of three members, including two independent directors, with an independent director serving as convener	Primary Responsibilities Establishing and regularly reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers. Number of Meetings At least twice per year; convened twice in 2025.
 Sustainability Committee Composed of three members, including two independent directors and one director, with a director serving as convener	Primary Responsibilities Promoting and developing matters related to corporate sustainable development; supervising other sustainable-development work resolved by the Board. Number of Meetings At least once per year; convened four times in 2025.

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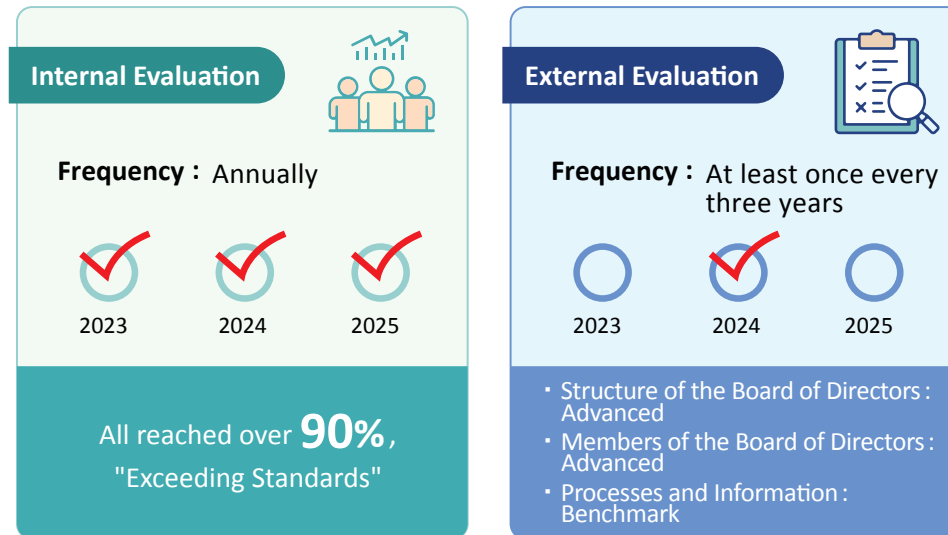
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Regular Performance Evaluation of the Board of Directors

FEDS has established the "Board of Directors Performance Evaluation Measures" in accordance with relevant regulations and conducts regular annual performance evaluations of the Board, individual directors, and functional committees. In addition to covering board structure, professional capability, and participation in company operations, the evaluation indicators are also closely linked to key aspects such as corporate governance quality, internal relationship management and communication, awareness of responsibilities, and grasp of company goals and missions.

The Board performance evaluation was conducted in November 2025, with all directors and the agenda-administering units of the Board, the Audit Committee, the Remuneration Committee, and the Sustainability Committee assessed separately by questionnaire. All evaluation results reached over 90%, rated "Exceeding Standards," indicating that the Board and the functional committees operate well overall. The relevant evaluation results will be reported to the Board in the first quarter of 2026, and the individual director performance evaluation results will serve as a reference for director nomination. Going forward, the Company will continue to plan to invite external experts or institutions to provide diverse director professional courses, and will arrange external performance evaluations at least once every three years to enhance the objectivity and operational effectiveness of board evaluations.

Results of Evaluation of the Performance of the Board of Directors



Note: In 2024, EY Business Advisory Services Inc. was engaged to conduct the external evaluation of board performance.

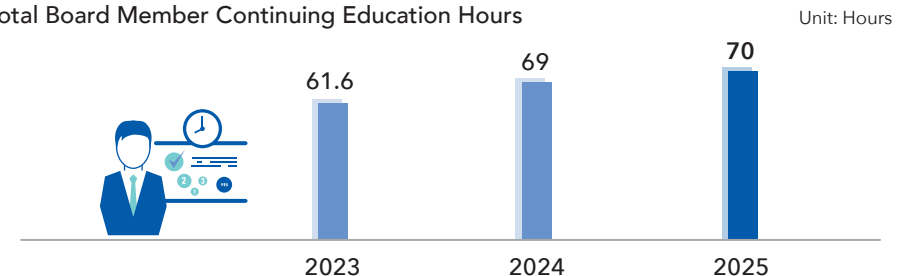
Continuing Education of Board Members

To strengthen the Board's governance effectiveness, FEDS plans director continuing-education courses each year according to directors' functions and the company's development needs, covering key topics such as sustainable management, the global economy, supply chain risk, and artificial intelligence applications. In 2025, total continuing-education hours for all board members reached 70 hours, averaging more than 7.7 hours per director, exceeding the regulatory recommendation of 6 hours per year, demonstrating the Board's strong emphasis on enhancing decision-making and sustainability risk management capabilities. For details on director continuing-education courses and participation, please refer to page 31-32 of the 2025 Annual Report.

Board Member Continuing Education Topics



Total Board Member Continuing Education Hours



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1.2.3 Remuneration Governance and ESG Linkage (GRI 2-19, 2-20)

Transparent and Reasonable Remuneration Policy

FEDS has established a clear director remuneration policy in accordance with the Company's Articles of Incorporation and relevant regulations. The allocation standards, calculation methods, and decision-making procedures for director remuneration are highly transparent and linked to the Company's overall operating performance and profitability. In approving director remuneration, in addition to considering each director's commitment of responsibility and performance, the Company also comprehensively assesses multiple factors.

Matters relating to director remuneration are first deliberated by the Remuneration Committee, then submitted to the Board for resolution, and reported to the shareholders' meeting as required. The Company also reviews and optimizes the director remuneration system in a timely manner in response to changes in external regulations and adjustments to operating strategy, striking a balance between incentivizing directors to fulfill their duties and strengthening risk control. In 2025, director remuneration totaled NT\$61,771 thousand, with director remuneration accounting for 2.82% of the Company's net profit after tax. For more information, please refer to page 13-14 of the 2025 Annual Report.

Five-Year Summary of Directors' Remuneration

2025 Annual Report 

Category	2021	2022	2023	2024	2025
Amount (NT\$ Thousands)	35,252	57,599	80,287	69,415	61,771

Sustainability Performance-Oriented Remuneration System

To guide management to balance short-term operating results with long-term sustainable value, FEDS links the remuneration system of senior executives and business unit heads to ESG-related performance evaluation indicators, making it an important part of the incentive and evaluation mechanism. The Company's performance evaluation framework not only emphasizes financial performance but also incorporates non-financial indicators closely related to sustainable management, ensuring the long-term accumulation of decision-making quality, organizational resilience, and stakeholder trust.

The compensation of senior executives is primarily divided into five components: salary, retirement pension, bonuses, and special allowances, with employee remuneration included. The overall compensation package is determined based on job responsibilities, referencing industry standards, and considering individual performance, company operational results, and the relevance of future risks. The salary and compensation policies, systems, standards, and structures for executives are regularly evaluated, and recommendations are submitted to the Board of Directors for discussion.

Performance Evaluation Indicators for Senior Executives



1.2.4 Protection of Shareholder Rights (GRI 2-15)

Conflict of Interest Management and Recusal Mechanism

The Company's directors exercise their authority in accordance with the "Articles of Incorporation," the "Meeting Rules of Board of Directors," and relevant laws and regulations. Under the recusal provisions of the "Board Meeting Rules," if a director has a stake in a meeting agenda item—either personally or on behalf of the juristic person he or she represents—the director must explain the material content of that interest at the relevant board meeting; where there is a likelihood of harm to the company's interests, the director may not participate in the discussion or vote, must recuse himself or herself during discussion and voting, and may not exercise voting rights on behalf of other directors. In 2025, none of the Board's agenda items involved a conflict of interest of any board member.

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Maintaining and Communicating Shareholder Rights

FEDS attaches importance to safeguarding the rights of all shareholders and, in accordance with the "Company Act," the "Securities and Exchange Act," and relevant laws and regulations, implements the principle of equal treatment of shareholders, ensuring that all shareholders can exercise their rights fairly. When conducting director elections, the Company adopts the cumulative voting system, which is more favorable to minority shareholders' rights, enhancing shareholders' substantive influence on corporate governance.

In terms of shareholder-affairs communication, to improve information delivery efficiency while taking environmental sustainability into account, the Company uses the electronic shareholder-affairs notification platform (eNotice platform) for dividend distribution notifications, enabling shareholders to receive relevant information in real time while effectively reducing the printing and mailing of paper notifications, generating carbon-reduction and resource-saving benefits. In 2025, the number of shareholders using this platform reached 9,738, a 133% increase over the previous year.

Enhancing Shareholder Rights Promotion

Shareholders' Meeting Materials

- Upload annual reports and meeting materials in advance and provide an English version

Friendly Attitude

- More than half of the directors and the chairperson of the Audit Committee shall attend the Shareholders' Meeting in person
- The Chairman personally attends the Shareholders' Meeting

Equal Treatment

- Report on Director Compensation submitted to the Shareholders' Meeting
- Report on Related Party Transactions submitted to the Shareholders' Meeting
- Measures for preventing insider trading

Expand Participation

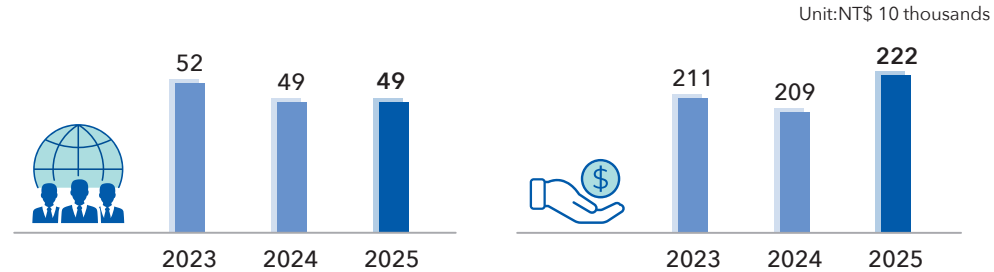
- Hold a physical and virtual shareholders' meeting

1.2.5 Industry Participation and Influence (GRI 2-28)

FEDS actively participates in domestic and international industry associations and related exchange activities, continuously broadening its operating perspective and contributing industry influence. As the only department store representing Taiwan in the Intercontinental Group of Department Stores (IGDS), FEDS engages in regular annual exchanges with international department store operators, keeping abreast of global industry trends and promoting experience sharing and alignment with best practices, becoming an important force driving Taiwan's department store industry toward internationalization.

In 2025, FEDS participated in 49 domestic and international public associations, with related expenses of approximately NT\$2.22 million. Among them, the Company holds director and supervisor positions in five associations—the Retailers Association of Chinese Taipei, the Taiwan Council of Shopping Centers and Commercial Real Estate, the Center for Corporate Sustainability, the Chinese National Association of Industry and Commerce, and the Taipei Department Stores Association—and is a founding member of three of them. Through these association platforms, FEDS strengthens industry communication and cross-sector cooperation, promotes the formation of industry consensus and resource integration, and continues to play the role of a driver of industry development, joining hands with peers to enhance overall sustainable impact.

Number of Public Associations Participated Expense of Joining the Public Associations



Overview of Key Public Association Positions

Association	Position Held	Remarks
Chinese National Association of Industry and Commerce	Standing Director	
Retailers Association of Chinese Taipei	Standing Director, Director, Supervisor	Founding member
Taiwan Council of Shopping Centers and Commercial Real Estate	Standing Supervisor	Founding member
Center for Corporate Sustainability	Director	Founding member
Taipei Department Stores Association	Supervisor	

Sole Taiwan Member of IGDS: Promoting International Retail Exchange

IGDS is the world's largest department store industry organization, bringing together 44 leading department stores from around the world and dedicated to promoting industry exchange and advancing innovative development. FEDS became the first department store in Asia to join IGDS in 1988 and has long been the sole member representing Taiwan. By regularly participating in IGDS meetings and exchange activities each year, FEDS stays abreast of the latest global trends in store operations, customer experience, and innovation models, and proactively shares the operating achievements and development experience of Taiwan's department store industry, showcasing Taiwan's retail strength to the international market and enhancing the internationalization and global visibility of Taiwan's department store industry.

FEDS is committed to corporate social responsibility and sustainable development actions, recognizing that department store operations must be centered on the interests of all stakeholders and incorporated into systematic management. In the course of its operations, the Company continuously balances the needs and expectations of diverse stakeholders and implements the principles of responsible retailing in accordance with the corporate social responsibility code advocated by IGDS. FEDS continues to support the industry's sustainable transformation through concrete actions, joining hands with international partners to promote the long-term steady development of the retail industry.



IGDS Code of CSR Conduct



Leading Industry Associations to Exert Sustainable Influence

FEDS has long participated in domestic and international department store retail public associations, actively engaging in industry public affairs through senior executives holding key positions, promoting industry governance, international exchange, and sustainable development, and exerting the company's positive influence within the industry.

The Retailers Association of Chinese Taipei is Taiwan's largest and most representative department store industry organization. FEDS President Nancy Hsu served as Chairperson of the association from January 2016 to June 2025; during her tenure, she continued to strengthen member cohesion and organizational operations, attracting more department store peers to join and enhancing the association's overall representativeness and influence. She also promoted diverse developments, laying a solid foundation of collaboration for Taiwan's department store industry.

In terms of international exchange, FEDS—through the association platform—facilitated the first official visit by the Retailers Association of Chinese Taipei to the Japan Department Stores Association, leading a delegation to engage in high-level exchanges with leading Japanese department store operators, establishing institutionalized channels for international communication, promoting mutual learning of operating models, and enhancing the international visibility and professional image of Taiwan's department store industry.

In addition, in response to the talent-cultivation and innovation challenges facing the department store retail industry, FEDS promoted the "Retail Innovation Excellence Award" within the association, encouraging practitioners to propose innovative practices in areas, and combining it with an overseas study-visit incentive mechanism to foster talent cultivation and the passing on of industry knowledge. From 2016 to 2025, the association cumulatively recognized 11 innovation proposals and 120 outstanding department store practitioners, continuing to inject innovation momentum into the industry.

Through active participation and key roles in industry associations, FEDS continues to work with members on important issues such as sustainable development, information security, carbon reduction actions, and AI transformation, jointly advancing Taiwan's department store retail industry toward sustainable, resilient, and high-value-added development.



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Participating in Industry Dialogue to Share ESG Results

FEDS was invited to share its ESG sustainable development experience at the members' meeting of the Taiwan Council of Shopping Centers and Commercial Real Estate held on September 18, 2025. Assistant Vice President Anita Wang represented the Company in explaining its overall strategy, concrete practices, and practical results in promoting sustainable development in store operations, demonstrating the tangible effectiveness of introducing ESG in the retail industry.

Since its founding in 1967, FEDS has upheld a management philosophy of pursuing both "innovation" and "responsibility," positioning department stores as important venues for urban life rather than merely places of consumption. The company continues to combine innovative thinking with corporate responsibility, systematically integrating sustainability concepts into building planning, daily operations, and merchandise and services, shaping a retail business model that combines operational resilience with shared social value.

In the building and energy-conservation dimension, FEDS has incorporated green building concepts into the store-planning stage since its fourth-generation stores (such as Top City Taichung Store and Mega City Banqiao Store), fully adopting LED lighting and high-efficiency air-conditioning systems and introducing designs such as Low-E glass, permeable paving, rainwater recycling, and solar power generation, effectively reducing energy-use intensity and environmental impact.

In the operations and service dimension, FEDS comprehensively promotes electronic invoices and eco-friendly paper bags to reduce the use of single-use consumables, while strengthening resource recycling management in stores, regularly holding cosmetics empty-bottle and secondhand-clothing recycling activities, and combining these with the membership points mechanism to enhance consumers' willingness to participate in circular actions, allowing sustainable actions to integrate into everyday consumption.

In terms of procurement and merchandise strategy, FEDS has introduced environmentally friendly products such as Rainforest Alliance-certified coffee at its self-operated food counters, and continues to hold local agricultural-produce markets, creating consumption venues that support the development of local agriculture and promote social value.

By deeply integrating sustainability thinking into store operations and brand communication, FEDS has successfully struck a balance between commercial growth and ESG goals, demonstrating the retail industry's key influence in advancing sustainable transformation and offering a replicable practical model.

1.3 Sound Risk Management

In accordance with the "Risk Management Policy," FEDS has built a sound risk management mechanism in which responsible units or cross-departmental organizations identify, assess, and respond to systemic and non-systemic risks, and management norms are established for control. The Company regularly reviews and assesses risks and adopts preventive and improvement measures to reduce the likelihood and severity of risk occurrence. The Audit Office also executes a risk-management-oriented annual audit plan, completing 90 cases in 2025 and assisting the company in preventing risks early through objective recommendations to ensure stable operations.

● Ethical Management Supervision and Control



Applicable Parties

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



Communication Channels

- Audit Committee: Accept reports from shareholders, investors and other stakeholders.
- Audit Supervisor: Accept reports from suppliers, contractors, etc.
- Human Resources Department: Receives reports from internal employees.



Promotions

- Company website
- e-bulletin
- Internal meetings
- Education and training
- Group publications



Training

- Supervisors should evaluate personnel's ethical behavior at any time to serve as the basis for annual performance appraisal.
- Ethical management-themed training in 2025 totaled 2,134 hours and 5,116 person-times, an increase of 20% and 133%, respectively, over the previous year.



Procedures

- The accepting unit shall clarify the specific evidence. Any risk of dishonest conduct shall be reported and handled in accordance with the procedures.
- The case shall be handled confidentially, and verified through an independent method to fully protect the whistleblower.
- After the case is verified to be true, the relevant units shall be instructed to review the procedures and propose improvement measures to prevent the same conduct from recurring.



Internal Control Self-Evaluation

- Integrity and ethical values are listed as important items in the internal control self-assessment management questionnaire, with a total of 23 control points, and board members, senior managers, supervisors, and employees are requested to self-assess; in 2025, the self-assessment questionnaire was completed by 255 person-times.

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1.3.1 Reduces corruption risks (GRI 2-25, 2-26, 205-1, 205-2, 205-3)

Upholding the philosophy of ethical management, FEDS has, by resolution of the Board of Directors, established the "Best Practice Principles of Ethical Corporate Management" and the "Code of Ethical," clearly prohibiting conduct. The Company has publicly disclosed its ethical management policy on its official website and in its annual report; the Board of Directors and senior management are committed to and supervise its genuine implementation in internal management and business activities. The Company has also established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Regulations for Reporting and Disciplining Violations of Ethical Conduct and Ethical Business" as standards of conduct for all employees, and has set up a whistleblowing and confidentiality-protection mechanism to encourage the reporting of any illegal or unethical conduct. In 2025, no major corruption risks involving violations of laws were identified, demonstrating the company's commitment to sound governance and sustainable management.

1.3.2 Risk Governance Framework and Mechanism (GRI 2-29)

The Company has established a "Risk Management Policy," building a top-down risk governance framework. As the highest decision-making body for the company's risk governance, the Board of Directors is responsible for approving the risk management policy and overall direction; the Audit Committee assists the Board in supervising the operational effectiveness of the risk management system, ensuring that risk-control measures align with company strategy and legal requirements. Management units are responsible for implementing risk management in daily operations, regularly conducting risk reviews, assessments, and control, and reporting risk management implementation to the Board at least once a year.

In addition, to respond to sudden or major risk events, the Company has established a real-time response mechanism, rapidly forming a cross-departmental response team when necessary to integrate group resources and expertise, ensuring real-time communication, rapid decision-making, and proper handling, and minimizing the impact of risk events on operations, finances, and reputation, demonstrating the high readiness and operational resilience of the retail department store industry.

A Cyclical and Actionable Risk Management Process

FEDS has established a systematic risk management cycle spanning the strategic to the execution level, ensuring that risk management can be continuously optimized as the internal and external environment changes. The risk management process comprises seven key steps. This cyclical process helps transform risk management from a one-time exercise into a continuously improving management mechanism and ensures effective alignment with the company's overall governance system.

STEP 1

Establishing Risk Awareness

Through training and internal advocacy, risk management concepts are integrated into the organizational culture so that risk awareness becomes part of all colleagues' daily decision-making.



STEP 2

Setting Goals and Risk Appetite

At the strategic and operational goal-setting stage, the acceptable level of risk is assessed in tandem, balancing growth momentum with operational stability.

STEP 3

Risk Identification

Integrating the expertise of each department to comprehensively review internal and external potential risks across legal, operational, financial, environmental and energy, and information security dimensions.

STEP 4

Risk Assessment

Using qualitative and quantitative indicators to grade and rank risk events according to their likelihood of occurrence and potential impact.

STEP 5

Risk Response and Control

Formulating concrete control and improvement measures based on assessment results, incorporating cost-benefit considerations.

STEP 6

Continuous Monitoring and Tracking

Through regular review and rolling management, ensuring that control measures are implemented and corrected in a timely manner.

STEP 7

Information Disclosure and Communication

Disclosing risk-management-related information in the annual report, sustainability report, and company website to strengthen transparent communication with stakeholders.

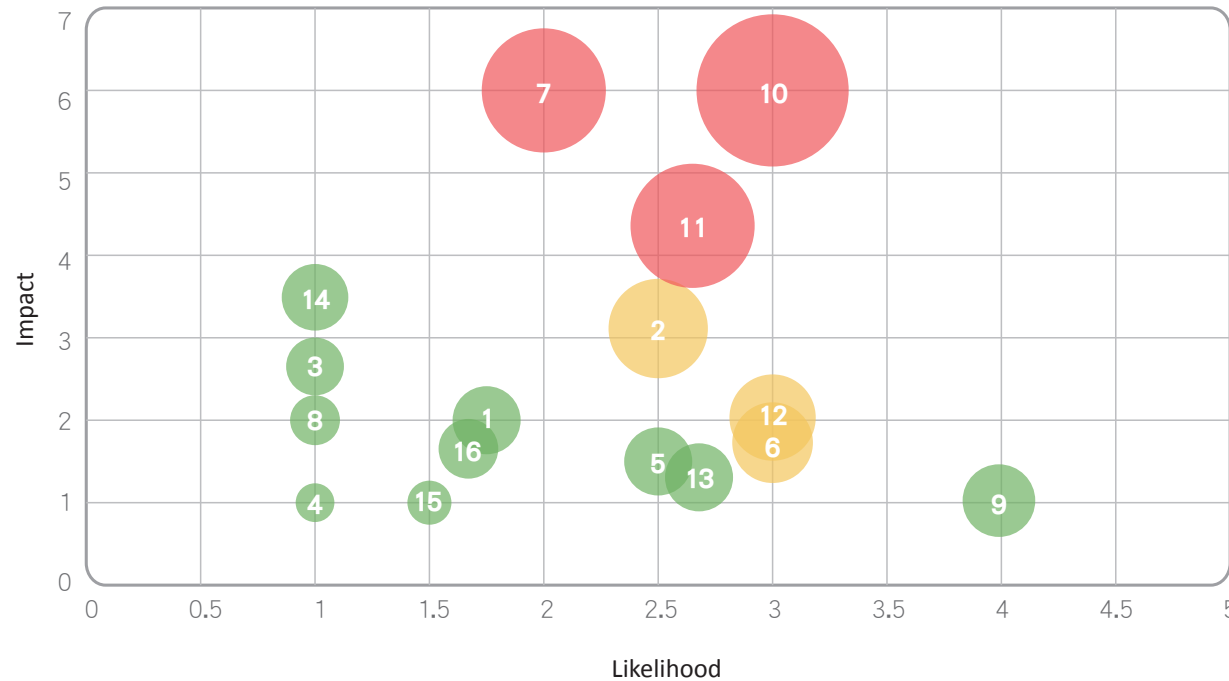


Risk Identification Results and Key Risk Response

In 2025, departments at the head office conducted a comprehensive review and analysis according to their respective business scopes, identifying a total of 16 risk issues across five major dimensions: legal, operational, financial, environmental and energy, and information security. After assessing the severity and likelihood of each risk and analyzing it using a risk distribution diagram, the potential impact on the company's operations, regulatory compliance, financial performance, and corporate reputation was compared.

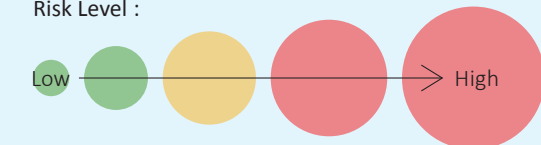
According to the assessment results, the top three high-concern risks by impact were climate change and government energy policy, cybersecurity , system, and data security, and interest rate risk. For these key risks, responsible units have established concrete management and improvement measures—including energy conservation and intelligent equipment management, strengthening information security technology and systems, and optimizing funding and interest-rate allocation strategies—and have listed them as priority items for ongoing management, continuously tracking implementation and improvement results.

Risk Matrix



- | | |
|-------------------------------|--|
| 1 Regulatory Changes | 10 Climate Change and Government Energy Policies |
| 2 Regulatory Compliance | 11 Cybersecurity, Systems, and Data Security |
| 3 Contract Performance | 12 Information Hardware |
| 4 Intellectual Property Risks | 13 Product Safety |
| 5 Disputes and Litigation | 14 Shopping Environment Operations |
| 6 Human Resources | 15 Public Relations Risk |
| 7 Interest Rate Risk | 16 Procurement Risk |
| 8 Foreign Exchange Risk | |
| 9 Credit Risk | |

Risk Level :



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Risk Information Disclosure and Communication

FEDS places great importance on the internal and external communication of risk information. Internally, through regular management reports, cross-departmental meetings, and board reporting mechanisms, management and governance units stay abreast of the overall risk landscape in real time. In external communication, through the annual report, sustainability report, and official website, the company appropriately discloses its risk management policy, processes, and major risk issues, maintaining good communication and trusting relationships with investors, customers, and other stakeholders.

Through the above institutionalized risk management mechanisms, the Company continues to strengthen its grasp of and response to uncertain risks, transforming risk into a key driver for enhancing operational resilience and competitive advantage, and laying a solid foundation for the company's long-term sustainable development.

Internal Audit and Continuous Improvement

FEDS's annual internal audit plan takes "risk orientation" as its core principle, systematically reviewing key risks that may affect operations by integrating revisions to laws, major sustainability issues, and the company's digital transformation progress. In execution, the Audit Office has introduced a number of digital tools, including assessing the risk level and results of each internal control point through the CSA system, using the ACL audit program to automatically screen abnormal transactions and data, and combining the RAP system's risk matrix with statistical analysis of audit-deficiency types, to rapidly identify medium- and high-risk operations and prioritize their inclusion in the annual audit plan.

In 2025, the FEDS Audit Office completed 71 annual audit cases and 19 project-based ad hoc audits, for a total of 90 cases. Through a continuously improving risk-oriented audit mechanism, it strengthens internal control effectiveness and reasonably ensures the achievement of stable and sustainable management goals.

In accordance with the annual audit plan, the Audit Office conducts on-site inspections, data spot-checks, and operational-process reviews in key areas such as product and food safety, store operations, information security, and human resources, assessing potential risks and proposing improvement recommendations to help the company strengthen internal control and reduce related risks.

2025 Audit Cases

Annual Plan										Project
Property, Plant and Equipment	Computerized Information Processing	Sales and Collection	Procurement and Payment	Product Management	Payroll	Financing	Investment	Management Control	Legal Compliance	Ad Hoc Audits
4	4	8	1	8	1	7	13	17	8	19

Risk Type	Control Focus
 Commodity and Food Safety Risk	In a timely manner and in accordance with the latest laws, inspect the labeling and expiration dates of products sold and displayed in stores, verify liability insurance coverage for food and beverage vendors, and check the quality and safety of food and beverage and supermarket food products.
 Shopping Mall Operational Risk	- Inspect emergency call devices in stores and the safety of electric-vehicle areas to provide a worry-free shopping environment. - Spot-check inventory of goods to reduce the risk of operating-asset loss. - Spot-check counter accounting, registration on the cosmetics public-disclosure platform, and company-vehicle management, among other operations. - In response to the Taichung Shin Kong Mitsukoshi gas explosion incident, conduct ad hoc investigations of gas emergency shut-off valves at food and beverage counters and their linkage with the control room.
 Human Resource Management Risk	Verify the accuracy of headcount, attendance scheduling, leave applications, and attendance-data maintenance in the HR management system, to comply with legal requirements and the principle of fairness.
 Procurement Acceptance Payment Management Risk	- Supervise and review the procurement price negotiation and the reasonableness of the unit price of amended work items. - Conduct acceptance inspection and supervision of capital expenditures and review acceptance documents to ensure payment accuracy. - Spot-check the content of FEDS's greenhouse gas inventory and sustainability report and verify the sources of quantitative data, to meet assurance and compliance requirements. - In 2025, the volume of supervised procurement price negotiations, acceptance reviews, and payment cases reached 6,926.
 Information Security Management Risk	- Supervise the procurement, inspection and payment of information software and hardware, and assist in reviewing information device disposal operations. - Audit the company's information security incident response mechanism, member-system access rights and personal data deletion operations, the security management of customer personal data electronic files and storage devices, and VPN account applications and access-rights management, to ensure information security operations.
 Regulatory Compliance Risk	- Execute the annual audit plan and the internal audit reporting operations in accordance with the regulations of the competent authorities. - Revised the internal control system and internal audit implementation guidelines. - Regularly compile a special section for the changes in laws and letters from the Financial Supervisory Commission and the Taiwan Stock Exchange to stay abreast of the latest information from the competent authorities, and conduct inspections in accordance with the latest regulations in due course.
 Financial Management Risk	- Remind and advise the financial management unit to comply with the requirements of the competent authorities and subsidiaries in due course. - Spot-check loans, endorsements and guarantees, and the operational management of functional committees. - Conduct on-site inventory of securities, financial working capital, and gift (merchandise) vouchers, and spot-check vault security, among other operations.

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1.4 Rigorous Information Security Protection

In response to industry's high reliance on member data, and digital services, FEDS continues to refine its information security management systems, strengthening the integrity, timeliness, and controllability of personal data protection, and incorporating information security risk into the overall operational and sustainability risk management mechanism, in order to enhance the organization's ability to respond to digital risks.

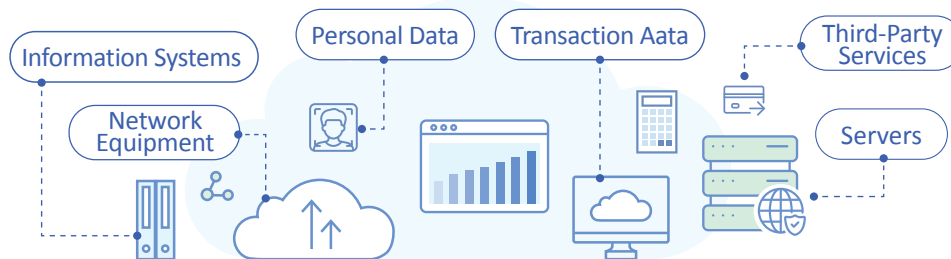
Information Security and Personal Data Protection

FEDS has established a sound information security and personal data protection governance framework, systematically managing related risks. The Company has set up the "Information and Communication Security and Personal Data Protection Management Committee," composed of cross-departmental members from information, legal affairs, digital transformation, and other functions, to coordinate planning and regularly review compliance at each stage of personal data collection, processing, use, storage, transmission, and destruction. The Company has also appointed CISO and established a dedicated Information Security Team, responsible for formulating information security policies, planning risk management, supervising execution results, and conducting continuous improvement.

At the system level, the Company has formulated and continuously reviews its "Personal Data File Security Maintenance Plan" in accordance with regulations, and has introduced international standards such as ISO/IEC 27001 (ISMS) and BS 10012 (PIMS), building a management framework. At the same time, the Company conducts a regular annual information-asset inventory, classifying and grading key information assets, and—combined with information security risk identification, internal review, and system-effectiveness assessment—incorporates information security and personal data protection risk into overall risk management and internal audit operations.

In addition, FEDS extends its information security and personal data protection requirements to supply chain management, specifying relevant information security and personal data protection clauses in outsourcing and external cooperation contracts, and—through regular review and management mechanisms—reduces the risks that third-party services may pose to the company's information security and data protection.

Information Asset Inventory



Information Security Risk Identification and Control

FEDS regularly conducts risk identification and assessment of its inventoried information assets to identify the main potential sources of risk. The Company grades and ranks risks according to their likelihood of occurrence and potential impact, listing major risks as priority management items to ensure the effectiveness of resource allocation and control measures.

At the Technical and Management Level

Implementing account access rights and identity verification, conducting regular vulnerability scanning and patch updates, and establishing intrusion detection and real-time monitoring mechanisms.

In Terms of Data Protection

Adopting data encryption, backup, and recovery mechanisms to reduce the impact of data leaks or system disruptions on operations and customers.

At the Organizational and Cultural Level

Through information security training and drills, combined with management support and cross-departmental collaboration, ensuring that risk-control measures are implemented.

Through the above mechanisms, FEDS continuously strengthens its information security risk management, reducing the impact of potential risks on operational stability, customer trust, reputation, and responding to the SASB standards' expectations regarding information security risk management and governance disclosure.

Education, Training, and Incident Response

To enhance the organization's overall information security protection capabilities, the Company has established an institutionalized training mechanism, continuously strengthening employees' risk awareness. During the year, the completion rate of information security awareness courses for all employees reached 100%, effectively enhancing frontline personnel's ability to identify and prevent potential risks. In addition, the Company has established clear information security incident reporting and response processes; when an information security anomaly or potential risk event occurs, it can rapidly initiate reporting, response, investigation, and improvement procedures, followed by post-incident review and system optimization, to prevent similar risks from recurring.

Personal Data Protection and Complaints (GRI 418-1)

Internal review and incident-inventory results show that in 2025 FEDS experienced no verified incidents of infringing customer privacy or losing, misusing, or leaking customer personal data, and received no verified related complaints, indicating that the design and actual operation of the company's information security and personal data protection systems can effectively perform risk-prevention and control functions. Going forward, FEDS will continue to respond to the development of digital technology and changes in the regulatory environment, refining its information security governance and personal data protection practices and deepening its information security management culture.

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1.5 Comprehensive Regulatory Compliance

In response to the department store retail industry's characteristics of diverse, frequently updated, and wide-ranging regulations, FEDS systematically monitors regulatory amendments and policy trends related to its operations over the long term, and—through the continuous refinement of system development and management mechanisms—incorporates regulatory compliance into its risk management framework. In doing so, FEDS is able to reduce the impact that potential legal risks may have on operations, financial performance, and corporate reputation, and to strengthen stakeholders' trust in the company's ethical management and long-term value creation.

Clear Compliance Direction and Institutionalized Governance

FEDS takes "establishing systems, implementing management, and educating employees" as the core direction for advancing regulatory compliance, building a compliance operating framework from the policy level to the execution level and internalizing regulatory compliance. For the various aspects involved in operations, the Company formulates and continuously reviews relevant management measures and internal norms to ensure that all business activities comply with legal requirements, with the corresponding responsible units handling actual control and execution. Through an institutionalized management mechanism, FEDS not only reduces the risk of violating laws but also effectively avoids the fines, litigation, or reputational losses that may arise from non-compliant conduct.

Timely Promotion of New Legal Information

To enhance management's regulatory-response capabilities, the Company has established a dedicated legal affairs unit responsible for promoting regulatory compliance assessments, tracking regulatory changes, and conducting internal advocacy. For laws, administrative rules, and pre-announced draft amendments highly relevant to department store operations, the legal affairs unit regularly issues "Regulatory News" to managers at all levels, helping management units stay abreast of key regulatory changes in a timely manner.

Since March 2020, for content in the Regulatory News closely related to the company's operations or management, the unit has further provided explanations of the legislative background, key amendments, and response measures, enhancing managers' understanding of the practical impact of regulatory changes, and shares key compliance points in each unit's routine management meetings, helping management units plan ahead and take corresponding management actions.

● Status of Legal Promotion and Advocacy

Category	2021	2022	2023	2024	2025
Number of Cases in Regulatory News	218	375	495	217	175
Number of Interpretations in Regulatory News	71	119	65	1	23

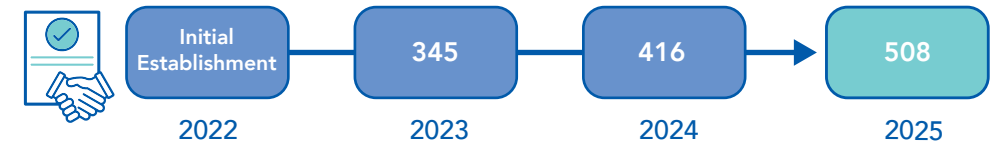
Digitalization of Contract and Risk Control Results (GRI 2-27)

Given that department store operations involve a large volume of external cooperation and contract dealings, FEDS has actively strengthened its contract risk-control mechanism. Since 2022, the legal affairs unit has successively established a "Standardized Contract Document Repository," digitizing and standardizing carefully selected contract templates and setting up restricted-editing functions that open only the necessary condition fields (such as amount and term) for the using units to fill in, ensuring that contract content complies with regulations and the company's internal control requirements.

As of the end of 2025, the standardized document repository had accumulated 508 standardized contract documents, effectively shortening branches' contract review processes by an average of approximately 73%, not only improving operational efficiency but also reducing labor and time costs, demonstrating the practical results of combining compliance management with digital tools.

Since October 2019, the Company has fully introduced an electronic approval process for legal review operations, with a cumulative total of 4,284 review documents processed to date, including 605 in 2025. Through process digitalization, in addition to strengthening contract review efficiency, the Company has also effectively saved 21,420 sheets of A4 paper, equivalent to a carbon reduction of approximately 146 kg CO₂e. Under the aforementioned institutionalized and digitalized management mechanisms, the Company experienced no litigation arising from improper contract formation in 2025 and incurred no significant financial or reputational losses, indicating that contract and legal risk control has achieved substantive results.

● Cumulative Number of Standardized Contract Documents



Deepening Compliance Culture and Sustainable Governance

Through continuous regulatory advocacy, training, and system optimization, FEDS has progressively embedded the spirit of compliance into its organizational culture, enabling employees to voluntarily comply with regulatory norms in daily operations. Going forward, the Company will continue to respond to changes in the regulatory environment and industry trends, refining its compliance management mechanism and combining it with technological tools to enhance management effectiveness.

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2 Innovative Benchmark Stores

In the face of rapid technological evolution and shifting consumer behavior, FEDS continues to deepen its digital transformation, introducing diverse digital technologies to create a convenient, rich, and interactive shopping experience and to build an omni-channel shopping journey that integrates the virtual and the physical. At the same time, through professional and attentive customer service combined with comfortable and safe store space design, FEDS continues to innovate its department store operating model and the look of its venues, advancing toward smart retail and partnering with customers to create a better life experience.

2.1 Store Digital Transformation

2.2 Upgrading the Customer Experience

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Deepening Digital Interaction

- 1.88 million app members, an annual increase of 230,000
- 4.472 million push messages, up 13% year-on-year
- 1.593 million accumulated social media followers, steady growth of 4%

Friendly Facilities and Services

- "Shared Mobile Power Bank" rentals installed; number of charging stations up 19% year-on-year
- All stores rated "Outstanding" in the Quality Public Restroom evaluation
- 10 stores obtained the Dementia-Friendly Store certification

Digital Service and Low-Carbon Consumption

- 52.749 million digital vouchers issued cumulatively, building a paperless consumption model
- Provided 12 diversified payment tools, enhancing payment convenience
- 72% e-invoice issuance rate, saving paper and reducing carbon



Safe and Healthy Environment

- All stores 100% certified as "Safe Places"
- First aid personnel deployed at 1.6 times the regulatory requirement
- Regular disaster-prevention training



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2.1 Store Digital Transformation

Through AI and digital tools, customers can enjoy a richer, more engaging, and more personalized shopping experience at department stores. FEDS grasped this trend early, investing in smart retail research and applications, and is driving its transformation along three directions—digital operations, digital experience, and digital management—adjusting its operating, management, and service processes to build a consumer journey that better meets customer expectations. We continue to upgrade our 98 digital systems, embedding technology into the consumption process and integrating online and offline services to enhance convenience and interactivity and create an innovative digital store.

2.1.1 Bridging O2O with Digital Technology

Blended virtual-physical consumption model presents both a challenge and an opportunity for the department store industry. FEDS has seized this trend, leveraging digital technology to integrate online and offline touchpoints and using its official app and mobile payments to build a convenient O2O (Online to Offline) experience, making technology the key bridge connecting physical consumption.

Through the FEDS app, customers can check parking information, collect coupons, and accumulate HAPPY GO points, and once in the store, take part in immersive interactive activities that deepen their connection with the brand. At the same time, FEDS actively plans themed exhibitions, cross-industry collaborations, and influencer marketing to create talk-worthy, shareable check-in venues, making consumption not just a purchase but a life experience worth recording and sharing.

FEDS operates locations throughout Taiwan, with diverse consumer profiles and customer structures across different commercial districts, forming the most direct, first-hand customer insights. This data is not only the foundation for precision marketing but also a key asset driving digital transformation and big data analysis. Combined with long-term cooperation and technical support from affiliated enterprises, this gives FEDS a solid resource advantage in its digital transformation, advancing on multiple fronts—apps, social media, online shopping, and mobile payments—while combining established segmented marketing capabilities, offline experience design, and meticulous customer service to consolidate existing customers while attracting more young, digitally native shoppers.

● Digital Technology and Omni-Channel Strategy

	Strategic Aspect	Key Approaches	Expected Benefits
Medium- to long-term (3+ years)	Personalized marketing	Integrate consumption records and behavioral data	Provide precise recommendations and improve customer stickiness
	Smart retail development	Integrate data, systems, and channels to build a customer-oriented operating model	Build differentiated competitive advantage
Short-term (1-3 years)	Online shopping platform optimization	Develop a next-generation online shopping platform with an optimized interface and shopping flow	Enhance the online shopping experience
	Digital services	Introduce a counter fast checkout system	Improve service efficiency and customer satisfaction
	Community and real-time interaction	Integrate the LINE community, counter staff service, and online shopping	Strengthen real-time interaction and guided selling
Ongoing	Omni-channel integration (app-centered)	Use the FEDS app to connect members, offers, and consumption scenarios	Enhance customer experience and convenience
	Data application and member engagement	Utilize POS systems and data analysis to enable segmented targeting and precision marketing.	Improve communication efficiency and conversion rate

In terms of strategy, FEDS continues to deepen its integrated online-offline services centered on the FEDS app, and uses in-store digital tools to push product information that better matches individual needs to enhance communication efficiency and conversion. In the short term, FEDS will develop a new online shopping platform and introduce a fast checkout system for counters, combining counter staff service, online shopping, and the LINE community to drive more real-time omni-channel integration; in the medium to long term, the focus will be on personalized marketing and deepening customer relationship management, using data such as member purchase records and in-store movement to provide a more precise and customized experience.

2.1.2 Data Insights Aligned with Customer Service Needs

As social structures and lifestyles change, consumer behavior is trending toward diversification, personalization, and emotional engagement, with customers expecting a personalized experience. Facing the challenges of segmented demand and elevated experiences, FEDS takes data-driven transformation as its core, introducing member analytics and digital tools, linking online and offline member systems to precisely capture key signals such as shopping behavior, purchase frequency, and category preferences, and turning data insights into action plans that further form personalized service programs. Through the FEDS app, exclusive recommendations and offers are pushed, while also making service communication more closely aligned with individual needs.

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Through big data analysis, FEDS' understanding of member preferences has risen from 25% to 80%. It also continues to introduce a CRM system, integrating member data, consumption records, and coupon information as the basis for analysis, and uses indicators such as purchase frequency, amount, category preference, and event participation to deepen its understanding of customer behavior and preferences. This is applied to marketing planning, event design, and precision communication, improving operational efficiency and making service better aligned with customer needs and expectations.

2.1.3 Diverse Platforms Deepen Customer Engagement

In 2025, social media use showed a highly segmented trend, with clear differences across platforms by age group: LINE remained the most widely used messaging app across all ages; those aged 40 and above preferred Facebook; those around 30 preferred YouTube and Instagram; and those under 25 preferred TikTok and RedNote. At the same time, Threads rose rapidly in Taiwan to become an important platform for emerging social buzz. As vertical-screen viewing habits became widespread, short videos became mainstream in social communication, with Facebook, Instagram, and YouTube successively strengthening their vertical short-video features. Going forward, the key to FEDS' social media operations will focus on capturing attention in a shorter time and boosting interaction and sharing rates to further expand reach and traffic.

Facebook Real-Time Content Strengthens Reach and Interaction

FEDS continued its Facebook strategy of recent years, further strengthening the delivery of real-time content such as Stories so that consumers can grasp event and offer information at the first opportunity. In 2025, through diversified content including posts, long and short videos, and Stories, the Facebook fan page reached 1.01 million followers.

LINE Building a High-Penetration Member Gateway

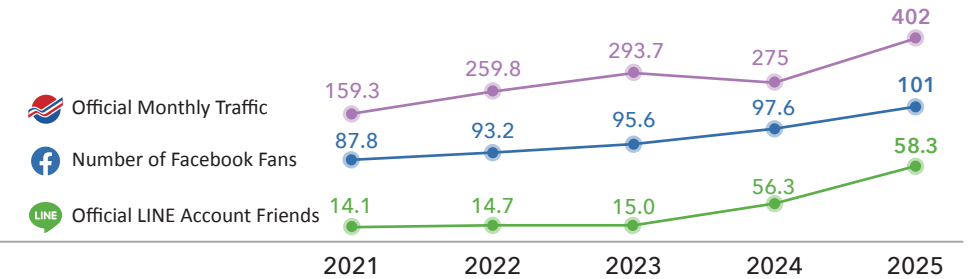
LINE has a high penetration rate in Taiwan, with around 23 million users nationwide and a daily usage rate of over 93%. As consumers' app usage scenarios become more dispersed and open rates are easily affected, FEDS launched its official account in late 2023 and combined it with an app membership linkage mechanism to improve message reach and open rates, making LINE as a micro gateway to app membership and increasing opportunities to drive traffic to the official website and app. In 2025, the number of LINE friends grew to 583,000.

YouTube / IG Reels Expanding the Gen Z Market with Vertical Short Videos

Online video has become an important social channel for the public, with new-generation consumers in particular favoring fast, fun, and shareable video content. FEDS actively builds new modes of communication through YouTube and Instagram, combining lifestyle topics and fashion trends of interest to younger audiences, and launching vertical short-video content based on user viewing habits to expand the Gen Z market and enhance the brand's youthful appeal and content reach.

Social Media Management Status

Unit: ten thousand people



Digital Innovation Drives Smart Retail; Asset Reuse Amplifies Sustainability Impact

Centered on digital operations, digital experience, and digital management, FEDS systematically deploys smart retail. Starting from real consumption scenarios, it has built models to predict consumer thinking and behavior, and has obtained 5 government-approved smart retail invention patents, becoming the first department store company in Taiwan to fully design a digital experience journey.

To ensure that the results of digital innovation translate into long-term corporate value, the Company has established an "Intellectual Property Management Plan," bringing its 5 invention patents and 165 trademarks under systematic management and reporting on implementation to the Board of Directors annually, strengthening IP protection, risk control, and governance transparency, and laying a solid foundation.

In addition, in response to the demolition and reconstruction of the Baoqing Store in 2023, we re-examined the use of existing assets from a sustainability-oriented perspective. The Information Center developed an "Asset Reuse Platform" that integrates asset information across stores to avoid idle resources and duplicate procurement. Through comprehensive on-site inventories at each store, with item-by-item review and usability assessment against the asset register, we ultimately compiled over 1,000 reusable assets of practical value, prioritizing their allocation to units in need in place of external procurement.

As of 2025, the platform managed over 10,200 asset items, and the asset reuse rate rose from 5% at launch to 15%. The Company has set a medium-term target of raising the reuse rate to 30% by 2028, continuing to amplify the positive impact of resource circulation and overall operational efficiency through resource integration, cost savings, and process simplification.

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2.2 Upgrading the Customer Experience

As technology develops rapidly, consumers are increasingly accustomed to using mobile devices, and the digitalization of consumer behavior has risen markedly. FEDS actively introduces digital technology, integrating digital convenience into the customer journey, from obtaining information and interactive communication to purchase decisions, to provide a more immediate, smooth, and needs-aligned service experience that further enhances customer satisfaction and stickiness.

2.2.1 One App, Integrated Services

With customer needs at its core, FEDS segment customers based on app member consumption data and, combined with diverse communication channels such as app push notifications, e-newsletters, and member text messages, precisely reach target groups to implement segmented marketing. We further advance personalized marketing by analyzing members' preferred brands and products through consumption records and recommending related products and event information after purchase, enhancing communication precision and conversion to build a smart retail experience that better fits individual needs.

The FEDS app is also positioned as a "lifestyle service platform," offering features such as event calendars, points accumulation and redemption, parking discounts, coupon collection, and restaurant reservations. In 2025, 337 online flyers were provided, and the "Points Plus Cash redemption service" continued to expand, adding department store counter product options more diverse redemption choices, with nearly 30,000 annual redemptions. Point marketing strategy was also optimized to expand redemption items while lowering point costs. In 2025, redeemable products reached 732 items, growing by over 200%, effectively enhancing member engagement and the value of point usage.

In addition, the FEDS app's restaurant reservation and waitlist feature breaks through business-hour limits, offering 24-hour booking; after making a reservation, customers can arrive closer to their call time, reducing on-site queuing and greatly improving time efficiency. In 2025, the restaurant reservation and waitlist service accumulated 7,269 bookings, serving 24,943 customers.

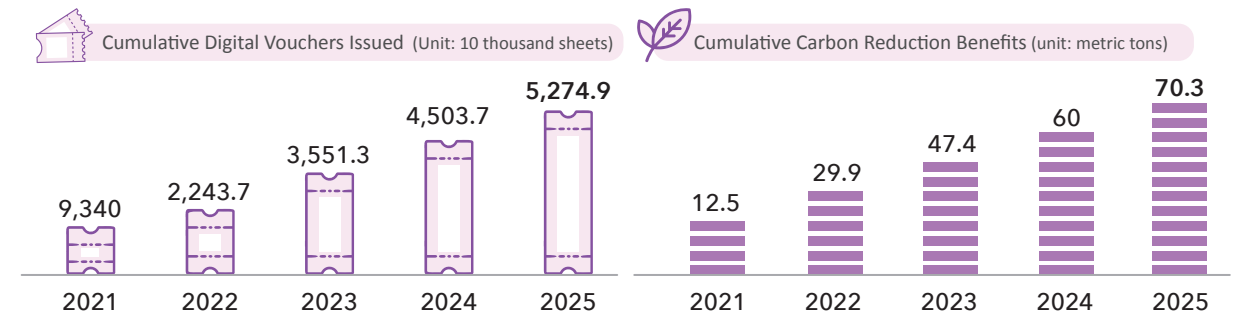
In terms of member engagement results, in 2025 the FEDS app reached 1.88 million members, an increase of about 230,000 from 2024, with the younger generation showing a notably stronger willingness to join. The number and proportion of digital vouchers used via the app also reached a record high, indicating that the FEDS app has become an important gateway connecting customers' lives and shopping experiences.

FEDS App Data		2023	2024	2025
	Membership Numbers (ten thousand people)	135.7	165	188
	Open Count (person-times)	19,397,449	14,810,649	20,388,568
	Page Views (person-times)	147,602,424	118,131,335	173,976,279

2.2.2 One-Tap Digital Vouchers Enhance Digital Convenience

While enhancing customer convenience, FEDS also considers environmental benefits, gradually shifting the discount vouchers, lucky-draw tickets, product vouchers, and bonus vouchers commonly used in seasonal marketing campaigns from paper to electronic formats. Customers can collect, instantly use, and quickly redeem them via the app with one tap, reducing the inconvenience of carrying and keeping paper vouchers and lowering instances of loss, damage, or expiry, making counter service efficiency and boosts customer satisfaction. Since the initiative began in 2020, a cumulative 52.75 million digital vouchers have been issued, equivalent to saving approximately 10.34 million sheets of A4 paper and reducing carbon by over 70.3 metric tons. This not only demonstrates FEDS' results in upgrading digital services but also, through concrete paper- and carbon-reduction measures.

Environmental Benefits of Digital Invoice



Note: 1. Carbon reduction is calculated on the basis of each A4 sheet being equivalent to 5.1 digital vouchers, and the cumulative carbon-reduction benefit for previous years has been recalculated accordingly.
 2. 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.

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2.2.3 Mobile Pay for Smart Shopping

Green consumption and smart technology reflect FEDS' commitment to a sustainable life. To alignment with the mobile payment trend, FEDS continuously optimizes its payment services. Currently, 12 diverse payment methods have been introduced—including Apple Pay, Google Pay, Samsung Pay, Alipay, Ticket Xpress, LINE Pay, WeChat Pay, HAPPYGO Pay, electronic merchandise vouchers, EasyCard (FEDS Xinyi A13), ECPay, and NewTaiPAY—fully meeting the needs of our diverse customer base.

To improve checkout efficiency and service convenience, FEDS combines the FEDS app with its own HAPPYGO Pay, integrating member points, cloud invoice storage, voucher redemption, and payment functions to provide a cashless and low-contact one-stop payment process that effectively shortens checkout and queuing time. At checkout, customers need only open their phone to scan to complete instant verification, deduction, and generation of an electronic receipt, making payment faster. FEDS also flexibly introduces locally promoted payment tools in line with local government policies (such as NewTaiPAY), strengthening service relevance to daily life and local connection.

In terms of transaction security, FEDS continues to strengthen the stability and performance of its checkout platform to maintain customers' positive perception of the overall consumption experience. Otherwise, the Finance Department drives training for counter staff on identifying abnormal transactions and preventing fraud, enhancing frontline staff's ability to identify transaction risks and their response procedures and strengthening transaction security management; a total of 960 people attended in 2025.

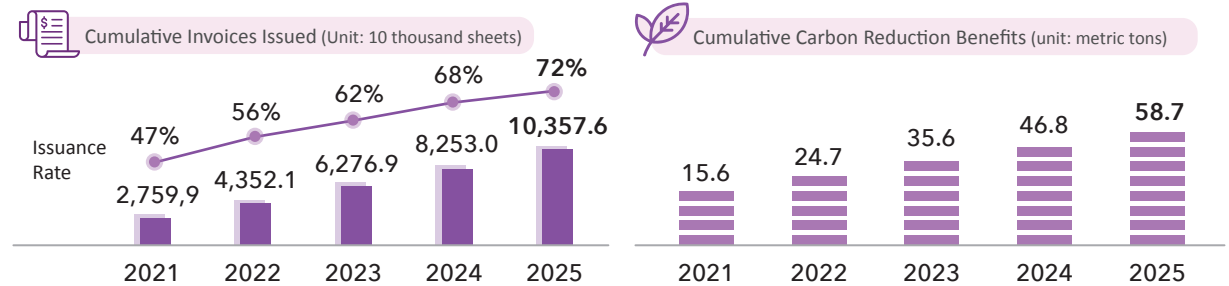
2.2.4 E-Invoices, Easy & Eco-Friendly

Since October 2018, FEDS has promoted the "Go Paperless with e-Invoices," and incorporated e-invoices into the standard checkout process, actively guided customers at stores nationwide to store invoices using mobile barcodes, credit cards, and other carriers, gradually shaping a green consumption model of carbon and paper reduction. Through continued promotion, e-invoices have become the default option for customers in most transaction scenarios. By 2025, the e-invoice issuance rate reached 72%, a steady increase from 68% in 2024 and clearly above the National Taxation Bureau's annual promotion target of 61%, demonstrating the scaled-up results of policy implementation.

FEDS also advances the digitization of credit card receipts, continuing to bring paperless, digital processes into the customer consumption flow. By combining card terminals with digital signature pads, signature data can be stored directly on the system side without printing paper receipts, effectively reducing paper use and related storage. In 2025, electronic credit card receipts reached 13.07 million, an increase of 280,000 over the previous year, showing that, the paperless transaction model has gained broad customer acceptance.

FEDS collaborates with the National Taxation Bureau on cloud invoice promotion activities, strengthening policy advocacy so that e-invoices naturally blend into everyday consumption scenarios and further enhance willingness to use of carriers. E-invoices and electronic receipts not only optimizes the customer consumption experience but also effectively reduces the use of paper consumables, bringing concrete environmental impact to the Company's digital transformation and low-carbon operation goals.

Environmental Benefits of e-Invoices



Note: 1. Carbon reduction is calculated on the basis of each A4 sheet being equivalent to 12 e-invoices.
2. 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.

2.3 Professional and Attentive Customer Service

FEDS treats every customer interaction to create an excellent service experience. Through sound, standardized service processes combined with mechanisms for continuous innovation and refinement, it systematically enhances overall customer service quality. In addition, through institutionalized service staff training and professional capability development, it strengthens the consistency and response quality of frontline service, providing a warm and professional service experience, and-through the integration of physical and digital services-carefully building quality service that meets customer expectations.

2.3.1 Building an Institutionalized Service System with ISO 9001

FEDS values customer service quality and service consistency, introducing a quality management system and obtaining ISO 9001 certification to ensure stable and controllable service quality across all operating locations through institutionalized and standardized processes. Through a clear quality management framework and continuous improvement mechanisms, it systematically strengthens customer-service-related processes, effectively reducing operational risk and deepening customers' long-term trust in the brand. In 2025, four stores continued to pass the ISO 9001:2015 recertification audit conducted by Afnor International Limited, with an audit scope covering three areas: quality management system processes, the operating environment of customer-related processes, and contractor management, demonstrating that FEDS has internalized service quality as part of its daily operational management and fulfills its customer-centric service commitment.

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ISO 9001 Implementation Locations

Stores	Year First Implemented	Verification Body	Audit Scope
Banqiao Store	2010	AFNOR International Limited	1. Quality management system processes 2. Operating environment of customer-related processes 3. Contractor management
Hsinchu Store	2010		
Tainan Store	2008		
Kaohsiung Store	2008		

2.3.2 Establishing a Customer Service Management Policy

FEDS has established a clear and actionable customer service management policy covering service standards such as response time, communication etiquette, and professional performance, ensuring consistency and stability of service quality across all operating locations. It has also built a comprehensive complaint-handling mechanism, data confidentiality principles, and a clear division of responsibilities, and—combined with regular training and practical feedback mechanisms—continues to strengthen frontline service staff's professional capabilities and risk awareness, thereby enhancing customer trust and brand image.

Management Aspect	Management Focus	Implementation Method
 Response Efficiency	Respond promptly to customer needs	Establish complaint-handling timeframes
 Communication Etiquette	Provide professional and cordial service	Service etiquette training
 Customer Complaint Handling	Establish a standard handling process	Customer complaint reporting and tracking
 Data Protection	Keep customer data confidential	Personal data management system
 Staff Training	Strengthen professional service capabilities	Regular training

2.3.3 Professional Training for Quality

High-quality customer service comes from institutionalized talent development and continuously refined professional training. For frontline customer service staff, FEDS plans standardized training courses and clear service-behavior guidelines, ensuring all staff can follow the company's service creed to provide a consistent, high-quality service experience. Training content takes punctuality, grooming, and neatness as basic service requirements and emphasizes responding to customer needs with a cordial, professional, and enthusiastic attitude, implementing the service spirit in every interaction to enhance the overall customer experience.

FEDS arranges orientation courses for new customer service staff and provides professional skills training including service etiquette, customer reception, redemption operations, and digital system operation, and through experience sharing from senior colleagues and diverse development courses, ensures employees are fully trained. In 2025, there were 153 customer service staff, with 1,335 total training attendances and 1,425 total training hours. By embedding training into daily service, FEDS ensures customers genuinely feel an excellent service experience.

Customer Service Training Content

Orientation Training	Advanced Training	Personal Development
✓ Corporate culture ✓ Attendance standards ✓ Insurance and benefits ✓ Occupational safety	✓ Visual display ✓ Communication and coordination ✓ Accounting operations ✓ Sustainability concepts	✓ Stress relief ✓ Health management ✓ Popular information ✓ External training ✓ Cybersecurity protection
Professional Skills		
✓ Store information and details ✓ Service etiquette ✓ Customer service standards	✓ Customer complaint handling ✓ Gift redemption operation ✓ System operations	

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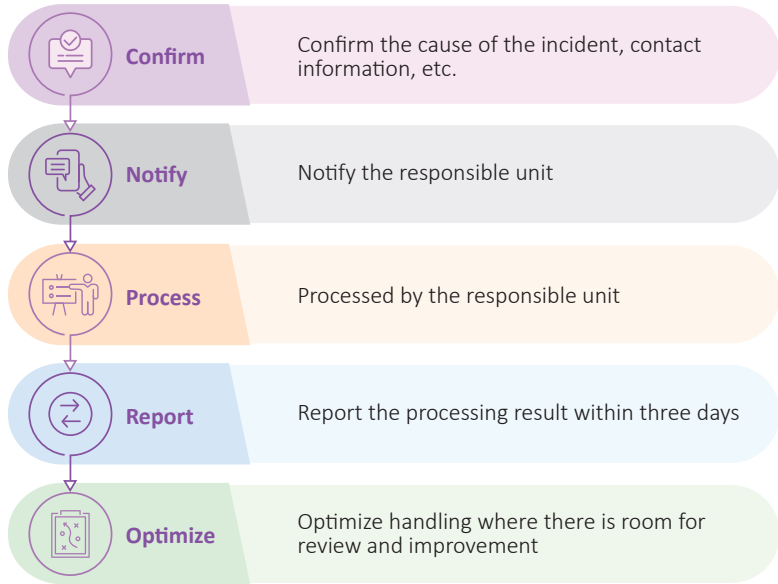
Customer Service Training Implementation Status

Year	2022	2023	2024	2025
Number of Service Personnel	194	174	166	153
Number of People Trained	1,762	1,819	1,791	1,335
Training Hours	1,738	1,665	1,317	1,425
Average Training Sessions	9.1	10.5	10.8	8.7
Average Training Hours	9.0	9.6	7.9	9.3

2.3.4 Real-Time Feedback & Response Mechanism

FEDS has built diverse and unobstructed customer communication channels, Customer opinions are received and responded to promptly according to established procedures, with dedicated staff following the principles of rapid response, full listening, empathetic communication, and thinking from the customer's standpoint to help address matters in real time, ensuring issues are properly resolved and improvement results are continuously tracked, thereby enhancing overall service satisfaction and customer trust.

Customer Feedback Channels



Customer Feedback Processing Procedures



Department Store

- Service counter
- Customer service center
- Floor supervisor
- Customer feedback form



Telephone Contact

- Customer service line
- Toll-free number



Official Website

- FEDS Online
- Email



FEDS App

- Click on "Contact Us"

In 2025, FEDS received a total of 2,929 pieces of customer feedback, an increase of 3.1 times over the previous year. This growth mainly came from an expanded statistical basis for collecting feedback; in addition to the original email channel, on-site feedback and telephone responses were further included, more fully capturing the customer voice.



On-Site Feedback

1,022 in total

39 compliments, 983 opinions



Telephone Feedback

1,257 in total

36 compliments, 1,221 opinions

If compared on the same statistical basis as the previous year (counting only the original channel), feedback in 2025 was 650 pieces, including 48 compliments and 602 opinions, an overall decrease of 8% from the previous year, indicating that—driven by service process optimization and real-time response mechanisms—customer-reported issues have gradually declined and service quality has steadily improved.

Customer Feedback Statistics

Year	2021	2022	2023	2024	2025
Customer Compliment (A)	80	97	76	89	123
Number of Customer Opinions (B)	641	819	747	618	2,806
Total Customer Feedback (C=A+B)	721	916	823	707	2,929
Percentage of Compliment (A/C)	11%	11%	9%	13%	4%
Percentage of Opinions (B/C)	89%	89%	91%	87%	96%

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2.4 Comfortable and Friendly Store Spaces

Within its stylish shopping spaces, FEDS incorporates careful consideration for the needs of consumers of all segments. In 2025, it continued to take convenience, health, and environmental protection as its core principles, implementing them in software and hardware facility management and staff training to create a friendly, comfortable, and bright store environment where customers enjoy a relaxed and pleasant shopping experience.

2.4.1 Convenient Services for Easy Shopping

FEDS, responding to the diversity of customers, undertake overall planning across three aspects --store facilities, traffic flow planning, and service design. For groups those with mobility difficulties, it provides parent-child restrooms, stroller and wheelchair rentals, taxi-hailing services, and comprehensive accessibility facilities, ensuring that customers with different needs can use the store space safely and conveniently and creating a friendly shopping environment suitable for whole families and all ages. For detailed service-facility information at each operating location, please refer to the official website.

In response to the global net-zero trend, FEDS continues to introduce e-friendly services in its stores that balance sustainability and convenience, embedding low-carbon principles in customers' daily experiences. FEDS responds to the practical need of customers running low on phone power while shopping: in 2025, it set up a "Shared Mobile Power Bank" rental service at 8 stores (including large in-store counters), with a total of 452 power banks deployed, promoting the sustainable consumption concept of resource sharing and circular use through a "renting instead of buying" model.

FEDS actively improves its low-carbon transport provisions, installing 96 electric vehicle charging stations at 11 stores, an increase of 19% over the previous year. Under current regulations, electric vehicle charging stations must account for 1% of total parking spaces, meaning FEDS would be required to install 74; the actual number installed is clearly above the regulatory requirement, not only enhancing customer convenience but also demonstrating the company's concrete action to deploy green facilities ahead of schedule and support low-carbon transport.

Number of Shared Mobile Power Banks Installed in Each Store

	FEDS XinYi A13	60	Top City Taichung Store	135
	Mega City Banqiao Store	55	Chiayi Store	-
	Banqiao Store	30	Tainan Store	20
	Taoyuan Store	65	Kaohsiung Store	76
	Hsinchu Store	-	Hualien Store	-
	FEDS Zhubei	11		
	Total		452	

In response to diverse demographics and international tourism needs, FEDS has introduced intelligent services at different operating locations to enhance information accessibility and the overall consumption experience. Tainan Store has built a smart multilingual customer service system that effectively reduces language communication barriers and implements digital equity; FEDS XinYi A13 has set up high-coverage free venue-wide Wi-Fi and smart lockers supporting diverse payments, allowing customers to obtain needed information in real time and complete luggage storage and mobile payment through automated equipment, building a seamless smart consumption environment while improving service efficiency and operational performance.

In addition, FEDS Zhubei has set up a real-time parking availability display video wall that, through a precise digital guidance system, helps customers quickly grasp parking conditions on each floor and shorten the time spent searching for a space. This measure not only optimizes the parking experience but also helps reduce the energy consumption, concretely implementing green transport and low-carbon principles at the very first stage of customers entering the store.

Official Website 

Status of Smart Parking System Implementation in Each Store

 Implemented  Not Implemented

	FEDS XinYi A13		Top City Taichung Store	
	Mega City Banqiao Store		Chiayi Store	
	Banqiao Store		Tainan Store	
	Taoyuan Store		Kaohsiung Store	
	Hsinchu Store		Hualien Store	
	FEDS Zhubei			

Note: Chiayi Store parking lot offers only 16 mechanical parking spaces, so no smart parking system has been introduced.

Number of Electric Vehicle Charging Stations Installed in Each Store

	FEDS XinYi A13	6	Top City Taichung Store	14
	Mega City Banqiao Store	8	Chiayi Store	-
	Banqiao Store	8	Tainan Store	8
	Taoyuan Store	4	Kaohsiung Store	9
	Hsinchu Store	6	Hualien Store	6
	FEDS Zhubei	27		
	Total		96	

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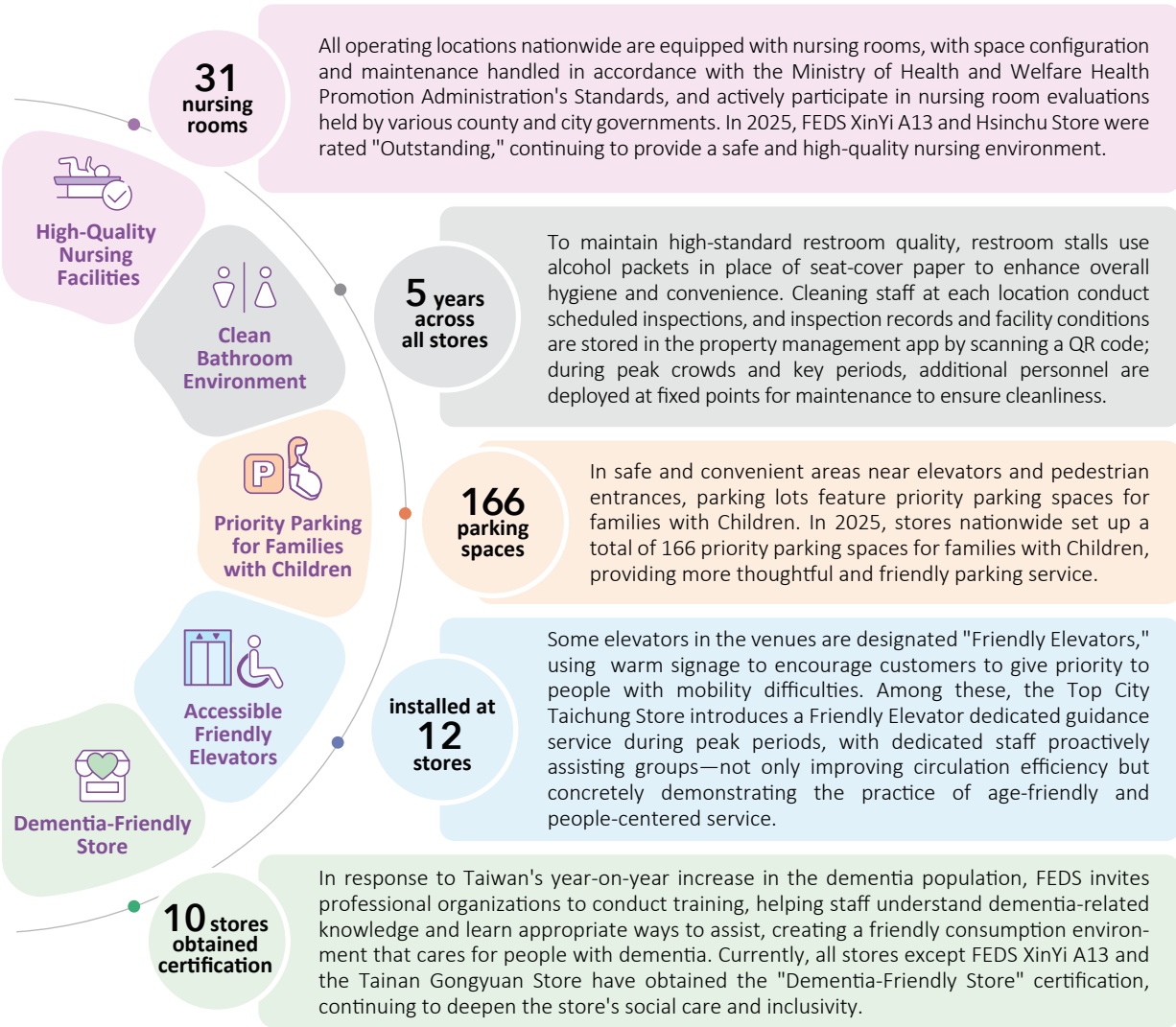
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2.4.2 Friendly Services and Facilities

In response to social trends of aging, declining birth rates, and the inclusion of diverse groups, FEDS continues to optimize its various friendly services and facilities within stores. From well-appointed nursing rooms and clean, safe public environments to priority parking for women and children, accessible and friendly elevator design, and dementia-friendly service mechanisms, all respond to the needs of different groups through concrete action.



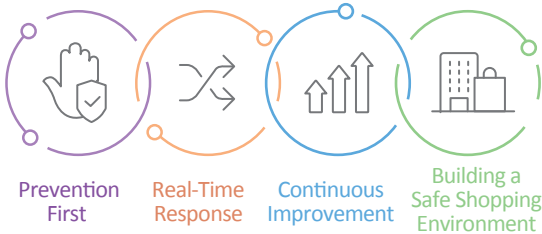
2.5 Ensuring a Safe Shopping Environment

FEDS takes prevention first, real-time response, and continuous improvement as its core management principles, building safety management mechanism covering real-time reporting of accidents, disaster-prevention education and on-site drills, drinking water and air quality management, public facility safety control, and AED first-aid equipment and personnel deployment. Through standardized procedures, regular testing, and ongoing training, it effectively integrates store safety management into daily operations and ensures the safety and health of customers and employees on the premises.

2.5.1 Real-Time Reporting of Accidents (GRI 416-1)

FEDS has established a comprehensive, standardized process for handling accidents occurring in stores, ensuring that appropriate assistance and remedial measures when sudden incidents occur. In terms of reporting mechanisms, FEDS integrates physical and digital reporting channels: matters can be raised to on-site counters or floor management staff, after which the internal emergency contact network is immediately activated to notify the highest-ranking supervisor on duty and the central control room simultaneously. In addition, through the "EIP Accident Reporting and Investigation Registration Form," the informations involved are systematically filed as a basis for subsequent tracking, improvement, and clarification of responsibility.

In terms of on-site handling and remedial work, FEDS strictly implements a co-handling mechanism, with floor management staff and the highest-ranking supervisor on duty arrive together to handle the matter, immediately contact occupational nursing staff and filling out the "Customer Emergency Incident Preliminary Handling Assessment Record" to ensure the handling process is professional and traceable. If a customer needs medical treatment, the Company adopts a full-accompaniment system; where responsibility lies with the Company or is yet to be clarified, it also proactively pays the first medical expense in advance, demonstrating a corporate attitude of responsibility toward customers.



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After an incident, floor management staff proactively call the customer the next day to check on their recovery and continue to track case progress and improvement measures through the EIP system that the customer's rights have been properly handled before the case can be closed, closed-loop negative-impact remediation mechanism. In 2025, a total of 500 accidents were reported across stores; the most common incident type was customers' own personal factors, accounting for the largest share at 28%. The relevant analysis results have served as an important basis for subsequently strengthening venue safety management and preventive advocacy, reduce the risk of similar incidents recurring.

To strengthen consistency and execution quality across units, FEDS formally established the "Accident Reporting and Handling SOP" in 2025, covering key processes such as accident reporting, on-site handling, casualty assessment and personnel care, and conducted training for relevant personnel including floor management, occupational safety, and HR, with a training coverage rate of 100%, effectively improving overall response efficiency and service quality.

Statistics of Accidents

Category	2023	2024	2025
Customers	73%	78%	77%
Counter Staff	12%	12%	11%
Employees	10%	5%	8%
Contracted Vendor	5%	5%	4%

Accident Categories and Statistics

Category	2023	2024	2025
Falls (Trips, Slips)	30%	32%	24%
Personal Factors	28%	26%	28%
Elevator Entrapment	-	16%	23%
Bruising	7%	7%	6%
Traffic Accidents	6%	4%	5%
Others	30%	15%	14%

Note: Personal factors primarily include physical discomfort; other factors include bruises, puncture wounds, crush injuries, etc.

2.5.2 Implementing Disaster-Prevention Education and On-Site Drills

FEDS fully equips each operating location with the necessary fire safety equipment and appoints a fire prevention manager in accordance with the law, responsible for maintaining and managing fire equipment and planning disaster-prevention operations. The Company has also established standardized fire system management standards, incorporating the daily inspection items and daily fire equipment checks. In addition, each store holds prevention training monthly, strengthening employees' abilities to report, evacuate, and respond to sudden events such as fires through on-site operations and scenario simulation, continuously enhancing venue-wide disaster resilience and building a safe and reassuring shopping environment.



Automatic Gas Monitoring System for Disaster Prevention

To strengthen store operational safety and enhance technology-based disaster-prevention management, FEDS has introduced a new automatic gas monitoring system at the FEDS Zhubei, enhancing early-warning and response capabilities for potential risks through real-time monitoring and automated safety mechanisms. When the system detects a gas leak, it immediately activates an alarm and automatically shuts off the gas supply, reducing safety risks from gas leakage at the first instant and effectively safeguarding the lives of employees and customers and the safety of the environment.

The technology-based monitoring system combines real-time sensing with automatic protection functions, allowing equipment operating status to be grasped more quickly and precisely than with traditional manual inspection. As the first to introduce this equipment, the FEDS Zhubei not only enhances overall store disaster resilience but also demonstrates FEDS' proactive approach to introducing smart safety management.

Gas Safety Monitoring System Features

Functions	Description
 Real-time Monitoring	24-hour detection of gas concentration changes
 Automatic Alarm	Immediately issues a warning upon detecting an anomaly
 Automatic Shutoff	The system automatically cuts off the gas supply
 Risk Prevention	Reduces safety risks caused by gas leakage

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2.5.3 Ensuring Safe Drinking Water (GRI 416-2)

FEDS has established a comprehensive water quality management and inspection mechanism in accordance. For drinking water dispensers in stores, water quality tests for indicators such as E. coli are conducted quarterly; all test results comply with established standards, and test reports are posted in a conspicuous place on each dispenser to enhance information transparency for users to check in real time. For drinking water and food-contact water provided by food and beverage counters, vendors are also required to provide qualified water quality test reports for the record. In 2025, all test results complied with relevant regulations and creating a safe and worry-free consumption and dining environment.

Management Item	Management Method	Testing Frequency
Water Dispenser Water Quality Testing	Testing of indicators such as E. coli	Quarterly
Test Result Announcement	Test reports posted on equipment	Quarterly
Food and Beverage Water Management	Counters provide qualified test reports	Quarterly
Supervision and Inspection	Operating unit review and recording	Ongoing

2.5.4 Strengthening Public Facility Safety Inspections

FEDS stores nationwide formulate and implement an "Automatic Inspection Plan" in accordance with relevant labor authority regulations, planning differentiated regular inspection mechanisms according to the characteristics of different machinery and equipment. All key equipment is brought under control, with lifting equipment undergoing regular inspection monthly and high-voltage electrical equipment undergoing complete inspection annually to ensure equipment remains in good operating condition. If anomalies are found during inspection, repair procedures are immediately initiated and necessary improvement measures taken, with re-inspection and confirmation after improvement. Through institutionalized inspection and improvement mechanisms and strengthens the reliability of the shopping environment.

Equipment Safety Management Process



2.5.5 Regular Monitoring of Air Quality (GRI 416-2)

To safeguard the health and safety of customers and employees, FEDS has established an institutionalized air quality monitoring mechanism. Each store conducts indoor air quality testing every two years and has all obtained the "Good" Indoor Air Quality certification issued. In addition, for employee work area, carbon dioxide concentration and noise level testing is conducted every six months, and all test results comply with relevant laws and standards. Through regular monitoring and continuous improvement, FEDS not only reduces health risks but also strengthens a safe and comfortable stores.



100% of Operating Locations Awarded the Indoor Air Quality Certification

2.5.6 Establishing AED-Certified Safe Places

FEDS is 100% certified as an "AED Safe Place" nationwide, ensuring that necessary first-aid support can be provided in real time in emergencies. To fulfill employee first-aid skills training, strengthen equipment management, and maintain a safe consumption environment, first-aid personnel are appointed in accordance with regulations and regularly receive statutory occupational safety, health, and first-aid training. The number of first-aid personnel deployed follows a standard 1.6 times the regulatory requirement, reflecting FEDS' commitment to customer safety and risk prevention, and integrating public safety management into daily operations.

• AED Facilities and First-Aid Personnel

Category	AED Facilities		First-Aid Personnel		
	Quantity	Management Personnel	Statutory Number of People	Actual Number of People	More Than the Statutory Number of People
Headquarters	0	0	4	7	3
FEDS XinYi A13	2	1	3	6	3
Mega City Banqiao Store	3	1	4	6	2
Banqiao Store	2	1	1	5	4
Taoyuan Store	1	1	2	13	11
Hsinchu Store	2	2	3	5	2
FEDS Zhubei	3	2	2	3	1
Top City Taichung Store	4	1	7	18	11
Chiayi Store	1	1	2	2	-
Tainan Store	1	2	2	7	5
Kaohsiung Store	1	1	2	8	6
Hualien Store	1	1	2	9	7
Total	21	14	34	89	55

Note: The headquarters is not a statutorily announced AED installation site and therefore has no AED installed.

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3 Efficient Environmental Protection Operations

Guided by the spirit of "Retail is detail," FEDS starts from the daily operational details, continuously optimize energy, water, and waste management, promote resource circulation and green consumption, and reduce the environmental impact of our operations. We are committed to creating a mutually beneficial development model between department store operations and environmental protection, building a department store ecosystem that combines fashionable experiences with sustainable value, and advancing toward green retail and a net-zero future.

3.1 Net-Zero Transition and Climate Action

3.2 Enhancing Energy Efficiency and Management

3.3 Water Resource Management and Use Efficiency

3.4 Waste Reduction and Circular Recycling

3.5 Green Consumption and Sustainable Services

Strengthening Carbon Management, Steadily Advancing Toward Net Zero

- GHG emissions (Scope 1 and Scope 2) decreased 2.3% from the previous year
- Introduced an internal carbon pricing mechanism, internalizing carbon costs into operational and investment decisions
- Annual electricity consumption decreased by 6.11 million kWh, an energy-saving rate of 2.8%
- 100% adoption of energy-saving lighting in the public areas of all operating locations
- Self-generated and self-consumed green energy reached 1.064 million kWh (up 986% year-on-year)



Green Consumption and Digital Carbon Reduction

- Shopping paper bags 100% made from FSC-certified paper, with usage reduced by 136,642 bags (down 5% year-on-year)
- Driven by digital marketing, DM printing volume reduced by 462,975 copies (down 21% year-on-year)

Implementing Low-Carbon Transport and Green Procurement

- 7,630 employee trips by public transport for business travel, 4,275 official-vehicle carpool trips, and 98,000 shuttle service trips
- Green procurement amount of NT\$89.72 million (up 238% year-on-year) across 82 procurement items (up 82% year-on-year); office equipment obtained through leasing rather than purchase, with a leasing amount of NT\$45.90 million
- Awarded "Excellence in Green Purchasing" by the New Taipei City Government for 9 consecutive years



Promoting Resource Circulation, Enhancing Environmental Efficiency

- Cumulative resource recycling exceeded 9,322 metric tons (up 3% year-on-year)
- The "pay-by-actual-weight" system to be introduced in 2026 to strengthen waste management
- Rainwater harvesting facilities with a total equipment capacity of 3,064 kiloliters

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3.1 Net-Zero Transition and Climate Action

In the face of the environmental and operational challenges posed by climate change, FEDS references the Task Force on Climate-Related Financial Disclosures (TCFD) framework to systematically disclose climate-related information across the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets, and to establish a climate management mechanism. With the mitigation of GHG emissions at its core, we have set goals to reduce carbon emissions by 30% by 2030 and to achieve net zero emissions by 2050. We continue to enhance climate resilience, progressively advancing toward a net-zero future.

3.1.1 Climate Change Management and Response (GRI 201-2)

Since 2019, FEDS has disclosed climate change-related information based on the framework developed with reference to the TCFD guidelines, and has established a systematic climate risk management mechanism to prevent financial losses. In 2022, we further aligned with the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, enabling us to more accurately identify the risks and opportunities that climate change may bring to our business operations. This allows us to formulate corresponding management strategies and preventive measures.

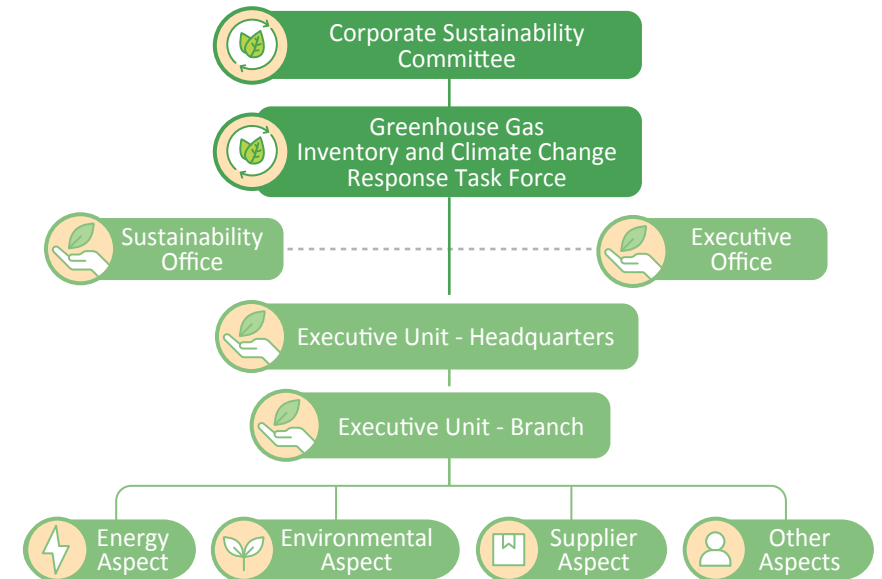
Climate Governance

The climate governance framework of FEDS is overseen at its highest level by the Board of Directors. FEDS has established a "Greenhouse Gas Inventory and Climate Change Response Task Force" to identify climate-related impacts. For climate-related risks across the energy, environmental, supplier, and other aspects, the Task Force develops response measures through internal meetings to adapt to climate financial risks and capture potential opportunities, and then assigns the relevant policies to each unit for implementation.

Since 2022, the progress of climate-related projects has been reported quarterly to the Board of Directors, covering the progress of work such as GHG inventory and assurance. In 2025, a total of 4 project reports were completed, ensuring that the governance level stays promptly informed of execution progress and provides strategic guidance.

In August 2024, FEDS established the "Corporate Sustainability Committee" under the Board of Directors, which convenes regular meetings. In response to the implementation plan for the International Financial Reporting Standards (IFRS), a cross-departmental project task force was established in the fourth quarter of the same year, integrating the sustainability, finance, risk management, regulatory compliance, and internal audit functions to systematically assess the potential financial impact of climate risks and improve the quality of decision-making. In 2025, the Committee convened 4 meetings.

Climate Risk and Opportunity Management Organizational Structure



Climate Strategy and Risk Management

FEDS places "energy conservation and carbon reduction" at the core of its climate strategy, combining improvements in energy efficiency with the adoption of renewable energy as the main pathway for promoting a low-carbon transition. Within its strategic framework, FEDS systematically reduces energy consumption and GHG emissions during operations through three directions—equipment energy-saving optimization, smart energy management, and green energy deployment.

On this strategic foundation, FEDS continues to monitor climate change trends, assess their actual and potential impacts on FEDS' operations, strategy, and financial planning, and establish a systematic mechanism to identify, evaluate, and manage climate-related risks and opportunities.

For scenario analysis, FEDS references the Shared Socioeconomic Pathways (SSP) proposed in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), using the very high emissions scenario (SSP5-8.5) as the assessment basis to identify potential extreme climate events and types of disasters, and to analyze the impact of these events on FEDS' operations and value chain.

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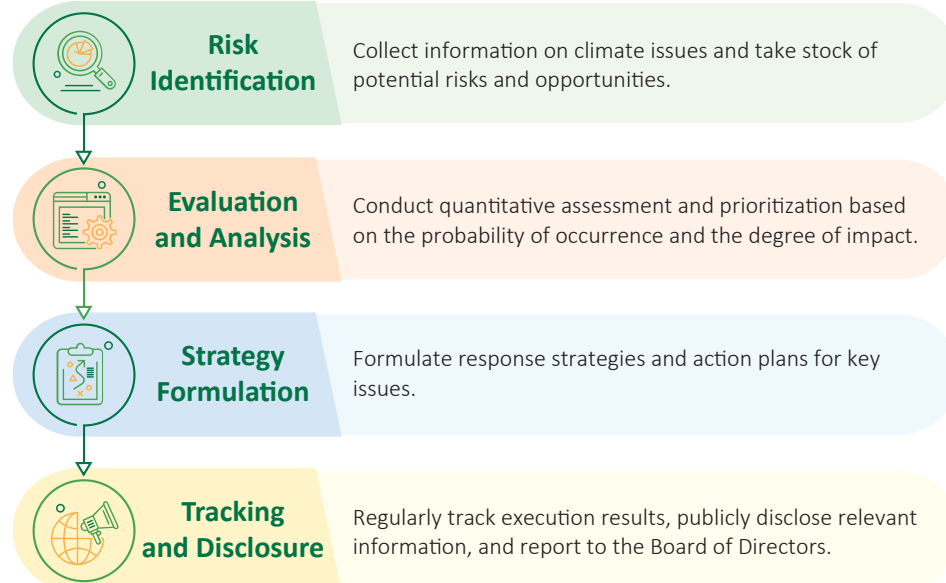
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In terms of the risk management mechanism, through cross-departmental collaboration, FEDS formulates corresponding response strategies and action plans for key climate risks and opportunities, and continues to implement them. At the same time, through regular tracking and a rolling review mechanism, FEDS continuously reviews execution results and makes dynamic adjustments according to short-, medium-, and long-term timeframes to ensure the effectiveness and adaptability of its strategies.

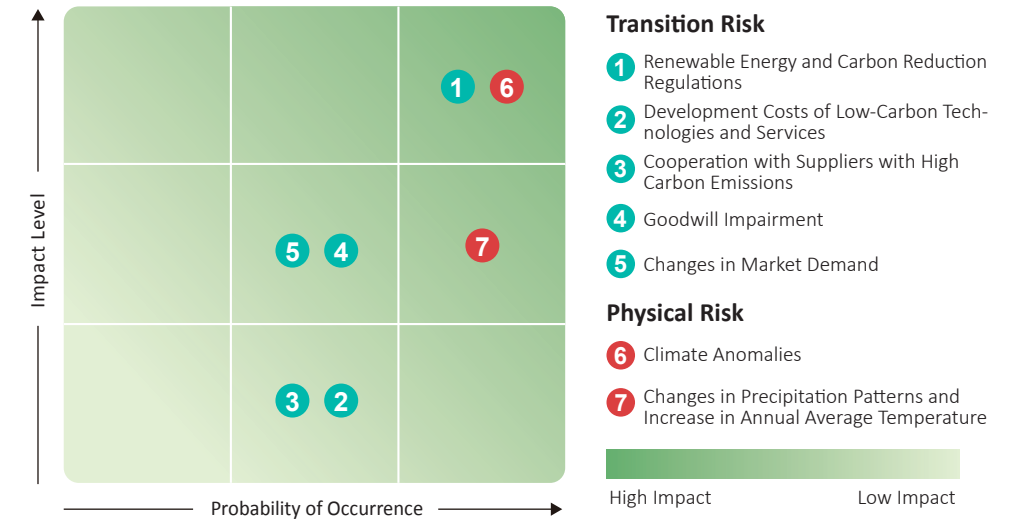
In terms of action, in the short term FEDS focuses on operational carbon reduction, promoting paperless operations, the replacement of energy-saving equipment, and resource circulation measures to lower its operational carbon footprint. In the medium to long term, FEDS focuses on sustainable transition, promoting green building, the use of renewable energy, the creation of green landscapes, and the guidance of customers toward green consumption behavior. Through systematic promotion, FEDS progressively strengthens its ability to respond to climate uncertainty.

In addition, through a risk matrix analysis tool, FEDS identifies high-risk items and conducts financial impact assessments to ensure that its strategies are concrete and feasible.

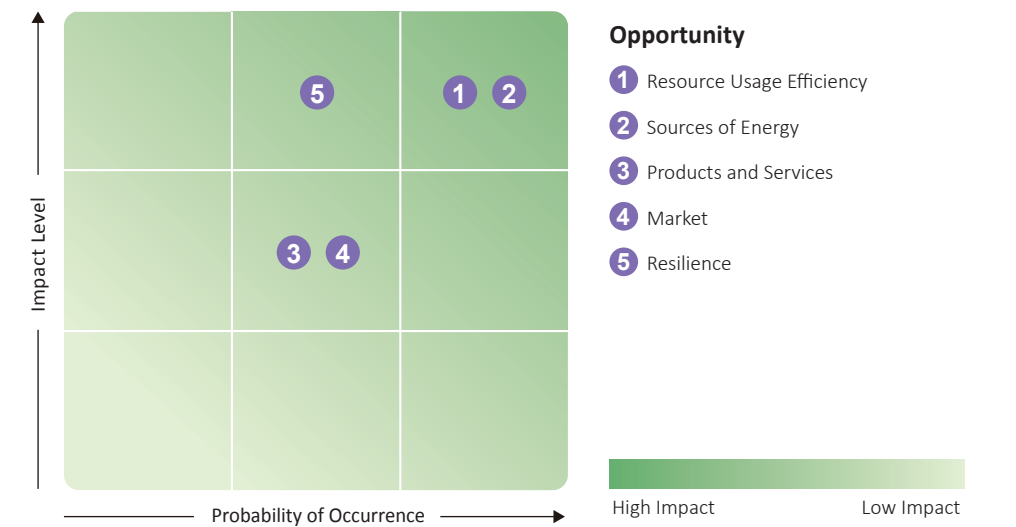
Climate Risk and Opportunity Management Process



Climate Risk Matrix



Climate Opportunity Matrix



● Climate Risk and Opportunity Impact Explanation

Content	Types	Risk (Opportunity) Content	Value Chain Impact	Potential Business and Financial Impacts	Response Measures
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		2 Development Costs of Low-Carbon Technologies and Services In response to the international net-zero trend, FEDS faces energy transition pressure. The adoption of low-carbon energy technologies and the procurement of related services will raise operating costs.	Company Operations	- Replacing high-energy-consumption equipment and procuring energy-saving devices increases expenditure. - Future trend of rising electricity prices may lead to higher operating expenses burdens.	Continuously optimize corporate electricity management, review the feasibility of reducing contracted capacity, and install solar power generation equipment to achieve carbon reduction targets.
	 Physical Risk	6 Extreme Rainfall and Other Climate Anomalies Climate disasters cause operational interruptions, attendance difficulties, and logistics stagnation, or result in asset damage and personnel injury.	Counter Vendors, Company Operations	- Traffic disruptions preventing employee attendance and interrupting logistics supply lead to manpower shortages and inadequate product supply, reducing sales. - Hardware equipment failures cause a decline in customer traffic and increased repair costs, adding to sales losses.	Use climate disaster analysis and insurance to transfer risk, plan remote work and manpower support, establish a diversified supplier network, regularly inspect facilities, and implement disaster drills and personnel safety response mechanisms.
		7 Changes in Precipitation Patterns and Increase in Annual Average Temperature High temperatures reduce the willingness to shop outside and decrease customer traffic, while abnormal rainfall leads to water shortages.	Company Operations	- High temperatures increase air conditioning demand, raising electricity costs. - Consumers' reduced willingness to shop affects foot traffic at physical channels, causing sales to decline. - Water shortage crises force the search for alternative water sources, increasing water costs.	Strengthen the thermal insulation of buildings and equipment rooms, and adjust air conditioning based on temperature and customer traffic; install water-saving equipment and formulate emergency contingency plans.
	 Opportunity	1 Resource Usage Efficiency Improve resource usage efficiency through resource circulation and digitalization, optimizing overall environmental quality and reducing the carbon footprint.	Suppliers, Company Operations	- Implementing waste management lowers waste disposal costs, optimizes environment, enhances customer satisfaction, and drives growth in foot traffic. - Promoting digital resource management reduces procurement costs for paper and packaging materials.	Promote digital management to reduce paper use, set resource management indicators for paper, packaging materials, and waste recycling and track them monthly, and continuously optimize management mechanisms.
		2 Sources of Energy Through the adoption of energy-saving equipment, optimize energy efficiency; increase the proportion of renewable energy use to lower carbon emissions.	Suppliers, Company Operations	Building renewable energy facilities, increasing the green energy use ratio, and adopting an energy management system optimize equipment, effectively reducing operating costs and achieving carbon reduction targets.	Complete green energy planning, continuously assess increasing the green energy use ratio, and adopt an automated energy management system to improve energy efficiency.
		4 Market Low-carbon operations build a sustainable brand image and expand capital market opportunities.	Company Operations	- Obtaining preferential interest rates reduces financing related costs. - Participating in initiatives enhances brand favorability.	Actively support climate action; FEDS has negotiated preferential loan interest rates conditioned on ESG, and will, in line with its overall capital utilization plan, cooperate with financial institutions on ESG-related business in the future.
		5 Resilience Establish crisis management and early warning procedures to enhance the ability to respond to and manage climate risks.	Company Operations	In response to the uncertainty brought by climate change, strengthening climate response capabilities enhances the trust of counter vendors and customers and reduces business losses.	Regularly maintain and service hardware and software equipment to ensure stable system operation and reduce the risk of operational interruption.

Note: Value chain disruptions reveal highly impacted areas.

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Metrics and Targets

With net-zero by 2050 as its vision, FEDS has established four key action directions—"energy conservation, carbon reduction, green energy, and waste reduction"—and implements actions across all aspects of operations. We have made "energy conservation and carbon reduction" our primary task, setting a mid-term target of a 30% reduction in carbon emissions by 2030 and a long-term target of net-zero by 2050. At the same time, we have established management indicators for each action direction, regularly reviewing achievement status and continuously assessing and making rolling adjustments to our strategies.

Climate Change Response Action Measures and Management Indicators

Direction	Action Measures	Management Indicators
 Energy Saving	- Adopt the iAuto Smart Control Platform - Replace high-energy-consumption chiller units - Optimize operating schedules of air conditioning, lighting, and elevator/escalator	- Electricity consumption (kWh) and annual reduction - Energy use intensity (kWh/revenue) - Electricity consumption per unit area (EUI)
 Carbon Reduction	- Conduct an annual GHG inventory and third-party verification - Control GHG emissions density	- GHG emissions - Emissions intensity (tCO₂e/revenue)
 Green Energy	- Install solar photovoltaic systems (installed capacity of 913 kW) - Increase the proportion of renewable energy procurement	- Renewable energy use ratio (%) - Green energy generation (kWh) - Annual carbon reduction (tCO₂e)
 Waste Reduction	- Increase resource recycling volume - Promote the "pay-by-actual-weight" system	- Total waste (metric tons) - Recycling rate (%) - General industrial waste reduction rate (%)

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

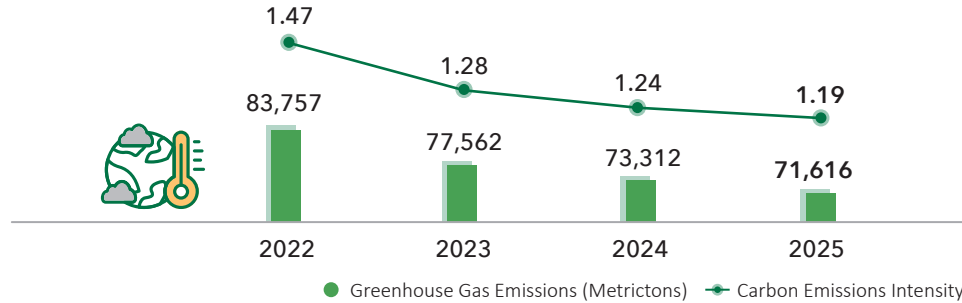
FEDS conducts its GHG inventory in accordance with the international Greenhouse Gas Protocol (GHG Protocol), clearly defining its organizational boundary and adopting the operational control approach. This allows FEDS to systematically grasp the carbon emissions generated by its operational activities, and to ensure the accuracy of its data and the transparency of its disclosures through third-party assurance, progressively aligning with international standards.

In accordance with the "Sustainable Development Roadmap" issued by the competent authority, FEDS was required to complete the parent company inventory in 2023, complete assurance in 2024, and complete the inventory for the subsidiaries in its consolidated financial report in 2025. To strengthen the foundation of its climate governance, FEDS planned ahead, introducing inventory operations at the Hualien Store as a demonstration location as early as 2019, and expanding to the whole company in 2022, completing the inventory and assurance for 100% of its operating locations. In 2025, FEDS continued to refine the quality of its inventory and simultaneously promoted the inclusion of the subsidiaries in its consolidated financial statements within the inventory scope. The relevant execution progress was reported quarterly to the Board of Directors.

In 2025 FEDS' Scope 1 and Scope 2 GHG emissions totaled 71,616 metric tons of CO₂e, a decrease of 2.3% from the previous year. Of these, Scope 2 emissions decreased by 2,181 metric tons of CO₂e, indicating that energy-saving management and energy optimization measures have progressively delivered carbon reduction benefits.

To strengthen carbon cost management and prepare in advance for the implementation of the carbon fee system, FEDS introduced an "internal carbon pricing mechanism" in 2025. With reference to the direction of the domestic carbon fee policy, FEDS set an internal management price of NT\$300 per metric ton of CO₂e, incorporating potential carbon costs into investment evaluation and operational decision-making, and prioritizing energy-saving improvements plans with both carbon reduction and economic benefits.

FEDS Greenhouse Gas Emissions



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

Direct and Indirect GHG Emissions (Market-based)

Unit: tCO₂e

Category	2025
Direct GHG Emissions (Scope 1)	5,872
Energy Indirect GHG Emissions (Scope 2)	65,496
Total	71,368

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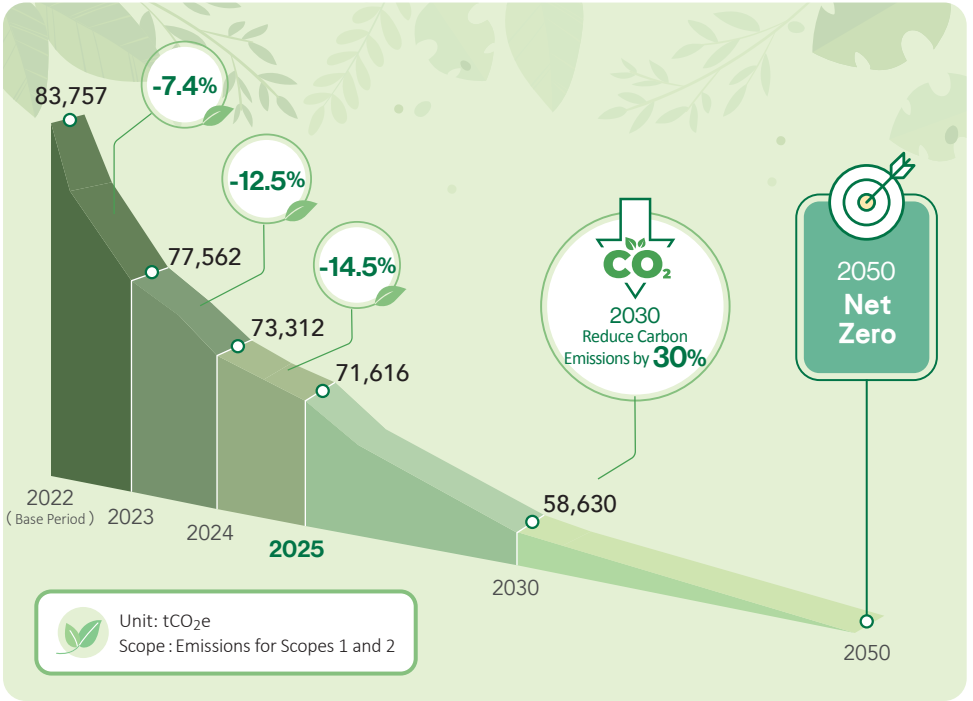
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FEDS' inventory scope covers its headquarters and all operating locations across Taiwan. Scope 1 (direct emissions) mainly comes from diesel for emergency generators, gasoline for official vehicles, the use of natural gas and liquefied petroleum gas, and the fugitive emissions of refrigerants and fire protection equipment; Scope 2 (energy indirect emissions) consists of the purchased electricity required for operations.

Based on the inventory results, FEDS conducts emission hotspot analysis, targeting high-emission sources for continued improvement measures to enhance overall energy efficiency. Relevant actions include the optimization and replacement of equipment, the gradual electrification of official vehicles, and the adoption of renewable energy, while continuing to assess expanding the installation of solar photovoltaics and the proportion of green energy procurement, systematically reducing operational carbon emissions.

In addition, the subsidiaries in the consolidated financial report have also completed their GHG inventory in accordance with regulations and are managed using a consistent operational control approach, on which basis reduction strategies and targets are established. FEDS and its subsidiaries' Scope 1 and Scope 2 GHG emissions totaled 194,324 metric tons. Both will continue to implement carbon reduction strategies through annual action plans; for details, please refer to pages 51-52 of FEDS' 2025 Annual Report.

● Net Zero Roadmap



● Greenhouse Gas Inventory Information for FEDS and Consolidated Subsidiaries

Category		2024		2025	
		Emissions	Intensity	Emissions	Intensity
FEDS	Scope 1 Direct GHG emissions	5,381	1.44	5,871	1.20
	Scope 2 Indirect GHG Emissions	71,012		66,091	
	Subtotal	76,393		71,962	
Consolidated Financial Report for All Subsidiaries	Scope 1 Direct GHG emissions	21,615		28,539	
	Scope 2 Indirect GHG Emissions	96,782		93,823	
	Subtotal	118,397		122,362	
Total		194,790	1.44	194,324	1.20

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

● Greenhouse Gas Assurance Information for FEDS

Unit: tCO₂e

Scope of Assurance		2024	2025
FEDS	Scope 1 Direct GHG Emissions	5,387	5,872
	Scope 2 Indirect GHG Emissions	67,925	65,744
	Total	73,312	71,616
	Percentage of Inventory Data Covered	100.00%	100%
Assurance Institution		TÜV Rheinland Taiwan Co., Ltd.	
Explanation of Assurance		ISO 14064-3:2019 Reasonable Assurance	
Conclusions and Recommendations		No Reservations or Objections	

Greenhouse Gas Verification Statement



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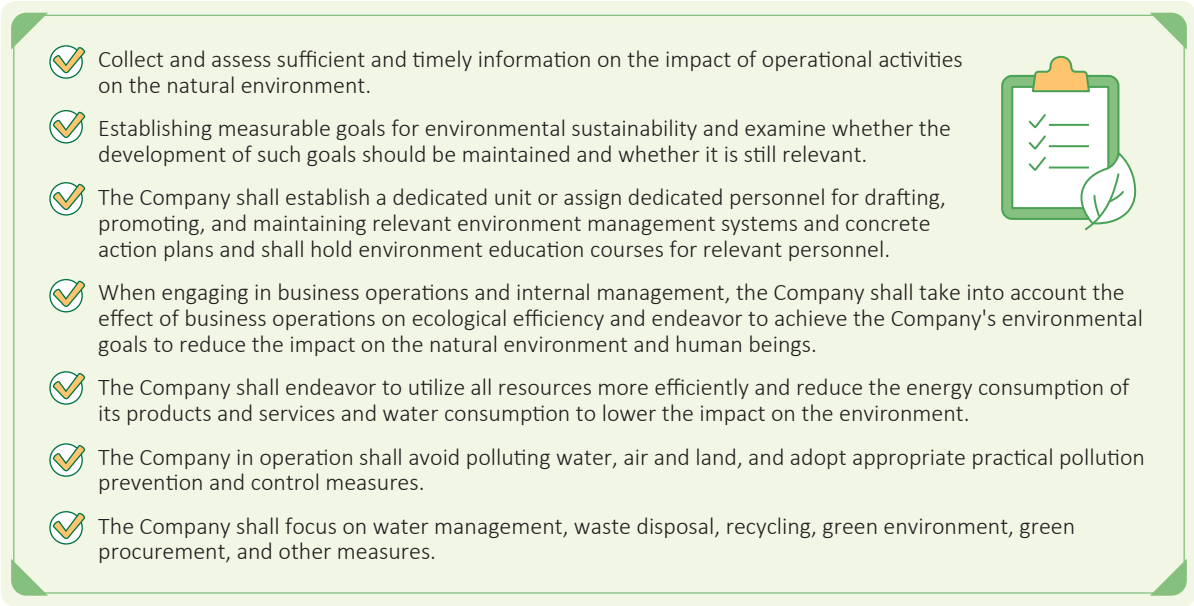
3.1.3 Taskforce on Nature-Related Financial Disclosures (TNFD)

To assess the degree of impact and probability of occurrence of major global risks, the World Economic Forum released the Global Risks Report 2026, in which climate issues and biodiversity issues continued their 2025 ranking, remaining the foremost long-term global risks for 2026. FEDS follows the Taskforce on Nature-Related Financial Disclosures (TNFD) framework to progressively analyze the interrelationship between its operational activities and the natural environment. By categorizing economic activities into the four realms of land, ocean, freshwater, and atmosphere, FEDS examines the nature-related risks and opportunities arising from dependencies and impacts. While addressing biodiversity loss, FEDS also seeks opportunities to create positive impact, promoting sustainable development in harmony with nature. FEDS plans to publish its first Climate and Nature-Related Financial Disclosures Report in 2026, continuing to deepen its management and information disclosure on nature-related issues.

● Nature-Related Risk and Opportunity Management Organizational Structure



● Nature-Related Commitments



- Collect and assess sufficient and timely information on the impact of operational activities on the natural environment.
- Establishing measurable goals for environmental sustainability and examine whether the development of such goals should be maintained and whether it is still relevant.
- The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans and shall hold environment education courses for relevant personnel.
- When engaging in business operations and internal management, the Company shall take into account the effect of business operations on ecological efficiency and endeavor to achieve the Company's environmental goals to reduce the impact on the natural environment and human beings.
- The Company shall endeavor to utilize all resources more efficiently and reduce the energy consumption of its products and services and water consumption to lower the impact on the environment.
- The Company in operation shall avoid polluting water, air and land, and adopt appropriate practical pollution prevention and control measures.
- The Company shall focus on water management, waste disposal, recycling, green environment, green procurement, and other measures.

Assessment Process

According to the TNFD's guidelines, enterprises play an important role on biodiversity issues. In 2025, FEDS followed the LEAP (Locate, Evaluate, Assess and Prepare) methodology published by the TNFD, taking its brand vendors and its own operating locations as the assessment subjects, and prioritizing the steps of locating, evaluating, and assessing to progressively evaluate the environmental risks and opportunities it faces, providing foundational information for the subsequent planning of management strategies and action plans.

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Locate

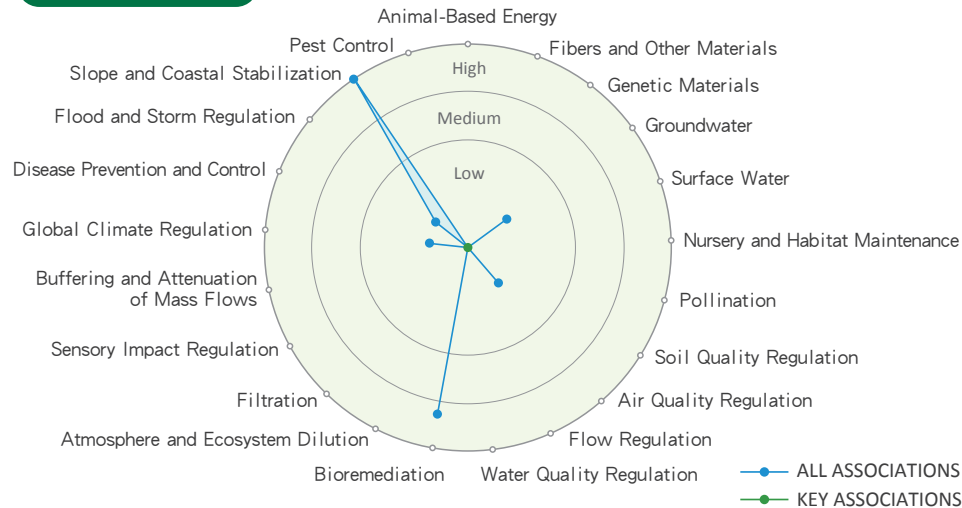
FEDS took stock of the spatial relationship between its own operating locations and the operating locations of its major brand vendors with nature-sensitive areas. The assessment results showed that FEDS' own operating locations are not located in biodiversity hotspot areas; those located in conservation corridor areas account for 7.69% of the total. Brand vendors located in biodiversity hotspot areas account for 15.65% of the total, and those located in conservation corridor areas account for 1.11% of the total.

Evaluate

FEDS references the nature-related risk and opportunity database ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), which classifies the degree of "dependency" and "impact" by industry into five levels—very high, high, medium, low, and very low. Taking into account the weighting of its brand vendors, FEDS analyzes the most significant nature-related issues faced by its brand vendors. The assessment is conducted from two perspectives: All Associations covers all industries related to the corresponding dependency and impact factors, while Key Associations covers industries highly related to the corresponding dependency and impact factors, thereby providing an understanding of the interrelationship between FEDS' brand vendors and the natural environment.

Analysis of Brand Vendors' Nature-Related Dependencies and Impacts

Dependencies



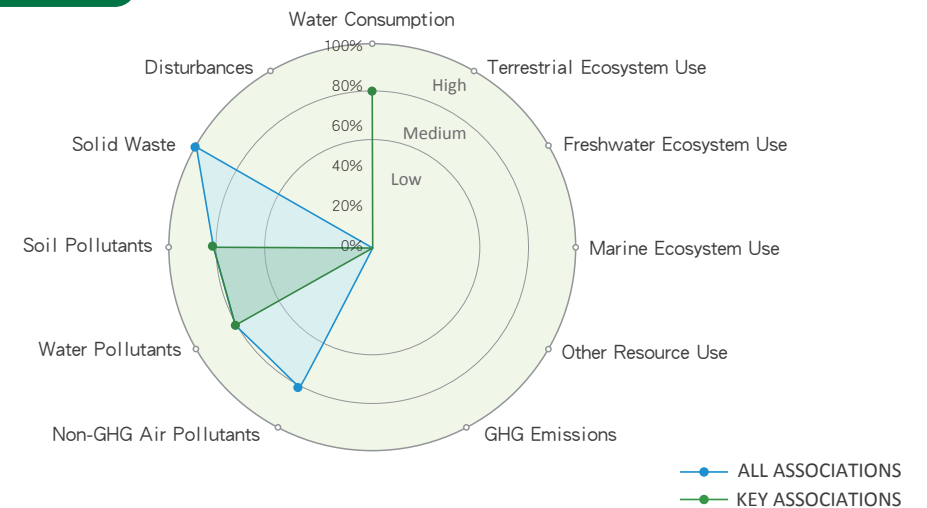
Nature Issue Aspects

Protective measures mitigating direct impacts and environmental degradation

Factor

- Slope and Coastal Stabilization
- Bioremediation

Impacts



Nature Issue Aspects

Operational activities causing changes in the state of natural capital

Factor

- Water Consumption
- Solid Waste
- Soil Pollutants
- Water Pollutants
- Non-GHG Air Pollutants

Assess

Drawing on the above assessment results and supplemented by discussions with relevant internal responsible units, FEDS conducted the following assessments of potential financial impact for three key nature-related risks, which will subsequently be treated as priority aspects for management consideration.



Transition Risk



Market

Main Affected Business

Own Operations Suppliers/Brand Vendors

Potential Financial Impacts

Scarcity of natural resources drives up the prices of energy and product raw materials, increasing energy use and product procurement costs, raising operating costs and reducing profits.



Regulations and Policies

Main Affected Business

Own Operations Suppliers/Brand Vendors

Potential Financial Impacts

1. Stricter environmental regulations increase restrictions on resource acquisition and waste disposal; department stores may face more stringent energy-saving requirements and waste disposal rules, raising operating costs.

2. If suppliers/brand vendors fail to respond promptly to resource acquisition or import-related regulations, supply may be affected, and they may even face legal and reputational risks.



Reputation

Main Affected Business

Own Operations Suppliers/Brand Vendors Customers

Potential Financial Impacts

If brand vendors selling products in the store become involved in negative news about environmental destruction, this may in turn affect FEDS' own goodwill, leading to customer attrition and a decline in sales.

FEDS assessed the nature-related opportunity factors across its overall operational activities, summarizing the following 3 opportunities. Leveraging the industry characteristics of the department store sector, FEDS fulfills its responsibility to protect biodiversity while also balancing environmental benefits in the course of its operations.



Opportunity Factor



Products and Services

Main Affected Business

Own Operations Suppliers/Brand Vendors

Opportunity Description

Driven by factors such as changing consumer behavior and government regulations, FEDS collaborates with brand vendors to implement nature-related solutions and develop nature-friendly products and services.



Market

Main Affected Business

Own Operations Suppliers/Brand Vendors

Opportunity Description

Encourage suppliers/brand vendors to adopt certified environmentally friendly packaging materials to respond to market demand for nature-friendly products.



Reputation

Main Affected Business

Own Operations

Opportunity Description

Aligning early with the TNFD or other biodiversity-related standards helps reduce future compliance and transition risks.

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Prepare

FEDS systematically takes stock of and consolidates its existing management measures and operating procedures, and, following the four dimensions defined by the TNFD—land, freshwater, ocean, and atmosphere—organizes the environmental practices involved in each operational activity, progressively incorporating nature-related issues into daily operations.



Land

- FEDS plans to introduce the "pay-by-actual-weight" system, setting a management target of a 3% annual reduction, to strengthen waste reduction management and resource usage efficiency.
- FEDS lists "general waste, food waste, waste cooking oil, sewage, and oil fumes" as key waste management priorities. In line with the government's plastic reduction policy, measures such as prohibiting disposable tableware and single-use plastic straws for dine-in services have been implemented. In 2025, food waste decreased by 6.4% and waste cooking oil decreased by 11.8% compared to the previous year.
- Each branch of FEDS is equipped with large refrigeration equipment to store food waste, preventing environmental pollution.
- In response to urban greening and beautification policies, FEDS helps maintain green recreational and beautification spaces, allocating funds each year to adopt roadside trees and park green spaces around its department stores. In 2025, the area adopted and maintained reached 1,865.2 ping, an increase of about 3% compared to 2024.
- With reference to the "3R, 3E" principles of green consumption—Reduce, Reuse, Recycle, Economic benefits, Ecological compatibility, and Equitable practices—FEDS continues to implement seven key green consumption service actions, working hand in hand with customers toward a sustainable green lifestyle.



Ocean

- In 2025, 5 branches across Taiwan held 5 beach cleanup events, calling on employees to take concrete action for the natural environment by collecting marine litter to restore a clean coastal landscape. A total of 94 personnel participated, with cleanup hours exceeding 221 hours and 2,203 kilograms of marine waste removed.



Freshwater

- FEDS implements water conservation management, having established water resource management indicators in 2019 and tracked and managed the water-use performance of each branch monthly since 2020.
- Rainwater harvesting systems have been installed at four branches across Taiwan, with the recycled rainwater used for plant irrigation and cooling tower replenishment, for a total equipment capacity of 3,064 kiloliters, enhancing water conservation benefits. In 2025, overall water efficiency was 10% better than the recommended value for the department store industry.
- The Taoyuan Store has implemented ISO 14046 Water Footprint Certification since 2021, quantifying water use across various systems to improve store-wide water management performance.



Atmosphere

- FEDS has set a target of a 30% reduction in carbon emissions by 2030 and a goal of achieving Net Zero by 2050, in order to mitigate the environmental impact of GHG emissions.
- To prevent restaurant oil fumes and exhaust gases from affecting the environment and the living quality of nearby residents, FEDS adopts a water purification type oil fume hood system at the front end and a washing machine or electrostatic precipitator system at the back end. After undergoing two treatment processes, the oil fume treatment efficiency can reach 80%. In 2025, FEDS invested NT\$11.37 million in the cleaning and maintenance of exhaust ducts and fume hoods.
- The headquarters and each branch of FEDS promote a "lease-rather-than-buy" model for official vehicles to enhance vehicle dispatch flexibility and regularly update vehicle equipment. In the future, FEDS will prioritize the adoption of low-carbon or new-energy vehicles when leases expire.

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3.2 Enhancing Energy Efficiency and Management

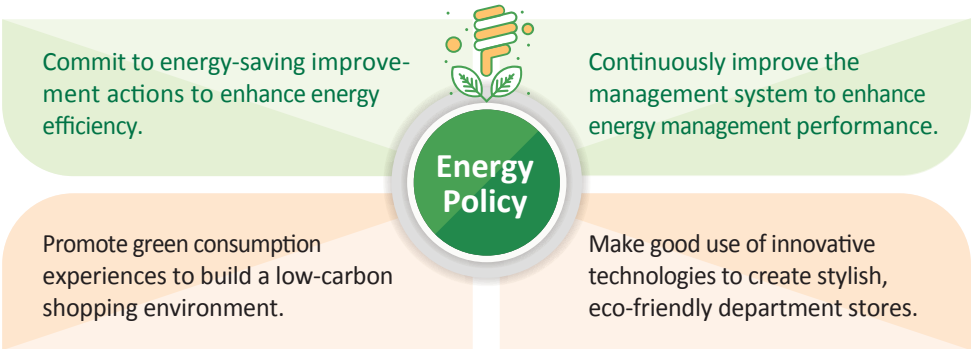
In response to the long operating hours and high energy consumption characteristic of the department store industry, FEDS treats energy efficiency as a core issue of sustainable operations. Guided by the philosophy of "manufacturing mindset for service industry energy efficiency," FEDS has established an Energy Policy and systematically promotes energy-saving management. Since 2015, the Engineering Department has led the establishment of an energy management team, set up energy performance indicators (KPIs), and conducted regular monthly reviews and analysis of energy consumption data.

Through the dual-track approach of institutionalized management and equipment optimization, in 2025 electricity consumption per NT\$1 of sales decreased by 10.3% compared to 2021. In the future, FEDS will continue to combine the adoption of renewable energy with the application of energy-saving technologies.

3.2.1 Adopting International Standards to Strengthen Management

To enhance energy performance and reduce operating costs through systematic methods, FEDS has progressively adopted international standard management mechanisms. In 2017, FEDS introduced the ISO 50001 Energy Management System at its corporate headquarters building and Mega City Banqiao Store; in 2018, Mega City Banqiao Store established a real-time energy performance indicator platform, becoming the first department store operator in Taiwan to adopt such a system; and in 2021, FEDS further extended the ISO 50001 System to Tainan Store. Drawing on this experience, FEDS has established standardized processes and promoted internal diffusion.

In 2025, each adopting location, in accordance with the updated "Energy Management Action Plan Implementation Procedures," executed the "Energy Risk and Opportunity Registration and Identification Form," incorporating changes in the external and internal environment and risks and opportunities related to the energy management system into the assessment mechanism. Through the identification of significant risks, energy objectives were set and controls implemented, serving as the strategic basis for annual energy management.



3.2.2 Establishing an Energy KPI Mechanism

In 2025, the Engineering Department established 9 KPIs across the aspects of energy conservation and carbon reduction, operational and maintenance safety, and construction and renovation, with the content of the indicators dynamically adjusted each year according to practical needs. Compared to the previous year, 1 indicator was retained, 3 indicators were revised, 5 indicators were added, and 10 indicators were removed.

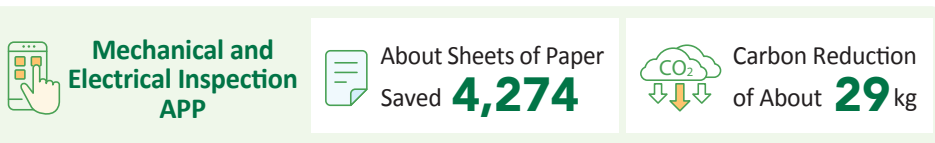


Through monthly indicator tracking and data analysis, the Engineering Department's dedicated personnel assist underperforming branches in clarifying problems and formulating improvement plans, while inviting high-performing branches to share their experience at management meetings and monthly energy meetings. This promotes mutual learning and discussion among branches, stimulating more energy efficiency optimization solutions.

3.2.3 Digitalizing Energy Management (GRI 302-5)

To strengthen equipment management efficiency and reduce the risk of human oversight, FEDS has adopted digital tools to optimize its inspection processes. Since launching the "Mechanical and Electrical Inspection APP" in 2020, FEDS has addressed past issues of possible inspection oversights or incomplete records by requiring equipment management personnel to physically conduct on-site checks and report data.

By digitalizing inspection work, the management unit can monitor equipment operating conditions in real time and immediately notify the relevant personnel for handling when abnormalities occur, while also reducing paper use. In 2025, the digital information feature of the "Mechanical and Electrical Inspection APP" saved approximately 4,274 sheets of A4 paper, with a carbon reduction and environmental benefit of about 29 kilograms.



● Effectiveness of Energy Equipment Management

Category	2021	2022	2023	2024	2025
Equipment Inspection Pass Rate	99.3%	99.2%	96.7%	97.1%	97.3%
Equipment Inspection Punctuality Rate	99.6%	99.5%	96.9%	97.3%	97.4%

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3.2.4 Promoting Energy-Saving Measures (GRI 2-4, 302-1, 302-3, 302-4)

In 2025, the total electricity consumption (including self-generated and self-consumed green energy) of all operating locations across Taiwan was 208.75 million kWh, a decrease of 6.11 million kWh compared to the previous year, achieving an energy-saving rate of 2.8%, surpassing the annual target of 1.5%. The annual electricity use intensity per unit area (EUI) was 301, a decrease of 2.6% compared to 2024.

In addition, electricity consumption per NT\$1 of sales was 0.0035 kWh, a decrease of 10.3% compared to 2021. In terms of renewable energy, since the FEDS Hualien Store activated its solar power generation system in December 2024, self-generated and self-consumed green energy reached 1.064 million kWh in 2025, a substantial increase of about 986% compared to the previous year.

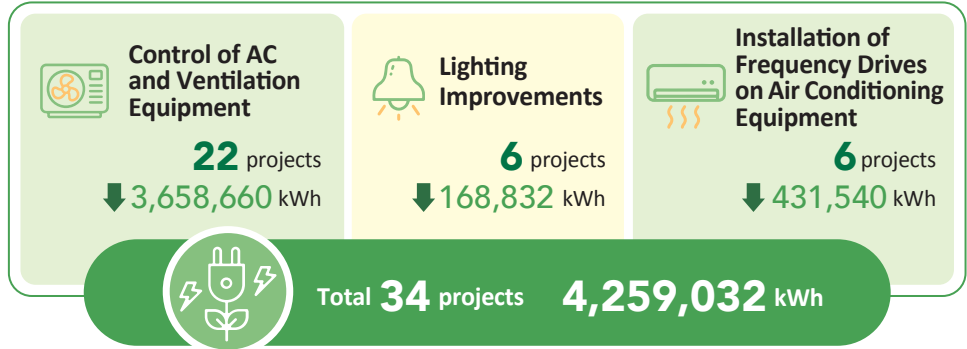
Electricity Consumption Statistics

Category		2021	2022	2023	2024	2025
Electricity Consumption (10,000 kWh)	Renewable Energy	10.5	9.7	8.9	23	169.8
	Non-Renewable Energy	18,431.5	22,609.3	22,280.1	21,463.0	20,705.2
	Total	18,442	22,619	22,289	21,486	20,875
Renewable Energy Use Ratio (%)		0.06	0.04	0.04	0.11	0.81
EUI (kWh/m2 · year)		290	314	310	309	301
Annual Revenue (NT\$100 million)		469	570	608	593	600
Electricity Intensity (kWh/NT\$)		0.0039	0.0040	0.0037	0.0036	0.0035
Electricity Intensity Growth Rate (%)		-9.3%	2.6%	-7.5%	-2.7%	-2.8%

Note: 1. Data for the FEDS Zhubei was added in 2022; data for the Baoqing Store was removed in 2024.
2. Renewable energy includes purchased green energy and self-generated, self-consumed power. Self-generated, self-consumed data is compiled from FEDS XinYi A13 and Top City Taichung Store, with the Hualien Store added in December 2024.
3. The EUI calculation does not include parking lots.
4. Electricity Intensity = Electricity Consumption (kWh) ÷ Sales (NT\$).
5. The "total electricity consumption" data for 2024 was misprinted in the previous report; the corrected data is shown in the table above.

In 2025, FEDS implemented 34 energy-saving projects with a total investment of NT\$8.905 million, achieving total energy savings of 4,259,032 kWh. The project types included three main categories: the control of AC and ventilation equipment, lighting improvements, and the installation of variable frequency drives on air conditioning equipment. Among these, improvements through air conditioning control and the installation of variable frequency drives saved 4.09 million kWh, accounting for 96% of the total energy savings from the projects.

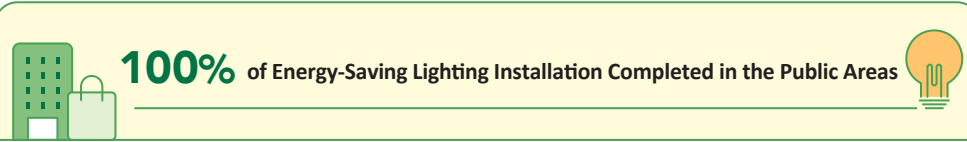
Status of Energy Conservation Project Implementation



Category	2021	2022	2023	2024	2025
Number of Energy-Conservation Projects	27	24	29	28	34
Amount Invested (thousand NT\$)	36,941	24,418	4,962	8,730	8,905
Energy Savings (kWh)	3,140,111	1,638,001	2,130,841	3,001,708	4,259,032

In terms of hardware equipment, the Engineering Department continued to promote the replacement of aging equipment and efficiency enhancement measures, including the adoption of high-efficiency IE3 motors, the installation of variable frequency drives on air conditioning boxes, and the installation of automatic variable-frequency energy-saving devices on escalators, while progressively assessing the replacement of aging chiller units.

In terms of smart management, FEDS adopted the iAuto Smart Control Platform to strengthen the monitoring and optimal scheduling of energy use. In terms of operational management, FEDS implemented measures such as the start/stop scheduling of air conditioning and chiller units, the reduction of back-of-house lighting, the replacement of LED lighting fixtures in public areas and at counters, and the operational control of elevator/escalator equipment during off-peak hours. In 2025, 100% of energy-saving lighting installation was completed in the public areas of all operating locations across Taiwan.



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3.3 Water Resource Management and Use Efficiency

In the face of the risk of water shortages that may be intensified by climate change, FEDS has established a systematic management mechanism and quantitative targets for water resources, regularly reviewing the water-use performance of each operating location to grasp water-use trends and adjust management measures in real time. In terms of execution, FEDS combines strategies such as water-saving advocacy, equipment efficiency optimization, and water recycling and reuse to continuously improve water efficiency.

Usage Overview and Management System

The main water source for FEDS' 12 operating locations across Taiwan is tap water, used for daily living purposes, including air conditioning cooling water, kitchen operations, restroom water, and employees' daily needs, with rainwater harvesting systems also in place. In response to the potential impact of climate change on water resources, we conduct water resource risk assessments with reference to the World Resources Institute's (WRI) "Aqueduct Water Risk Atlas." The results show that the overall water resource risk at each operating location across Taiwan is at a low-to-medium level, and that the water stress indicators under the pessimistic scenarios for 2030 and 2050 also remain at the same risk level. In the future, FEDS will continue to optimize water conservation management, strengthening its water-use resilience.

To further strengthen its water-use resilience and management capabilities, FEDS established water resource management indicators in 2019 and set up a monthly water-use tracking system from 2020, strengthening the water resource monitoring of each branch through institutionalized management and continuously improving water efficiency. The water resource management strategy mainly focuses on three aspects:

1. Source Control

Through the conductivity of air conditioning cooling water towers, FEDS tracks and analyzes the water-use conditions of each branch's air conditioning water towers regularly; in dining areas,through counter staff training, water-saving concepts are incorporated into operational processes while meeting food safety requirements.

2. Equipment Optimization

Continuously update restroom equipment, including water-saving devices such as faucets and toilets.

3. Recycling and Reuse

Install rainwater harvesting systems for plant irrigation and cooling tower replenishment, promoting the recycling and reuse of water resources.



Water Usage Performance (GRI 303-1, 303-3, 303-4, 303-5)

In 2025, the total water consumption of all FEDS branches was 2,233 million liters; with the continued promotion of water conservation measures, overall water consumption remained at a level similar to the previous year. Further analyzing by water intensity, the ratio of water consumption to sales shows that water consumption per NT\$1 of sales decreased by 1% compared to the previous year, reflecting that FEDS continued to effectively improve water resource efficiency amid changes in operational scale. This result indicates the effectiveness of FEDS' water-saving measures and equipment optimization strategies, continuing to advance toward long-term water conservation targets.

Water Consumption

Unit: million liters

Category	2021	2022	2023	2024	2025
Surface Water	0	0	0	0	0
Groundwater	0	0	0	0	0
Seawater	0	0	0	0	0
Produced Water	0	0	0	0	0
Third-Party Water	1,570	2,076	2,254	2,229	2,233
Total Water Intake	1,570	2,076	2,254	2,229	2,233
Total Water Output	1,570	2,076	2,254	2,229	2,233
Total Water Consumption	0	0	0	0	0
Annual Sales (NT\$100 million)	469	570	608	593	600
Water Consumption per Unit Revenue (million liters/NT\$100 million)	3.35	3.64	3.71	3.76	3.72

Note: Data for the FEDS Zhubei was added in 2022; data for the Baoqing Store was removed in 2024.

In addition, FEDS uses the Taoyuan Store as a demonstration location for water footprint management, following the ISO 14046 Water Footprint standard since 2021 to systematically take stock of store-wide operational water use and establish a data tracking mechanism. For changes in water use, FEDS reduces unnecessary water resource losses caused by aging equipment or sudden leaks through regular water data analysis, strengthened pipeline inspections, and a real-time abnormality notification mechanism.

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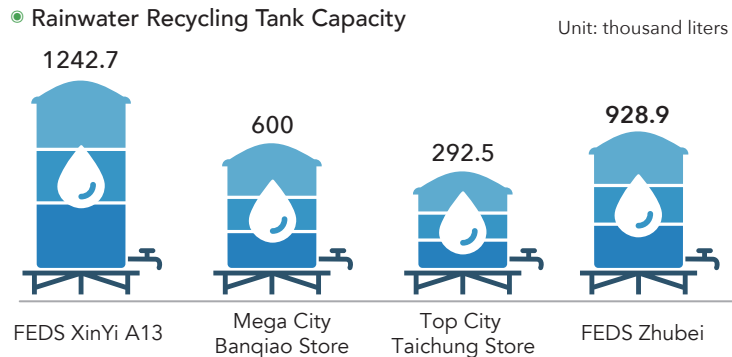
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Water Conservation Results and Recycling (GRI 2-4)

FEDS has installed rainwater harvesting facilities at 4 stores across Taiwan, with a total equipment capacity of 3,064 kiloliters. The recycled rainwater is applied to plant irrigation and cooling tower replenishment, realizing the recycling and reuse of water resources. Considering the overall annual management results, FEDS' overall water efficiency in 2025 was 10% better than the recommended value for the department store industry, demonstrating substantial results in water resource management.



Note: Historical data for FEDS Zhubei was previously misstated and has been corrected as shown above.

● Water efficiency surpasses industry performance



Note: 1. Water Consumption = Daily Water Consumption per Square Meter of Floor Area (Liters/Square Meters · Day).
2. The recommended value for the department store industry is the 2025 recommended value 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>.

3.4 Waste Reduction and Circular Recycling

Placing importance on the impact of its operations on the environment and ecology, FEDS comprehensively promotes a waste classification mechanism in its offices and department stores, listing general waste, food waste, waste cooking oil, wastewater, and oil fumes as its main management priorities. Through institutionalized management and source reduction measures, FEDS implements waste classification, reduction, and proper handling in its daily operations, while entrusting legally licensed institutions to carry out transport and final disposal in accordance with environmental protection regulations.

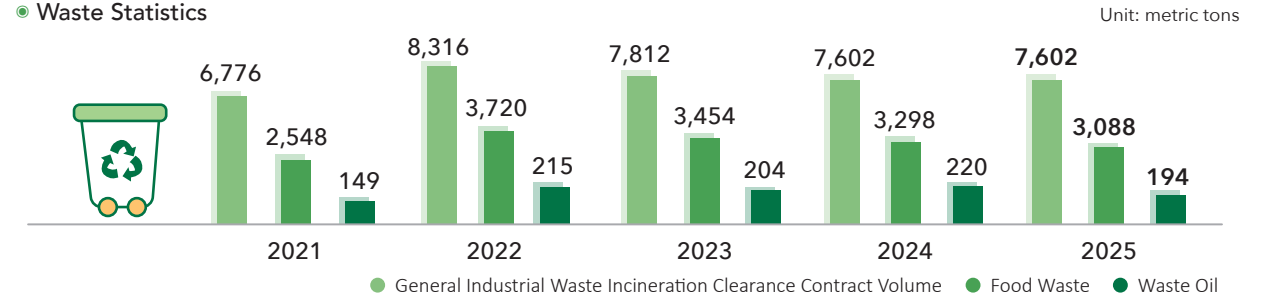
Refining the Waste Management Mechanism (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

The waste generated by FEDS mainly comes from store activities and is non-hazardous general industrial waste. In 2025, the general industrial waste incineration clearance contract volume was 7,602 metric tons, level with the previous year. To further improve data accuracy and management efficiency, FEDS plans to introduce the "pay-by-actual-weight" system starting in 2026, and has set a management target of a 3% annual reduction starting in 2027, to strengthen waste reduction management.

In the future, FEDS will continue to refine its waste management effectiveness through the following practices:

- 1. Data Precision** Conduct daily on-site weighing and complete recording to improve the timeliness and traceability of waste data.
- 2. Regular Review Mechanism** Establish a monthly review system to analyze waste generation trends and propose improvement measures.
- 3. Source Reduction Promotion** Reduce the amount of waste generated through store operational management, the guidance of dining counters, and employee advocacy.
- 4. Strengthening Circular Recycling** Continuously assess resource recycling efficiency and strengthen circular recycling results.

● Waste Statistics



Note: Data for the FEDS Zhubei was added in 2022; data for the Baoqing Store was removed in 2024.

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Implementing Waste Reduction at the Source

In response to structural changes in the department store sector, the proportion of dining at FEDS' stores continued to rise in 2025, making dining counters one of the main sources of waste. To effectively control waste growth, FEDS takes "source reduction" as its core strategy, promoting reduction measures simultaneously on both the consumer and operational sides.

On the consumer side, in line with the government's plastic reduction policy, FEDS promotes measures such as not providing disposable tableware and plastic straws for dine-in services, reducing the use of single-use plastic products. On the operational side, FEDS continues to guide dining counters, reducing food waste through ingredient quantity control, while establishing a food waste pre-treatment mechanism that requires draining moisture before disposal. Each branch is also equipped with large refrigeration equipment to store food waste, reducing odor and pollution risks.

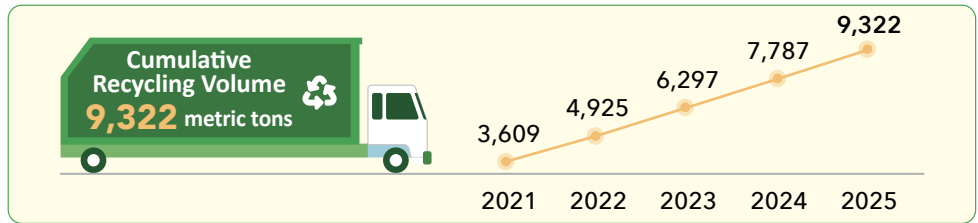
In 2025, FEDS' food waste decreased by 6.4% and waste cooking oil decreased by 11.8% compared to the previous year, indicating that the source reduction strategy has progressively delivered results. In the future, FEDS will continue to strengthen the management of dining counters and steadily promote waste reduction through data monitoring and regular review mechanisms.

Recycling Sustainable Resources

Through a systematic recycling and classification system, FEDS promotes the entry of reusable resources into the circular system, in order to reduce the consumption of natural resources and lessen the environmental burden created by manufacturing processes. Since 2018, FEDS has established resource recycling management indicators, initially focusing on paper recycling—the resource generated in the largest quantity by store—and progressively expanding to include items such as tin and aluminum cans and PET bottles in 2021.

In terms of results, the amount of recycled resources reached 1,535 metric tons in 2025, an increase of 3% compared to the previous year. Since the program was launched, cumulative recycling has exceeded 9,322 metric tons. In the future, FEDS will continue to optimize the recycling classification system, improve the recycling rate and reuse efficiency, and strengthen the results of resource circulation.

● Total Recycling Over the Years



● Cumulative Recycling Volume

Unit: metric tons

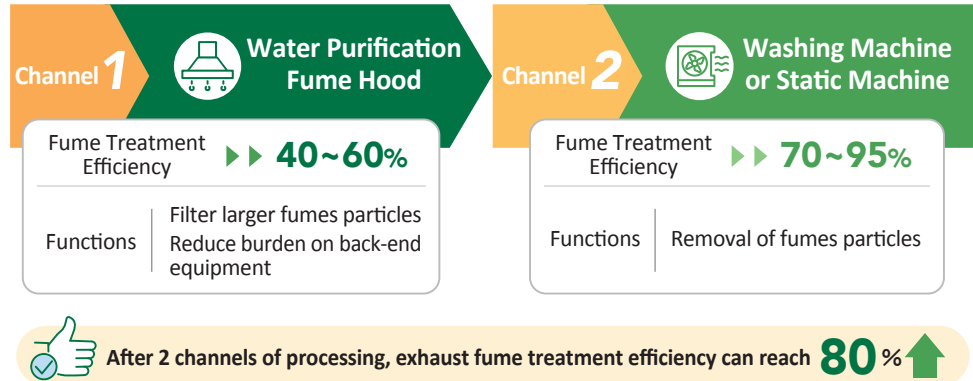
Category	2021	2022	2023	2024	2025
Paper Products	870	1,148	1,198	1,300	1,330
Tin Cans	38	64	61	69	71
Aluminum Cans	8	15	15	17	18
PET Bottles	51	89	98	104	116
Total Recycling Volume	967	1,316	1,372	1,490	1,535

Improvement in Waste Oil Fume Treatment Efficiency

To reduce the impact of dining operations on the air quality of the surrounding environment, FEDS adopts a two-stage oil fume treatment system in its dining areas. The front-end water purification treatment effectively reduces the amount of oil fumes and grease entering the exhaust ducts, which not only lowers grease accumulation in the ducts but also helps reduce kitchen temperatures, lower air conditioning energy consumption, and reduce fire risk. Through this dual treatment mechanism, the overall oil fume treatment efficiency can reach 80%.

In 2025, FEDS invested NT\$11.37 million in the cleaning and maintenance of exhaust ducts and fume hoods, continuously enhancing the quality of oil fume treatment and the intensity of equipment maintenance.

● Fume Hood System Treatment Efficiency



Note: The treatment efficiency values are derived from the Ministry of Environment's Guidelines for the Combination and Installation of Cooking Fume Control Equipment. (URL: <https://air.moeenv.gov.tw/FileDownloads.aspx>)

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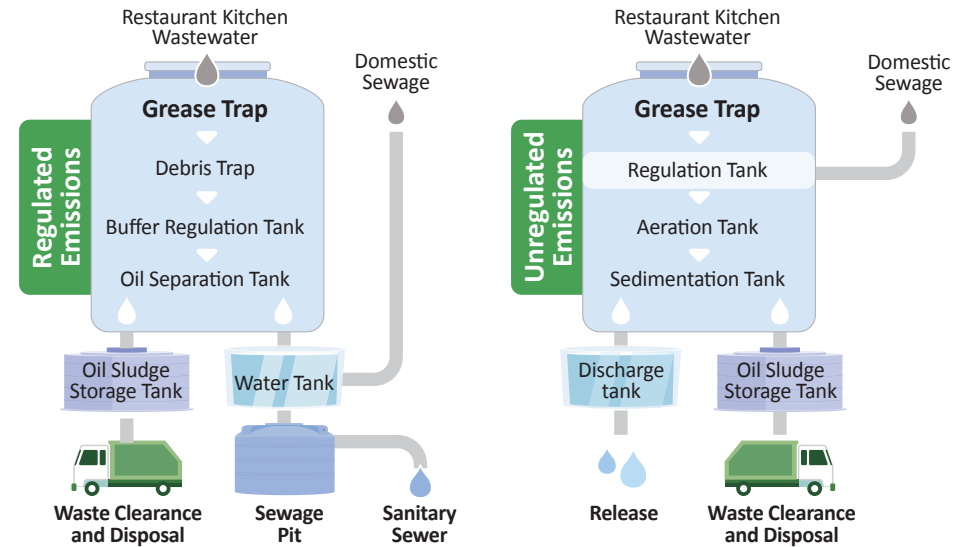
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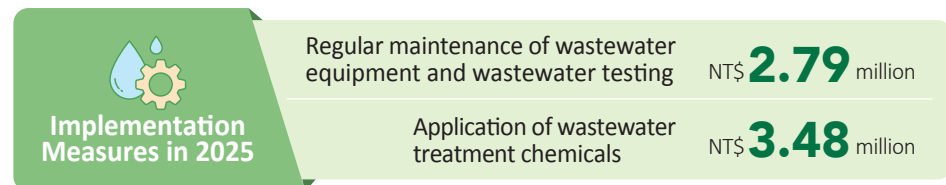
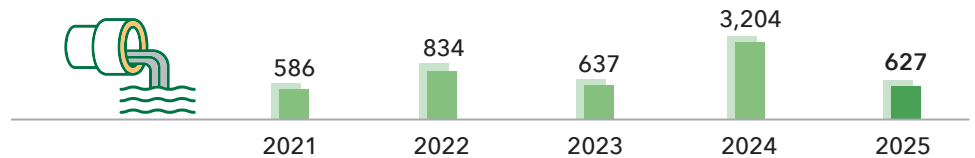
Continuously Strengthening Wastewater Management (GRI 303-2)

In terms of water pollution prevention and management, the wastewater generated at each FEDS store is mainly domestic sewage and general operational wastewater. The wastewater is first collected centrally through the existing drainage system and undergoes debris interception, oil interception, and chemical treatment via the large oil interceptors installed at each branch, before being discharged in compliance with local regulations into the public sewer system, where it undergoes subsequent treatment by the local competent authority or qualified treatment units. Excluding factors attributable to local governments, the sewer connection rate at FEDS' operating locations reaches 80%.

Wastewater Sewer Connection Process



Expense Invested in Wastewater Prevention and Treatment



For wastewater that is not connected to the sewer system, FEDS has installed separate sewage treatment tanks. After undergoing processes of equalization, biological treatment, sedimentation, and chemical filtration, the water quality is confirmed to meet the discharge standards of local regulations before being released. FEDS also conducts regular annual water quality testing and monitoring, including for suspended solids, biochemical oxygen demand, and chemical oxygen demand, to reduce the environmental impact of operations. Currently, all operating locations comply with the relevant regulations.

3.5 Green Consumption and Sustainable Services

FEDS integrates environmentally friendly principles into its operational management and customer service, promoting a green retail transition through its core competencies. With six key directions—green transport, green buildings, green space maintenance, green consumption, green procurement, and green offices—FEDS starts from store operations and services and extends to the management of surrounding community environments, adopting low-carbon and environmentally friendly measures to continuously reduce the environmental impact of its operations.

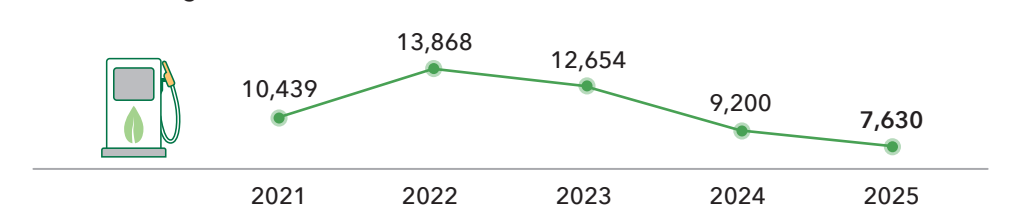
3.5.1 Promoting Green Transport Management

In 2025, FEDS continued to support green transport actions, promoting relevant measures across aspects such as employee business travel, official vehicle use, and customer transport services, to reduce the impact of store operations on surrounding traffic and the environment.

Optimizing Official Vehicle Management and Introducing Green Vehicles

FEDS continues to optimize its official vehicle management mechanism. Currently, the headquarters and each branch are equipped with a total of 19 official vehicles, of which 12 use the "lease-rather-than-buy" model to enhance dispatch flexibility and enable regular equipment updates. Of these, 1 is already a hybrid model, and in the future FEDS will prioritize the adoption of low-carbon or new-energy vehicles when leases expire, progressively increasing the proportion of green vehicles. In addition, FEDS encourages employees to carpool in official vehicles; in 2025, a total of 4,275 carpool applications were made, estimated to save approximately 15,324 liters of gasoline and reduce carbon emissions by approximately 44.9 metric tons.

Gasoline Usage



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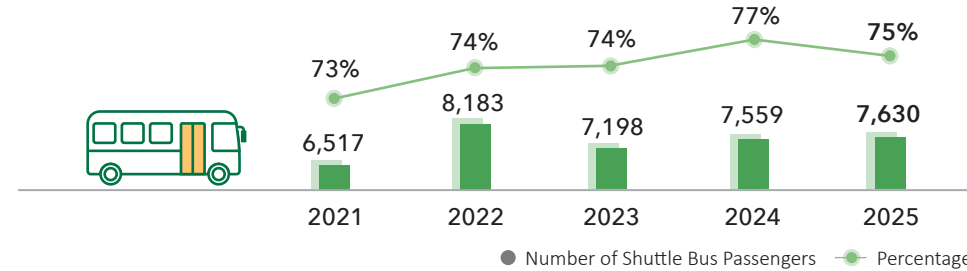
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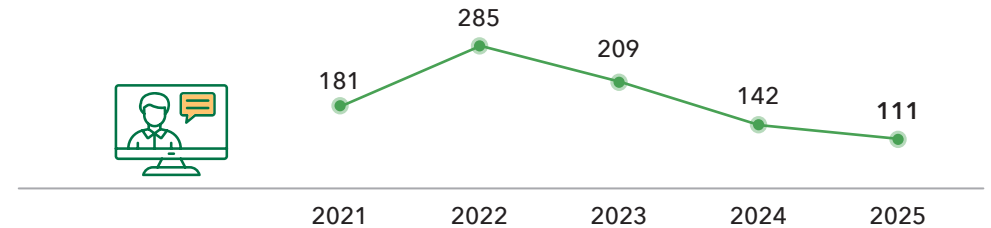
Encouraging Employees to Use Public Transport for Business Travel

Since 2017, FEDS has promoted the priority use of public transport for employee business trips, integrating the concept of green transport into daily operational management. This initiative has maintained a participation rate of over 70% for 9 consecutive years to date, with cumulative participation exceeding 67,000 trips. In 2025, a total of 7,630 employee trips used public transport for business travel, a proportion of 75%, demonstrating employees' strong support for green transport measures. In addition, FEDS uses digital tools to reduce transport needs, conducting 111 video interviews in 2025, reducing the carbon emissions generated by job seekers' travel.

Employees Using Public Transportation for Business Trips



Number of Recruitment Interviews by Video Conference



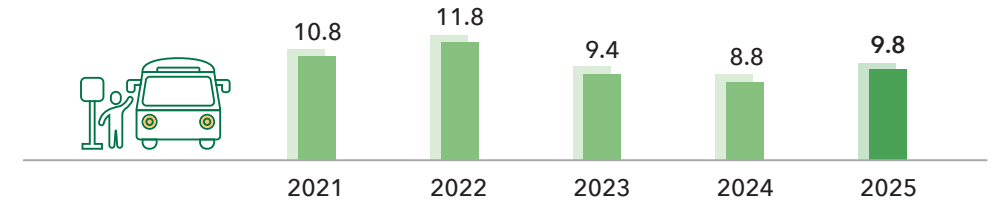
Providing Shuttle Services to Promote Green Transport

To provide customers with more low-carbon transport options, the FEDS Zhubei has set up a shuttle service connecting MRT stations, train stations, and major surrounding transport nodes, encouraging customers to travel to the store by combining public transport with the shuttle. In addition to reducing carbon emissions, the shuttle service helps ease traffic loads around the store and improve air quality. In 2025, the shuttle service reached 98,000 trips, an increase of 11% compared to 2024, with cumulative ridership over the past five years reaching 506,000. Relevant shuttle information can be found on FEDS' official website.

Official Website 

Number of Shuttle Bus Passengers

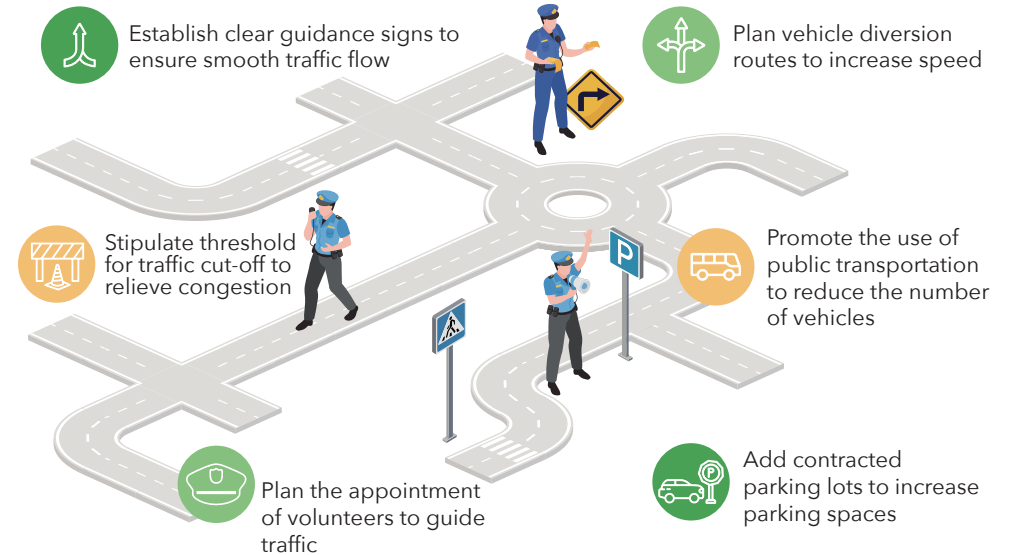
Unit: 10 thousand person-times



Strengthening Traffic Management for Major Events

FEDS also places importance on the impact of major events on the traffic of surrounding communities. Before important periods such as anniversary sales, FEDS coordinates with local traffic bureaus and jurisdictional police units to assess the flow of people and vehicles during the event and jointly plan traffic guidance measures. By deploying additional traffic volunteers and security personnel to direct vehicle flow, optimizing vehicle routing, and having the police assist with on-site traffic guidance, FEDS ensures that the roads around the store remain smooth.

Major Traffic Control Measures for the Anniversary Celebration



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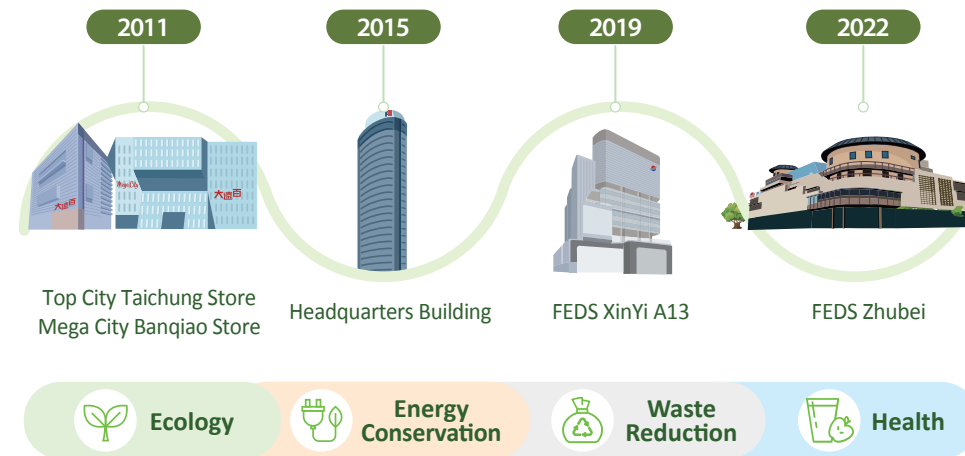
3.5.2 Green Buildings and Sustainable Stores

FEDS pioneered the trend in the department store industry, incorporating green building principles into store design from an early stage. Since 2011, all newly opened store formats have been environmentally friendly, energy-saving department stores, incorporating the four principles of "ecology, energy conservation, waste reduction, and health." Environmental considerations are factored in from the architectural design and construction stages, and during the operational stage FEDS continues to optimize energy and resource efficiency.

FEDS Zhubei is FEDS' most recently completed green building, having received the "Gold Level" Green Building Certification in 2023. During construction, recycled building materials were adopted and trees from the original site were transplanted; the pedestrian walkways around the store use permeable paving to enhance the land's water retention capacity and mitigate flooding during heavy rain, and a rainwater harvesting system was installed. In addition, the rooftop features a 350-ping sky garden planted with native species and plants that attract birds and butterflies, combined with exterior wall greening, offering multiple benefits such as cooling, carbon absorption, and ecological friendliness.

As of 2025, FEDS owns five green buildings, leading the department store industry in number. The Baoqing Store is currently undergoing reconstruction and will incorporate higher-standard environmentally friendly building plans in the future, becoming FEDS' sixth green building location and continuously enhancing the sustainable value of department store operations and the urban environment.

Green Building Concept Members

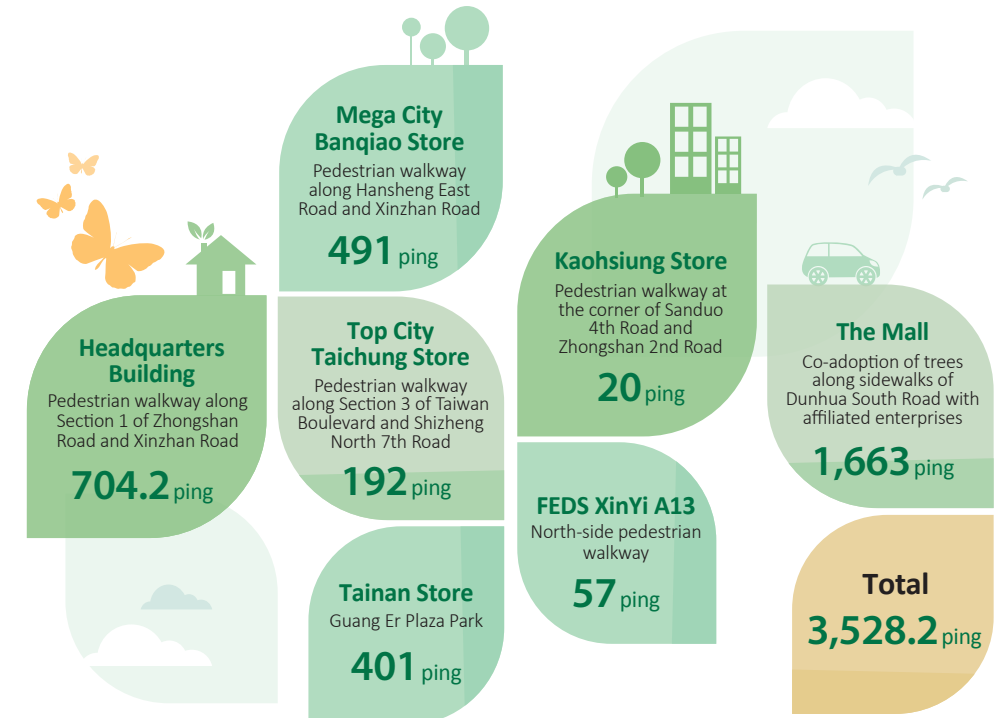


3.5.3 Maintaining Urban Green Spaces

In addition to incorporating green building principles into its stores, FEDS extends its greening actions to the public spaces around its stores, continuously adopting roadside trees and nearby park green spaces. Through regular maintenance and pruning, FEDS maintains good landscape quality.

In 2025, the area of green space adopted and maintained by FEDS reached 1,865.2 ping, an increase of about 3% compared to 2024. Of this, the Headquarters Building and Mega City Banqiao Store expanded their adoption ranges by 485.2 ping and 89 ping respectively, while FEDS XinYi A13 and Top City Taichung Store reduced their adopted areas by 320 ping and 156 ping respectively. Including the green space adopted by subsidiary The Mall, the overall adopted area reached 3,528.2 ping. Through long-term green space maintenance, FEDS continues to add greenery to the city and build a friendlier and more livable environment for the community.

Adoption of Roadside Trees and Green Spaces



3.5.4 Promoting Green Consumption and Living

FEDS uses its stores as an important platform for promoting sustainable living, integrating green principles into product selection, customer service, and daily operational management, and encouraging customers to practice environmentally friendly consumption during shopping. With reference to the "3R, 3E" principles of green consumption—Reduce, Reuse, Recycle, Economic benefits, Ecological friendliness, and Social equity—FEDS guides consumers and employees to participate together in sustainable actions through diverse measures, progressively establishing a green lifestyle.

Reduce Packaging Resources



Shopping paper bags are one of the main sources of paper product consumption in department store operations. FEDS controls the issuance of paper bags by setting packaging usage indicators and analyzing actual demand based on transaction volumes. In 2025, the usage of shopping paper bags decreased by 136,642 bags compared to the previous year, a reduction of about 5%. For online shopping, FEDS uses original box shipping, protecting products while reducing the use of additional packaging materials.

Using Eco-Friendly Paper Bags



FEDS' shopping paper bags are 100% made from FSC-certified paper material, ensuring that forest resources are properly managed. The bags are printed with low-pollution eco-friendly ink and carry the reminder message "Cherish Earth's resources, please reuse," encouraging customers to extend the lifespan of their paper bags and promoting circular reuse.

Digitalizing Consumer Information



To reduce the use of paper and logistics delivery resources, FEDS provides digital DMs and event information through the FEDS App and its official website. In 2025, the printing volume of physical DMs decreased by 462,975 copies compared to the previous year, a reduction of about 21%, improving the efficiency of information delivery while reducing paper resource consumption.

Planning Sustainable Store-Visit Gifts



In recent years, FEDS has continued to plan "sustainable store-visit gifts," prioritizing products that are eco-friendly, reusable, or of social value to reward customers. For example, by cooperating with local farmers or social enterprises, FEDS provides organic agricultural products or local specialty goods as redemption gifts. During the 2025 anniversary sale, a total of 5,000 locally grown dragon fruits were given away, supporting local agriculture through action.

Promoting Sustainable Products



FEDS leverages its channel advantages across Taiwan to promote local sustainable products. In 2025, it held a total of 46 small farmers' markets and product exhibitions, gathering 682 booths and offering 3,592 items, allowing customers to easily purchase local agricultural products. FEDS plans to introduce a "Green Selection" zone in DMs across Taiwan in 2026, further promoting sustainable products through themed events.

Production of Eco-Friendly Uniforms



To protect employee health and reduce environmental impact, since 2016 FEDS has gradually transitioned its in-house staff uniforms to fabrics certified with environmental labels. In 2025, men's suits and seasonal event polo shirts were upgraded to use materials such as recycled polyester. In 2025, 2,280 uniforms were produced and issued, an increase of about 27% compared to the previous year, bringing the cumulative total to 13,963 eco-friendly uniforms to date.

Implementing Responsible Retail



FEDS implements responsible retail through product selection. Its World Gourmet section has imported EU organic-certified Italian Fairtrade coffee since 2016, with cumulative sales of 833 kilograms; since 2020, it switched to importing internationally Rainforest Alliance-certified coffee, supporting forest ecosystem protection, farmers' rights, and sustainable agriculture, with sales of 98 kilograms in 2025, bringing cumulative sales to 738 kilograms.

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3.5.5 Implementing Green Procurement

In its corporate procurement, FEDS prioritizes products that are low-pollution, energy-saving, or recyclable and reusable, and the Procurement Department has set up a KPI bonus mechanism to encourage green product procurement among each unit and counter. In 2025, the green procurement amount reached NT\$89.72 million, an increase of 238% compared to the previous year, across a total of 82 procurement items, an increase of 82% compared to the previous year. These outstanding results have earned recognition as an "Excellence in Green Purchasing" from the New Taipei City Government for 9 consecutive years.

3.5.6 Promoting Green Office Actions

While promoting green consumption, FEDS also integrates sustainability principles into daily office management. Since 2021, FEDS has promoted a "Green Office Action Plan," enhancing employees' awareness of environmental issues and encouraging them to practice sustainable actions in their work through measures such as energy conservation and carbon reduction, resource reduction, green procurement, and environmental advocacy.

In response to the "green consumption cycle" concept, FEDS encourages employees to download the Ministry of Environment's "Environmental Points Collection App," turning employees' daily environmental actions into tangible rewards in the form of "green points." As of 2025 a total of 1,303 employees had completed the download, achieving a download rate of 100%.

FEDS responds to international environmental initiatives such as World Water Day, Earth Hour, Earth Day, World Vegetarian Day, and International Car-Free Day, promoting environmental action suggestions through internal platforms. As of the end of 2025, 50 environmental action proposals had been published, attracting 6,554 views.

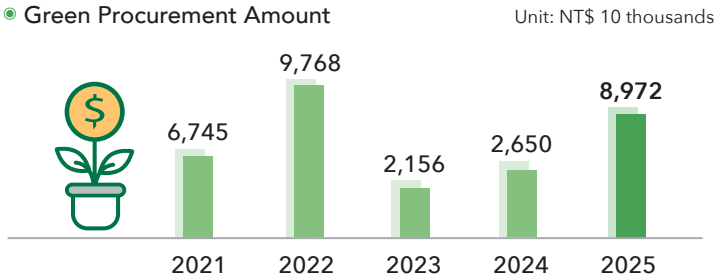
FEDS joined the Ministry of Environment's "Green Partner" program, responding to 32 green office measures covering five indicators: "energy and resource conservation," "source reduction," "green procurement," "environmental beautification," and "advocacy." Through specific behaviors such as encouraging employees to reduce the use of single-use items, sustainability is integrated into daily work.



In June 2024, FEDS built an "Employee Carbon Reduction Platform," designing 23 carbon reduction actions for employees to integrate low-carbon behavior into daily life and track through the platform. In 2025, the average daily carbon reduction per employee reached 3.7 kilograms. To encourage employees to continue participating, the President personally presented awards to employees with outstanding carbon reduction performance.

To continuously enhance employees' environmental awareness, FEDS publishes a regular monthly environmental protection newsletter covering topics such as plastic reduction, sustainable travel, repairing used items, resource circulation, and green dining. As of the end of 2025, 58 issues had been published, with cumulative views reaching 14,445.

FEDS uses a lease-rather-than-buy model for office equipment, including eco-label-certified office machines, IT equipment, water dispensers, and plants, enhancing resource usage efficiency. In 2025, the related leasing amount was approximately NT\$45.9 million. FEDS also prioritizes the procurement of office consumables with environmental certification, such as FSC-certified copy paper, with a 2025 procurement amount of NT\$721,767.



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 4.2 Friendly Sustainable Products
 4.3 Safe Food Safety Control
 4.4 Comprehensive Supply Chain Management

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4 Safe Product Management

FEDS makes the provision of safe, high-quality products its foremost goal, establishing comprehensive product management and quality control mechanisms. Through its supplier evaluation and management system, FEDS incorporates sustainability requirements such as labor rights, environmental protection, and business ethics into its supply chain cooperation guidelines, working hand in hand with business partners to advance responsible operations and progressively building a safe, reliable, and resilient sustainable supply system.

4.1 Transparent Product Labeling

4.2 Friendly Sustainable Products

4.3 Safe Food Safety Control

4.4 Comprehensive Supply Chain Management

Institutionalized Audits, Safeguarding Quality

- Inspected 807 cosmetic and skincare sample items, ensuring labeling compliance
- Mobilized 1,901 personnel to conduct product inventory counts, with a loss rate below 0.01%, demonstrating precise inventory management



Responsible Retail, Sustainable Consumption

- 109 dining outlets obtained "Eco-Friendly Restaurant / Green Food" certification, a 21% increase
- Introduced internationally Rainforest Alliance certified coffee for the 6th consecutive year, advancing sustainable procurement and consumption
- Fully achieved a 100% ban on single-use tableware, actively implementing plastic reduction actions

Safeguarding Food Safety in Accordance with the Law

- 126 dining counters obtained GHP certification, a 15.6% increase
- Conducted 5 food safety audits, covering a total of 738 counters
- Promoted online food safety courses with a cumulative 610 participations, deepening regulatory compliance capabilities



Strengthening Supply Chain Management

- 100% of suppliers signed the "Supplier Code of Conduct and CSR Commitment," with a procurement amount of NT\$1.109 billion, a 39.8% increase
- Conducted on-site audits of 56 suppliers and evaluated 5,181 procurement cases, ensuring service quality
- Completed 416 construction insurance policies and 497 hours of security training, enhancing site safety and emergency response capabilities

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4.1 Transparent Product Labeling

FEDS values consumer safety and strictly manages product labeling to safeguard product quality. We comply with relevant regulations, establish internal management systems, and through regular inventory counts and audits ensure that every stage of product manufacturing and distribution meets standards. Recognizing that product labeling information is an important basis for consumers' purchasing decisions, we optimize the completeness and transparency of disclosed information, striving to build a safe, high-quality, and trustworthy shopping environment while strengthening consumers' trust in and identification with the brand.

4.1.1 Label Management (GRI 417-1, 417-2, 417-3)

FEDS upholds the principles of "information transparency, honest disclosure, and consumer rights first," comprehensively requiring that the labeling of products and services in its stores complies with all safety standards and government regulations. The main products sold in the stores are divided into thirteen major categories; quality and compliance reviews are incorporated at the product procurement and counter recruitment stages. For example, apparel products must disclose their main components, manufacturing date, and washing labels in accordance with the Commodity Labeling Act. In addition, through regular and ad hoc inventory and patrol inspection mechanisms, FEDS spot-checks whether product labeling content complies with the regulations. In 2025, there were no incidents of non-compliance with regulations concerning product and service information labeling or marketing communications.

Thirteen Major Product Categories



Systematic Triple Safeguard Mechanism

To strengthen the effectiveness of product labeling management, FEDS has built a triple mechanism of "source, self-management, and inspection," establishing control processes from the supply end to the store end to reduce the risk of violations and enhance information transparency.

Source Management

Embedding Legal Compliance Responsibilities in Contracts

- Incorporate labeling compliance clauses into counter contracts, requiring suppliers to properly carry out traceability management.
- Dining counters must sign safety commitment letters and provide inspection certification documents.
- In 2025, the new "Online Shopping Supplier Cooperation Agreement" was added to strengthen compliance requirements for the disclosure of e-commerce product and service information.

Self-Management and Control

Institutionalized Inventory Checks and Sampling

- Regularly conduct product labeling reviews in accordance with internal standard procedures.
- Revise inspection items on a rolling basis according to the latest laws and regulations.
- Conduct ad hoc, focused spot checks on food and cosmetics.

Audit Inspection

On-Site Audits and Real-Time Improvement

- Establish a multi-layered audit system and project-based inspection mechanism.
- The Audit Office patrols and inspects labeling and validity periods in accordance with the latest regulations.
- Deficient items are spot-checked daily by floor managers, who track improvement progress.
- Work with counter vendors to complete improvements and implement improvement management.

In 2025, the Audit Office continued to conduct ad hoc project audits. It inspected the labeling and validity periods of 807 cosmetic and skincare sample items across branches nationwide, and through a real-time improvement mechanism ensured that deficiencies were promptly addressed. Whenever an anomaly was found during an audit, the branch was immediately required to remove the problematic product from shelves and complete improvements, while floor management personnel and administrative units carried out supervision and tracking. Through institutionalized processes and cross-unit collaboration, FEDS has effectively reduced the risk of product labeling violations. Going forward, FEDS will continue to deepen item inventory operations, and progressively achieve its management goal of "zero labeling defects."

Overview of Product Labeling Management Features

	Core Approach	Management Goal
Contracts and Commitments	Incorporate regulatory clauses into contracts; sign safety commitment letters	Clarify accountability
Audit System	Comprehensive audit systems and tools; conduct various inspections	Strengthen oversight and transparency
Regular Inventory	Formulate internal standard procedures for reviews	Enhance compliance coverage
Ad Hoc Sampling	Focused inspections of food and cosmetics	Reduce high risks
Daily Improvement	Real-time on-site tracking of deficiencies	Shorten improvement timelines
Regulatory Inspections	Audit Office updates inspection standards on a rolling basis per regulations	Ensure real-time compliance

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4.1.2 Product Quality and Safety Control (GRI 416-1, 416-2)

FEDS adopts an operating model in which "brands take responsibility and the department store supervises," and builds a systematic risk-prevention mechanism that effectively lowers operational risks and potential regulatory costs. The department store's operations cover self-operated products, counter brands, and dining formats; for the safety, validity, and legality of each product, FEDS implements product quality and site management through rigorous review and screening, regular patrol inspections and monitoring, and the establishment of crisis-handling mechanisms.

For products involving chemical components that may affect human health (such as food, dining, and cosmetics), FEDS adopts higher-intensity management standards, including:

- ✓ Requiring vendors to ensure that products comply with relevant regulations and the requirements of competent authorities
- ✓ Prohibiting unsubstantiated efficacy claims on packaging or marketing information
- ✓ Avoiding exaggerated or misleading wording (such as "non-toxic" or "zero chemicals")
- ✓ Reducing potential chemical-substance risks through preventive screening and regular testing

After products are placed on shelves, FEDS continues to collect information related to product use and safety; if a potential chemical-substance risk is identified, it immediately initiates an internal review procedure. In 2025, FEDS' self-operated products and services were involved in no incidents of non-compliance with health and safety-related regulations, nor any harm to customer rights caused by products or services failing to meet regulations.

Product Sampling and Inventory

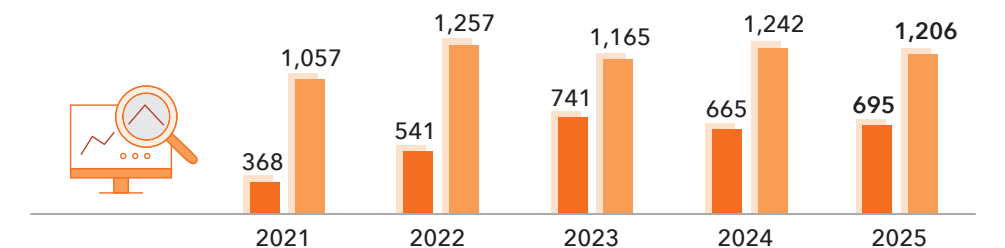
FEDS has established the "Self-Operated Cosmetics Inventory Control Procedures" and the "On-Site Merchandise Inventory Methods," building institutionalized inventory and sampling processes to ensure product condition and quantity. This not only provides customers with high-quality products and reduces the spillover costs of customer complaints, but also maintains accurate inventory ratios. The 2025 implementation was as follows:



Product Quality and Safety Management Measures



Number of Inspections for Self-Operated Products



● Quarterly Spot Inventory Check of Self-Operated Cosmetics ● Semiannual Inventory of All Product Categories

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4.1.3 Promote Product Regulations Education and Training

FEDS plans education and training related to product management and consumer rights protection to ensure that business colleagues possess complete regulatory knowledge and industry expertise. By continuously building the capacity of frontline personnel, FEDS strengthens execution capabilities in product management, information disclosure, and customer rights protection. At the same time, to create a learning environment unrestricted by time or place, FEDS has established a digital learning platform offering diverse materials and a flexible learning mechanism. In 2025, online courses related to the "Act Governing Food Safety and Sanitation" were uploaded to the internal training platform, with a cumulative 348 participants and 610 views, continuously deepening employees' understanding and application of food safety regulations.

Product Regulatory Compliance

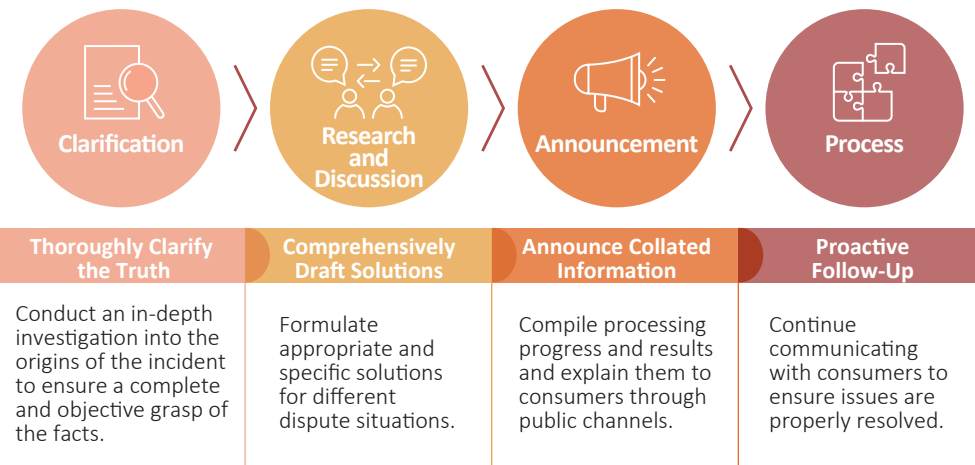
Cosmetics / Samples	Medicines and Medical Equipment	General Product
- Cosmetic Hygiene and Safety Act - Regulations Governing the Labeling of the Outer Packaging, Containers, Labels, or Package Inserts of Cosmetics - Regulations Governing Criteria for the Label, Promotion, Advertisement with Deception, Exaggeration, or Medical Efficacy of Cosmetic Products	- Pharmaceutical Affairs Act - Medical Device Management Act - Items and Compliance Requirements for Medical Devices Sold via Communication Transaction Channels	Commodity Labeling Act
Food / Packaged Food		Food
- Act Governing Food Safety and Sanitation - Health Food Control Act - Regulations on Good Hygiene Practice for Food - Sanitation Standards for General Foods - Regulations on Nutrition Labeling for Prepackaged Food Products - Regulations on Nutrition Claim for Prepackaged Food Products		- Food Administration Act - Regulations for Food Labeling
Tobacco and Alcohol		
- Tobacco Hazards Prevention Act - The Tobacco and Alcohol Administration Act - Regulations Governing the Labeling of the Alcohol Products - Regulations Governing the Establishment of Dedicated Areas and Counters at Alcohol Retail Premises - Regulations for the Testing Nicotine and Tar Content in Tobacco Products and the Labeling of Tobacco Product Containers		

4.1.4 Handling of Consumer Disputes and Problematic Products

FEDS has established clear customer service and complaint channels; each branch provides a customer service hotline, ensuring that consumer disputes can be properly communicated and handled. FEDS continuously optimizes its management systems through analysis of complaint cases and adds recurring deficiencies to a strengthened-management list. At the same time, for dispute letters from government consumer protection agencies, FEDS has established a rigorous handling process and, with a responsible attitude, handles every consumer dispute to safeguard consumer rights.

Customer Service Hotline

Product Dispute Handling Procedure



For problematic products, FEDS has a complete handling system and has established relevant control points for self-operated product management within its internal control operations. These operational guidelines are reviewed annually by responsible units to ensure their appropriateness, so as to maintain product safety and high quality and safeguard consumer rights.

Within the product management internal control process, the relevant units report product management status to the President on a monthly basis, keeping abreast of the latest consumption and product incident developments in real time. For products or incidents of concern, FEDS immediately initiates a handling mechanism, formulates response measures, and handles the matter properly, while reinforcing awareness and prevention regarding the improvement measures to avoid recurrence and reduce the impact to consumers.

In addition, for problematic products or shelving errors notified by competent authorities, FEDS handles the matter promptly according to established procedures, ensuring that issues receive timely responses and proper resolution.

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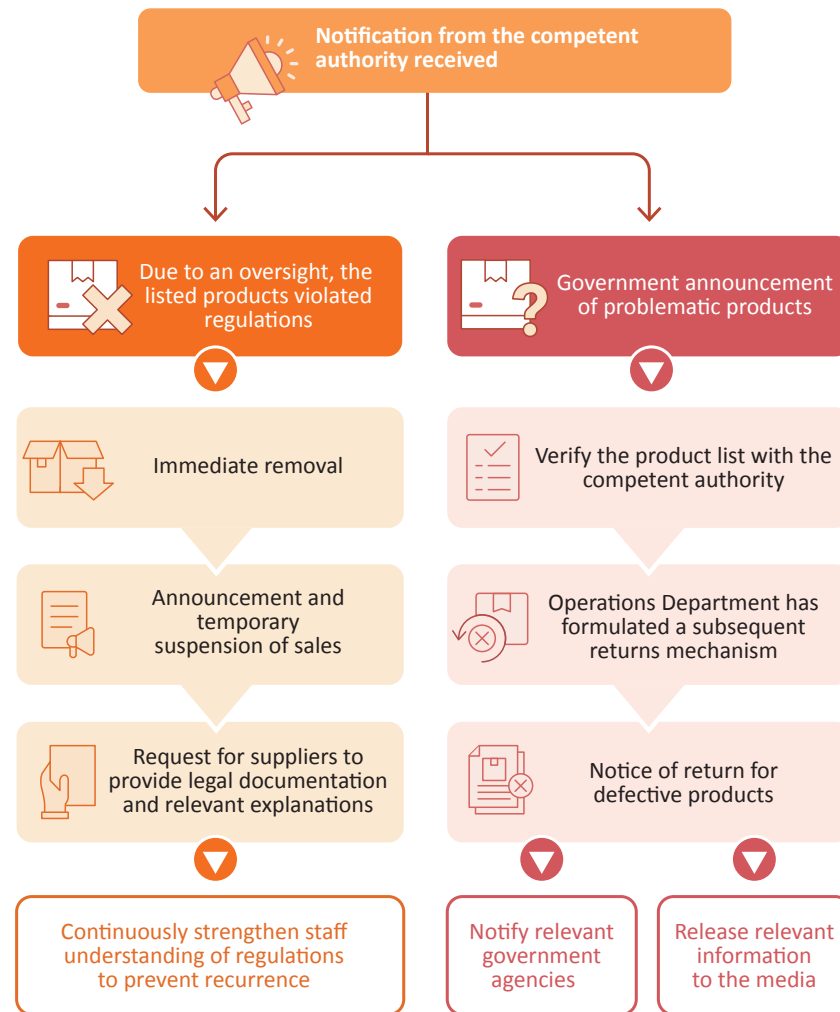
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Problematic or Erroneous Products Handling Procedure



Regarding the 2025 incident involving the banned colorant "Sudan IV," upon receiving the information FEDS immediately required the relevant brands to remove the products of concern from shelves and proposed subsequent handling and customer service measures, including a complete suspension of sales, processing of returns, and permanent removal or replacement of raw materials for non-compliant products. This incident fell under the brands' responsibility for managing product components, and FEDS was not involved in any violation; nevertheless, based on its channel-management responsibility, FEDS actively urged the brands to handle the matter properly.

4.2 Friendly Sustainable Products

Through its self-operated product strategy and the strengthening of counter-brand management mechanisms, FEDS actively advances the sustainable transformation of products, guiding brands to implement environmentally friendly practices. Building on institutionalized product management systems and regular brand communication, FEDS encourages brands to incorporate environmental considerations into product design, raw material selection, and process management. FEDS hopes that department store spaces will serve as important channels advocating sustainable consumption, creating a shopping environment that combines fashionable aesthetics, quality assurance, and environmental responsibility.

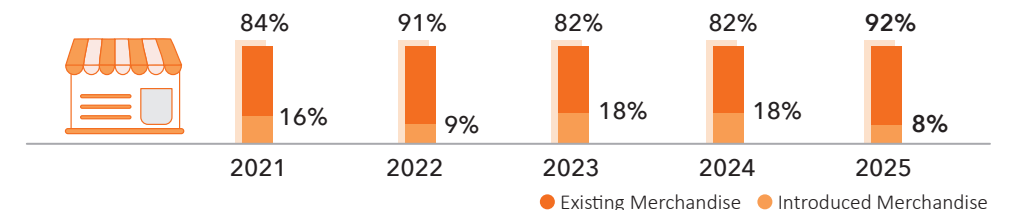
4.2.1 Unique Self-Operated World Gourmet

FEDS safeguards every step through rigorous product management mechanisms; its professional product development team actively sources representative, high-quality products from around the world, with items spanning olive oil, canola oil, coffee, tea, cereal grains, honey, and red wine, allowing consumers to confidently purchase high-quality international delicacies domestically.

To continuously introduce representative international products, FEDS created the self-operated food counter model, setting up "World Gourmet" specialty counters at its branches and focusing on introducing food brands from Europe and the Americas with deep brand heritage and quality reputations. These products mostly come from countries with sound food management systems and rigorous regulations, establishing a solid first line of defense for food safety and quality.

All imported products introduced by FEDS at "World Gourmet" may only be placed on shelves after completing inspection and obtaining certificates of compliance under the "Act Governing Food Safety and Sanitation," and FEDS insists on importing them in original manufacturer packaging from the place of origin, without secondary processing or repackaging, in order to reduce unnecessary packaging waste while ensuring consistent quality from origin to point of sale and lowering the risk of spoilage. In 2025, the product development team introduced 335 products at "World Gourmet," including 28 newly introduced products for the year, for a new product introduction rate of 8%. FEDS will continue to develop high-quality new products suitable for counter sales, bringing Taiwanese consumers more international food experiences.

The Proportion of New Products Introduced



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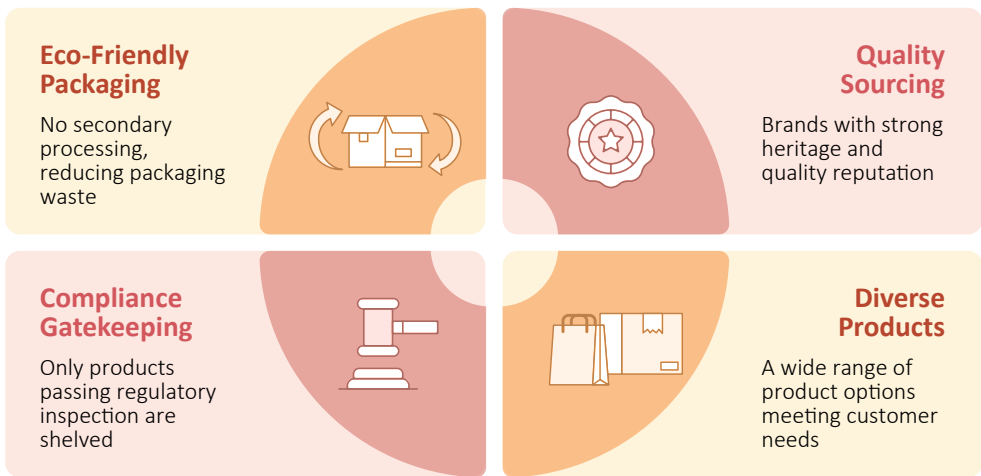
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Self-Operated Imported Food Features



4.2.2 Responsible Retail: Eco-Friendly Coffee

FEDS continues to introduce environmentally friendly products, hoping that through product choices it can guide consumers to support ecological conservation and sustainable development through concrete actions. Since 2016, "World Gourmet" has introduced the concept of Responsible Retail; in addition to introducing internationally top-tier, high-quality food, it has successively introduced EU organic agricultural products and Fair Trade coffee, accumulating sales of 833 kilograms over the four years of promoting Fair Trade coffee, demonstrating FEDS' long-term commitment to sustainable consumption.

Since 2020, in line with government regulatory adjustments, FEDS suspended imports of European organic agricultural products and instead introduced BRISTOT Rainforest Coffee, certified by the international Rainforest Alliance. This certification centers on the three core principles of "environmental protection, social equity, and economic viability," helping not only to preserve the natural ecosystem and animal habitats but also to balance the sustainable development of local communities and industries. In 2025, sales of BRISTOT Rainforest Coffee reached 98 kilograms, bringing cumulative sales to 738 kilograms, continuing to support sustainable agriculture and responsible procurement through product choices.

Sales Volume of Environmentally Friendly Coffee

Unit: kilograms



4.2.3 Local Procurement for Shared Prosperity

FEDS advances a local procurement strategy as an important measure for strengthening supply chain resilience and reducing environmental impact. By giving priority to procuring local products, FEDS can not only shorten transport distances and reduce logistics carbon emissions and food carbon footprints, but also enhance procurement efficiency and supply stability. At the same time, local procurement promotes the development of local industries, strengthens cooperative relationships with local suppliers, and improves the alignment of products with market demand, achieving shared economic and social prosperity.

For its self-operated food counter "World Gourmet," FEDS adopts an "international selection × local integration" strategy; in addition to continuing to introduce high-quality international products, it actively introduces domestic brands to enhance consumers' awareness and support of high-quality Taiwanese products. In 2025, the proportion of "World Gourmet" procurement from domestic suppliers was 28%, a decrease from the previous year, mainly due to increased overseas procurement of specific categories such as olive oil.

Going forward, FEDS will continue to optimize its local procurement strategy by deepening supplier cooperation, expanding the proportion of local products, and strengthening its selection mechanism, so as to enhance supply chain stability and resilience. Combined with marketing promotion and channel advantages, FEDS will boost the market visibility of high-quality Taiwanese products, further driving local economic development and achieving sustainable shared prosperity between the enterprise and society.

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

Item	2021	2022	2023	2024	2025
Percentage of Procurement	31%	31%	35%	45%	28%

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4.2.4 Sustainable Recruitment for a Green Value Chain

As global environmental awareness rises, FEDS continues to incorporate sustainability concepts into its product structure and recruitment strategy. In introducing counter brands, FEDS gives priority to evaluating brands that have sustainable management policies or third-party certifications (such as B Corps), and encourages brands to incorporate environmental considerations at the product design stage, including the use of eco-friendly or recycled materials, low-carbon processes, reduced packaging, refill-pack designs, and reusable containers, so as to reduce resource use and environmental impact across the product life cycle.

In terms of product information disclosure, FEDS strengthens "sustainability label" management, and through recruitment and operational communication mechanisms encourages brands to enhance labeling transparency and traceability. For example: giving priority to introducing products with the Green Mark, Energy Label, Water Efficiency Label, or other environmentally friendly certifications; recommending that brands add QR codes to product labels to disclose carbon footprints, raw materials, or product histories through digital links; and encouraging brands to place "sustainable product" markers at their counters, using green shopping-guide labels to help customers quickly identify compliant products.

In response to the environmental impact brought by the development of e-commerce, FEDS simultaneously optimizes its channel operating models, promoting "original-box shipping" and "in-store pickup" mechanisms to reduce resource consumption from repeated packaging and transportation, thereby cutting packaging waste and carbon emissions. In addition, FEDS continues to review packaging strategies for both online and physical channels, refining them toward reduction and lower environmental impact, balancing environmental responsibility and operational efficiency while meeting customer needs.

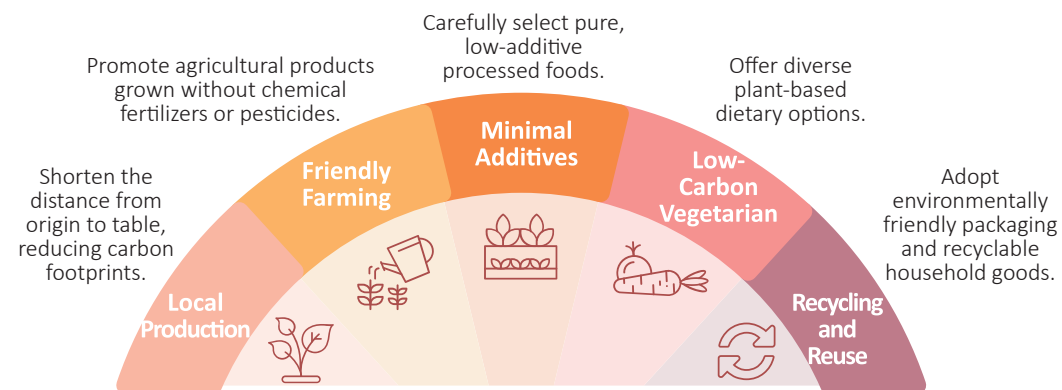


Brand Products Incorporating Friendly Environmental Concepts

Luxury Goods	Cosmetics	Sportswear, Running Shoes
Launch eco-concept products, e.g., introducing recycled nylon materials to reduce reliance on virgin resources.	Obtained B Corp certification, demonstrating commitment to supply chain management, environmental, and social responsibility.	Use recycled waste (e.g., plastic bottles, discarded textiles) to make running shoes or functional apparel, reducing resource waste and negative environmental impact.
Home Appliances	Bedding, Household Goods	
Primarily promote "energy-saving refrigerator series," providing actual power-saving calculators to help consumers understand the energy-saving benefits.	Switch to solar panels in production processes, using green energy to reduce carbon footprints.	

4.2.5 City'Super – 100% Traceability of Fresh Products

With "Crafting a Better Lifestyle" as its brand core, City'Super integrates sustainability concepts into its operating model, building a complete sustainable value chain "from origin to home," and guiding consumers to practice responsible consumption through five major action initiatives: "Friendly Farming," "Minimal Additives," "Local Production," "Low-Carbon Vegetarian," and "Recycling and Reuse."



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In 2025, City'Super made key progress in its sustainable transformation, not only achieving the milestone of 100% traceability for fresh products, but also driving significant sales growth in related categories through friendly farming and low-additive product selection, showing that "green consumption" has become a core need of high-value customer segments.

From Transparent Traceability to Shared Social Prosperity

Aspect	2025 Results
 100% Traceability Goal	Achieved full traceability of fresh products, including organic Koshihikari rice, traceable fruits and vegetables, and friendly- raised local dairy and poultry/livestock products.
 Green Living Proposals	Introduced French Tefal eco-living cookware made from 100% recycled aluminum alloy, eco-friendly paper straws, and plant-based cleaning products.
 Origin Connection and Public Welfare	Strengthened trust between producers and consumers through "organic farmer residencies," and partnered with the Andrew Charity Association food bank at international goods expos, practicing the virtuous cycle of "supporting public welfare through consumption."

In the coming year, City'Super will expand its management scope from individual product items to the full supply chain and diverse service dimensions, upgrading its strategy to "digital empowerment and full supply chain management." Through digital tools, it will precisely calculate carbon footprints, implement carbon reduction from the source, and incorporate "Recycling and Reuse" into an automated management system. At the same time, by upgrading inclusive services for diverse groups, City'Super aims to build a refined retail ecosystem that combines environmental resilience with shared social prosperity.

4.3 Safe Food Safety Control

FEDS is committed to creating high-quality dining experiences that combine health, deliciousness, and social value, offering a physical interaction space that e-commerce cannot replace. FEDS introduced 37 new dining outlets in 2025, a 48% year-on-year increase, with a renovated area of 842 ping, continuously optimizing spatial ambience and service quality. As its dining business continues to grow, FEDS simultaneously strengthens its food safety and environmental hygiene management systems, exercising comprehensive control from source to consumption end to ensure customers enjoy reassuring "FEDS Good Food Moments."

4.3.1 Food Safety Management

Under the diverse and integrated operating model of the department store industry, dining services have become an important key to enhancing customer experience and driving foot traffic, while also entailing higher food safety management risks. As consumers' requirements for dining quality and safety continue to rise, establishing a systematic and sustainably operating food safety management mechanism has become an indispensable core issue in department store operations. With the goal of providing reassuring, high-quality dining services, FEDS comprehensively strengthens food safety and environmental hygiene management, and through an institutionalized management framework – from establishing regulations and self-management to regular audits – progressively builds a complete food safety protection system, enhancing consumer trust and brand value.

Management Mechanism 1

Establishing Regulations to Ensure Compliance by Specialty Counters

FEDS incorporates food safety and hygiene management requirements into the contract management mechanism for dining counters, clearly stipulating that operators must comply with relevant standards for the dining environment, ingredient management, and kitchen hygiene, and establishing a consistent management system based on regulations and internal operating procedures to ensure that all operational stages meet food safety requirements, striving to create a healthy and trustworthy dining environment for consumers.

In 2025, FEDS continued to refine its management standards and further strengthened "kitchen safety and hygiene" requirements, including: stipulating that kitchen equipment and utensils be kept clean to prevent pest breeding and grease accumulation, and requiring that exhaust ducts and hoods be regularly cleaned and maintained, with maintenance records retained, so as to enhance the overall hygiene and operational safety of dining venues.

FEDS has built a systematic risk assessment and management mechanism. On the ingredient side, it controls risks such as pesticide residues, antibiotics, and food additives, requiring dining counters to provide third-party inspection reports and conducting ad hoc spot checks on high-risk items. In container and packaging management, it examines whether potential hazardous substances such as bisphenol A, plasticizers, or heavy metals are present, and promotes a ban on melamine while encouraging the adoption of stainless steel, ceramic, or alternative materials that meet safety standards. In the operating environment, it regularly monitors indoor air quality, controlling risks such as volatile organic compounds and formaldehyde, to reduce the impact of renovation materials and cleaning agents.

Through institutionalized regulations and risk management measures, FEDS implements food safety control from the source, continuously strengthening dining service quality and consumer health protection.

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FEDS' Requirements and Specifications for Dining Vendors

 Dining Environment - Ban melamine tableware - Restrict the use of disposable plastic tableware and straws - Food and utensils must not directly touch the ground - Properly clean the tableware before closing - Chipped or damaged tableware shall be immediately replaced - Damaged tables and chairs must be thrown immediately - Large-scale disinfection every month - Regular cleaning of signs, light boxes, lighting fixtures, and air duct outlets	 Food Management - All ingredients must comply with food safety and hygiene regulations - Properly store food, ingredients and frying oil - Store seasonings and food in a container with a lid - Fridge (freezer) has to be clean, temperature is controlled, and refrigerated (frozen) raw and cooked food are effectively separated - Daily inspection of frying oil - Ensure that the expiration dates of certified food and additives are clearly marked - Check the quality of drinking water and ice cubes every season - According to regulations, indicate the country of origin for pork, beef, and their edible parts - Information on total sugar content, total calories, and caffeine content of freshly prepared beverages is disclosed in accordance with regulations
 Kitchen Safety and Health - Catering and staff shall be trained with the necessary professional training and wear sanitary caps - Pay attention to catering equipment safety and conduct regular inspection and maintenance - Staff health conditions are good, with no symptoms of foodborne illness; catering kitchen personnel have annual physical examination reports on file confirming their fitness <u>Kitchen equipment must be kept clean, free of pest breeding and grease buildup</u> <u>Exhaust ducts and hoods must be regularly cleaned and maintained, with records retained</u> - Catering staff shall wear clean work clothes and keep their hands clean - No behavior that could contaminate food is allowed while working - Use dedicated sockets for electrical appliances and extension cords shall not be used - Flammable materials are prohibited around kitchen cooking equipment - Wastewater or refuse must be collected in designated containers with lids - The kitchen's simple fire suppression system nozzles must be aimed at the center of the stove burners - Regular inspections are conducted on gas-related pipelines, equipment, gas shutoff valves, and gas safety alarm devices to ensure proper operation	

Note: The underlined portions indicate content that has been newly revised in 2025.

Risk Assessment and Action Plans

	Ingredient Side (Pesticides, Antibiotics, and Additives)	Containers and Packaging (Plasticizers, Heavy Metals)	Environmental Side (Indoor Air and Environmental Agents)
 Risk Assessment	For fresh ingredients and cooked food, assess whether pesticide residues, illegal additives (such as Sudan Red, borax), or excessive preservatives are present.	Assess whether food containers used by dining counters contain bisphenol A (BPA), phthalates (plasticizers), or heavy metals.	Monitor risks of volatile organic compounds and formaldehyde released by renovation materials and cleaning agents.
 Action Plan	- Require counters to provide inspection reports from SGS or equivalent laboratories. - Conduct ad hoc spot checks on high-risk items to ensure compliance with the scope of use, limits, and specification standards for food additives.	Promote a "melamine-free" policy, encouraging the use of stainless steel, ceramic, or compliant paper products.	Regularly conduct indoor air quality (IAQ) testing.

Management Mechanism 2

Collaborative Food Safety Management

FEDS continues to promote the establishment of sound self-management mechanisms by dining counter operators, with ingredient traceability and information transparency at the core, ensuring that product sources are traceable and risks are controllable. In addition to requiring counter vendors to comply with relevant government regulations, FEDS requires all incoming food operators to complete registration on the "Food and Drug Business Registration Platform," ensuring that operating qualifications and information disclosure meet the requirements of competent authorities.

FEDS requires dining counters to take out product liability insurance and public liability insurance in compliant amounts that must include food-poisoning coverage, and incorporates the insurance documents into the on-site inspection mechanism. In addition, FEDS actively promotes operators' connection to the "Food Cloud" system, and for high-risk ingredients such as meat and eggs, requires Traceable Agricultural Products (TAP) certification or relevant inspection certificates to enhance supply chain transparency and ingredient traceability.

Through the integrated promotion of a self-management system, digital traceability tools, and a risk-grading control mechanism, FEDS not only strengthens its supply chain food safety management capabilities but also enhances information disclosure transparency, enabling both competent authorities and consumers to grasp ingredient sources and flows in real time.

Vendor Self-Management

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

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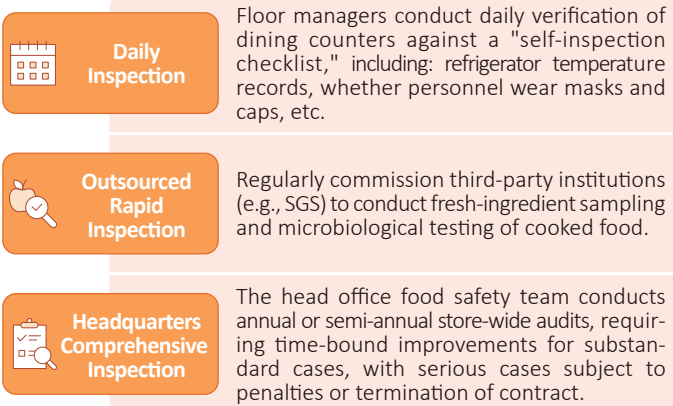
Management Mechanism 3

Regular Audits for Continuous Improvement

In dining management, FEDS strictly complies with relevant regulations such as the "Regulations on Good Hygiene Practice for Food," the "Drinking Water Quality Standards," and the "Regulations Governing the Use, Maintenance, and Management of Fixed Continuous-Supply Drinking Water Equipment," and each operating unit implements FEDS' internal food safety operating procedures and control mechanisms, ensuring the safety and quality of dining services through regular inspections and institutionalized management.

FEDS has established a "three-tier audit system" that comprehensively reviews dining counters' execution in daily operations, food safety, and hygiene management. At the daily management level, floor management personnel conduct daily inspections based on standardized checklists; at the professional testing level, third-party institutions are regularly commissioned to conduct fresh-ingredient sampling and microbiological testing of cooked food; at the overall management level, the head office food safety team conducts annual or semi-annual comprehensive audits.

Through the operation of graded inspection and continuous improvement-tracking mechanisms, FEDS is able to identify potential risks early and strengthen management measures, enhancing the operational quality and food safety standards of dining outlets.



4.3.2 Health and Safety Audit

To ensure food hygiene and safety, FEDS clearly stipulates in its dining counter contracts that operators must ensure the legality of the components and the quality of the food they sell; all raw materials must comply with the requirements of competent authorities and national standards and follow food safety and hygiene regulations. Through institutionalized audit mechanisms, FEDS comprehensively reviews the execution of all operational stages, identifies potential deficiencies and risks early, and requires operators to make timely improvements, continuously enhancing overall dining service quality and dining hygiene safety.

The FEDS Audit Office conducts ad hoc food safety and hygiene audits, and in accordance with the latest regulations and market topics of concern, patrols and inspects product labeling, validity periods, and product quality and safety, while also reviewing dining operators' liability insurance status to ensure that all management measures comply with regulations. In 2025, for the safety and hygiene management of supermarkets and self-operated products, FEDS completed audits of 304 counters, with a five-year cumulative total of 1,467 counters; for the hygiene management of dining counters, it audited 434 counters, with a five-year cumulative total of 2,374 counters. The audit scope covered FEDS, City'Super, and The Mall.

In conducting the audits, FEDS carried out project audits multiple times during the year: for supermarkets and self-operated products, focusing on food labeling and product condition; and for dining counters, focusing on key items such as ingredient storage and use safety, kitchen hygiene, and the validity of liability insurance. For abnormal products found during audits, immediate removal from shelves was implemented, and operators were required to make time-bound improvements, with floor management and relevant administrative units continuing to track and supervise to ensure compliance with regulations and the effectiveness of improvements.

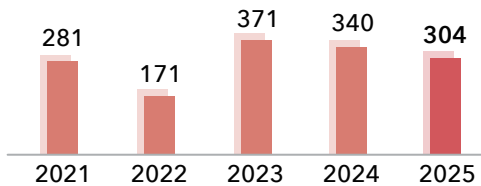
Supermarkets and Self-Operated Product Counters

March, May, and September 2025

Audit Purpose Inspection of supermarkets/self-operated product safety and hygiene

Audit Focus Check the labeling of food products, including Chinese labeling, country of origin, allergens, and expiration dates and if any are expired or have damaged packaging.

Number of Counters Audited for Health and Safety



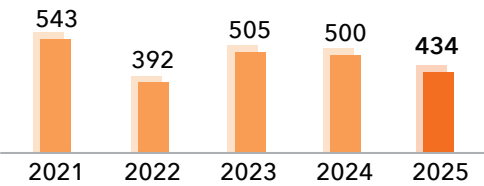
Dining Counters

March and September 2025

Audit Purpose Inspection of food and beverage counter hygiene management

Audit Focus Freshness and use safety of ingredients supplied by dining counters, kitchen hygiene and safety, insurance validity, etc.

Number of Counters Audited for Health and Safety



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4.3.3 Low-Carbon Diets and Green Restaurants

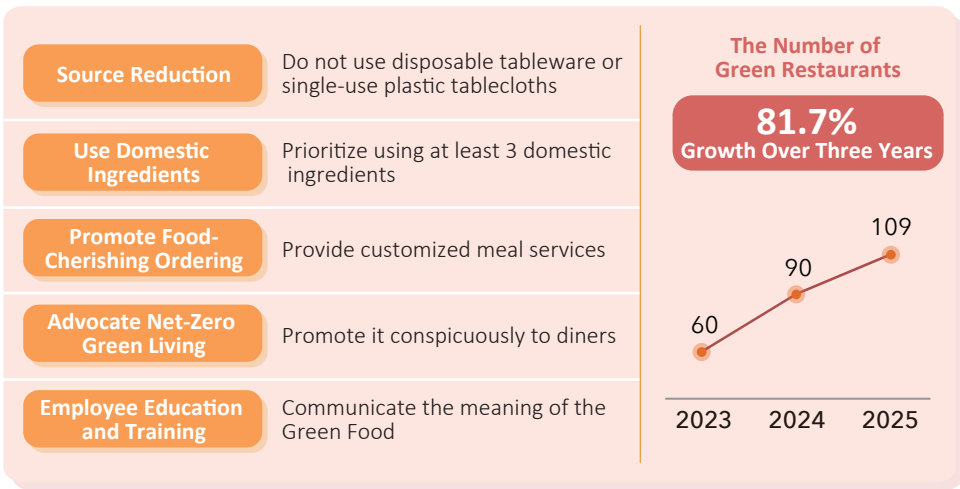
According to the United Nations Intergovernmental Panel on Climate Change (IPCC), the global food system accounts for approximately 21% to 37% of anthropogenic greenhouse gas emissions, with food waste being one of the important sources, indicating that promoting low-carbon diets and reducing resource waste is critical to mitigating climate change. Therefore, establishing a dietary model that balances health and the environment has become an important strategy for enterprises to advance sustainable development.

In line with consumption trends and policy directions, FEDS promotes the development of green dining, encouraging dining counters to adopt environmentally friendly operating models and apply for the Ministry of Environment's "Eco-Friendly Restaurant/Green Food" certification. This system encourages operators to implement low-carbon practices across source reduction, the use of local ingredients, the promotion of food-cherishing culture, net-zero living advocacy, and employee education and training, progressively reducing the environmental impact of dining operations.

In 2025, a total of 109 dining outlets at FEDS obtained "Eco-Friendly Restaurant/Green Food" certification, an increase of 19 over the previous year, or 21% growth; over the past three years the number rose from 60 to 109, a cumulative growth of 81.7%, showing that the promotion of green dining has progressively expanded and formed scale benefits.

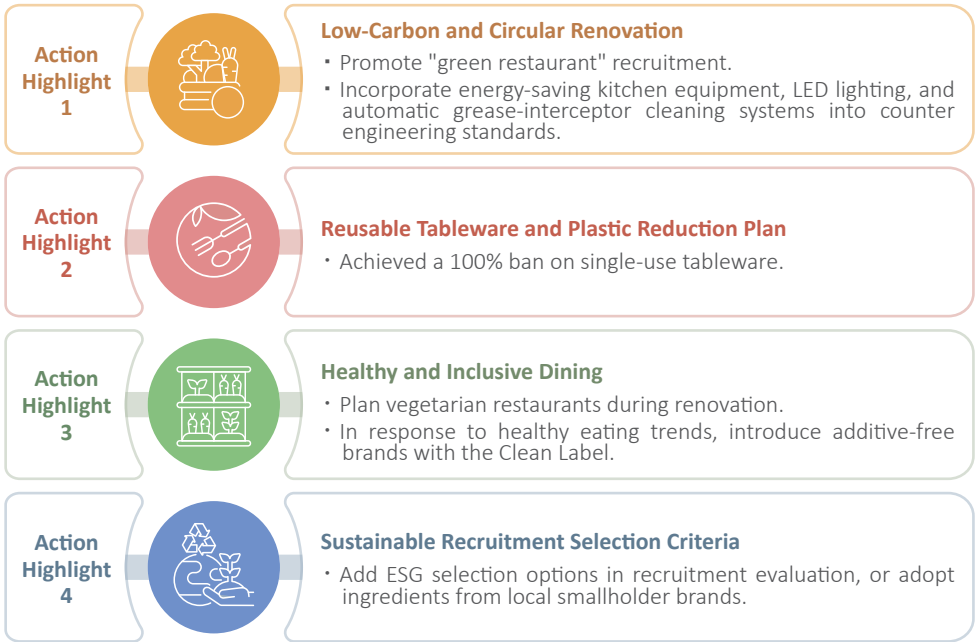
Going forward, FEDS will continue to combine its recruitment strategy and operational management mechanisms to expand the promotion of green restaurant certification, deepen low-carbon dining culture, offer consumers dining choices that combine health, deliciousness, and environmental friendliness, and continue advancing toward the sustainability goals of carbon reduction and resource circulation.

Green Food

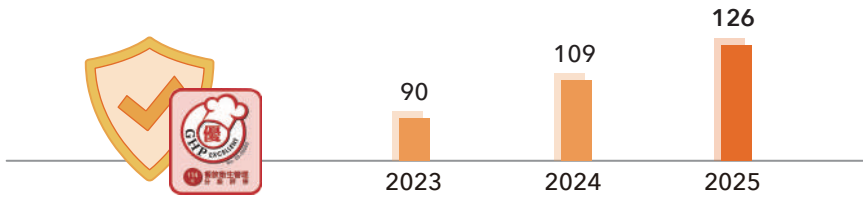


4.3.4 Promoting GHP Certification

FEDS continues to optimize its food safety management system; upholding the requirements of the "Act Governing Food Safety and Sanitation" and the "Regulations on Good Hygiene Practice for Food (GHP)," it encourages dining outlets to apply for GHP certification to ensure that hygiene, safety, and quality management are properly implemented. In 2025, a total of 126 dining vendors obtained the GHP mark, an increase of 17 over the previous year, or 15.6% growth. In addition, with "low-carbon and eco-friendly, healthy and inclusive, and sustainable recruitment" at its core, FEDS combines dining outlet renovation, daily management, and product selection strategies, extending sustainability concepts from dining operations to supply chain and brand cooperation decisions.



Number of GHP-Certified Dining Vendors



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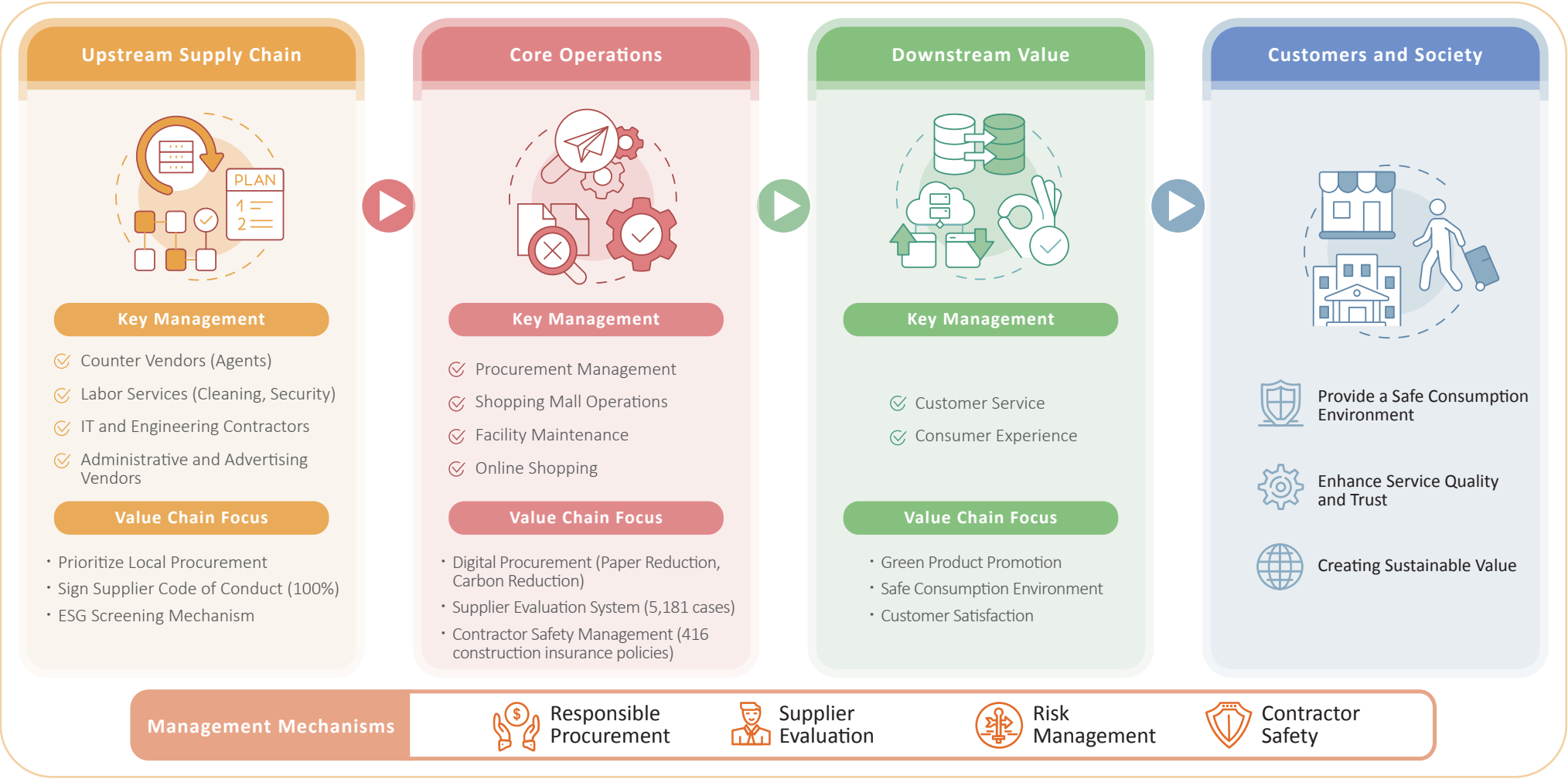
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4.4 Comprehensive Supply Chain Management

In addition to counter vendors, FEDS' business partners include suppliers and contractors that support operations, covering five major types – engineering, administrative, information technology, advertising, and labor services – managed in a unified manner by the Procurement Department. FEDS continuously optimizes supply chain operational efficiency, enhances information transparency, and strengthens overall sustainability performance through institutionalized management mechanisms and the introduction of digital tools. In 2025, the supply value chain structure remained stable, with no major changes.

● Sustainable Supply Chain Relationship Diagram



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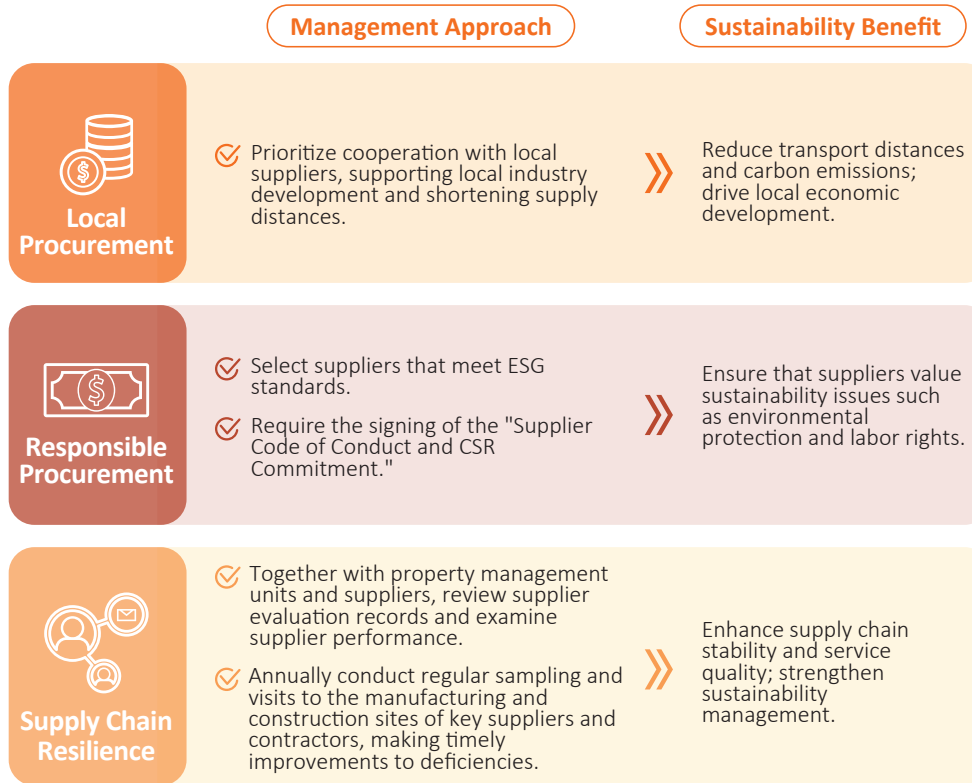
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4.4.1 Supplier Management Strategy (GRI 2-6)

FEDS has established a supply chain management strategy centered on three major dimensions – "implementing local procurement, achieving ESG goals, and strengthening supplier resilience" – and integrates procurement processes through digital systems to enhance management effectiveness and carbon-reduction benefits.

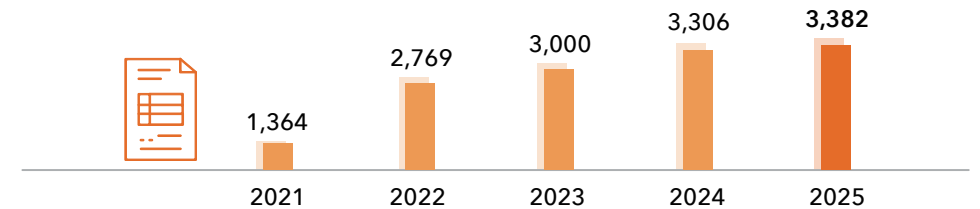


Digital Procurement and Environmental Benefits

FEDS has introduced the "Request, Purchase, Inspection, Payment" (RPIP) system, which integrates procurement processes and replaces manual order transmission with the system; the head office issues orders in a unified manner to enhance efficiency and reduce administrative costs, achieving real-time, collaborative, and effective supply chain management.

In 2025, the number of centralized purchase items reached 3,382, a five-year growth of 148%, with a reduction of 1,460,160 sheets of procurement document paper over the year. Calculated at 6.8 grams of carbon emissions per sheet of A4 paper, this represents a reduction of approximately 9.93 metric tons of CO₂e, with carbon-reduction benefits increasing 2.27% over the previous year. This also helps reduce indirect carbon emissions (Scope 3) and enhances the environmental management benefits of the supply chain.

Number of Centralized Purchase Items



148% Growth in the Number of Centralized Purchase Items Over the Past Five Years



4.4.2 Responsible Procurement and Supplier Management (GRI 2-23)

To support local industry development, shorten supply lead times, and enhance after-sales service efficiency, FEDS continues to advance its local procurement strategy and establishes long-term, stable cooperative relationships with suppliers. Before procurement, in addition to conducting supplier credit investigations through the Far Eastern Group Procurement Center, FEDS carefully evaluates suppliers' performance in environmental protection, compliance with labor standards, and product and service quality, giving priority to selecting partners that meet sustainability requirements.

To ensure that supply chain management complies with environmental, social, and governance (ESG) principles, FEDS requires all contracted suppliers to sign the "Supplier Code of Conduct and CSR Commitment" at the time of contracting, so as to strengthen the supplier sustainability management mechanism. In 2025, all of FEDS' procurement targets were local suppliers, and 100% of new suppliers were screened according to the aforementioned standards, with no major violations or anomalies found.

In addition, in response to international trends in sustainable procurement, FEDS plans to introduce the ISO 20400 Sustainable Procurement - Guidance in 2026, systematically identifying potential environmental and social risks in the supply chain and progressively strengthening the supplier sustainability management mechanism to enhance overall supply chain resilience.

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Supplier Code of Conduct and Commitment

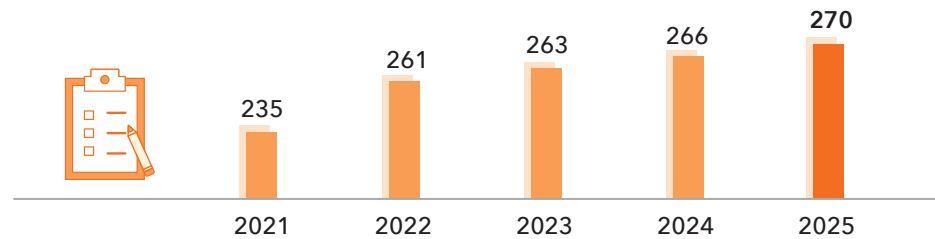
To concretely implement sustainability value in supplier management and cooperation standards, FEDS uses the "Supplier Code of Conduct and CSR Commitment" as a core governance tool, requiring all contracted suppliers to complete signing at the time of contracting to confirm their compliance with the sustainability commitments and standards established by FEDS, and incorporating their fulfillment into cooperation evaluations, contract-renewal reviews, supplier management, audits, and procurement decisions, so as to ensure that supply chain partners are aligned with FEDS' sustainability goals.

For suppliers that fail to meet the commitment requirements, FEDS will take corresponding management measures in accordance with the contract, including time-bound improvement, suspension of rights, or termination of cooperation, so as to maintain the compliance and effectiveness of supply chain management. This system has now entered its eighth year, continuously strengthening the depth of supply chain responsibility management.

In 2025, the "Supplier Code of Conduct and CSR Commitment" covered five major dimensions – labor and human rights, health and safety, environment, ethical standards, and management systems – totaling 50 indicators. A total of 270 signing cases were completed during the year, with a procurement amount of NT\$1.109 billion, a 39.8% increase over the previous year, showing that the coverage of supplier sustainability management continues to rise.

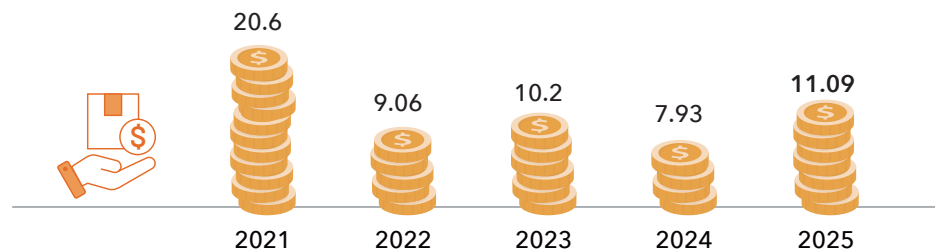
Number of Supplier Code of Conduct and CSR Commitments

Unit: cases



Supplier Code of Conduct and CSR Commitment Purchase Value

Unit: NT\$100 millions



Supplier Code of Conduct and CSR Commitment Indicators



Supplier Selection System

To ensure that cooperating suppliers possess stable operating capabilities, excellent quality standards, and standards consistent with business ethics, FEDS continues to refine its supplier selection system to strengthen risk control, build a competitive and responsible supplier-partner network, and further enhance the governance quality of the procurement process.

FEDS' supplier selection system follows the Far Eastern Group supplier management policy, carefully screening qualified suppliers for cooperation. In 2020, the Procurement Department further planned and established a supplier database system to integrate supplier information and enhance management efficiency. In promoting green procurement, in addition to encouraging branches and counter partners to purchase green products through advocacy meetings and KPI bonus points, in 2025 FEDS also established a green procurement item master file in the BPM system, enabling requisitioning units to carry out green procurement operations more efficiently and expanding the positive environmental impact of supply chain management.

Supplier Management Procedures and Performance

To ensure supplier compliance with relevant company standards, FEDS has established regular audit and continuous improvement mechanisms. The Procurement Department annually conducts sampling and on-site visits, evaluating the construction and manufacturing sites of key contractors and suppliers, and for deficiencies found during audits, works with suppliers to formulate improvement plans and track execution progress, taking corresponding management measures in accordance with the contract when necessary.

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In 2025, a total of 56 supplier on-site evaluations were completed, including the October 2025 case of introducing an intelligent HVAC graphic-control platform at the Mega City Banqiao Store, where the vendor's capability and track record were evaluated; only after the assessment found no major risks did procurement proceed.

At the procurement acceptance stage, in accordance with the "Approval Control Coordination Process," for vendors with delayed acceptance or violations of labor safety and health regulations, FEDS conducts reviews based on the "Supplier Evaluation Form" and convenes cross-departmental coordination meetings with suppliers, head office and branch property management units, and relevant business units to jointly confirm the causes of issues and formulate improvement measures and subsequent handling plans. When necessary, management measures such as suspension of rights or fines are taken in accordance with the regulations.

Supplier Evaluation and Results

In 2020, FEDS integrated the supplier evaluation mechanism into the BPM system. During procurement acceptance, property management and relevant business units conduct evaluations across four major dimensions – quality, delivery, service, and occupational safety – and rate suppliers on a five-level system of "Excellent, Good, Average, Needs Improvement, and Unsatisfactory," which serves as an important basis for subsequent supplier selection and cooperation.

For suppliers rated "Needs Improvement," they must provide explanations of the deficient items and immediately implement corrective measures; if rated "Unsatisfactory" for two consecutive months, termination of cooperation will be assessed and the supplier placed on a suspension list, so as to ensure overall supply chain quality.

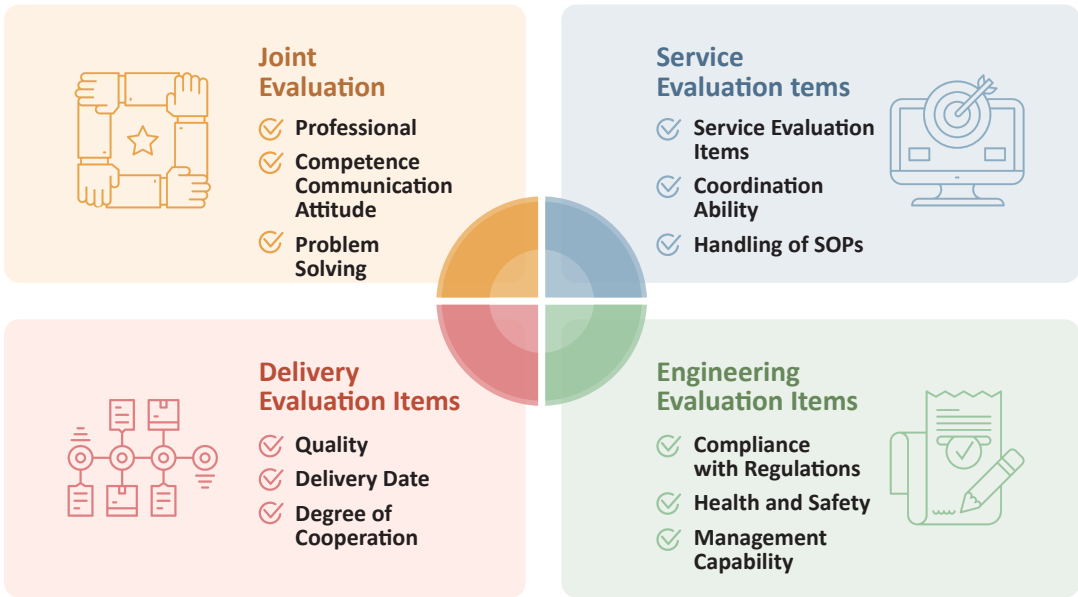
In 2025, FEDS had a total of 5,181 procurement cases, of which 99% received supplier evaluation results of "Good" or above, showing that overall supplier quality and service standards remained stable. Among these, for the evaluation results of the security vendor, FEDS held face-to-face communication and review meetings with the relevant departments and the supplier, clarifying areas where on-site management could be further strengthened and items for improvement, continuing to track improvement progress, and based on the evaluation results suspending the contractor's right to participate in price comparisons in 2025.

Supplier Selection Criteria and Quantity

Category	Labor and Human Rights	Health and Safety	Environment	Ethical Standards	Management System
Total Number of Suppliers Screened	270	270	270	270	270
Number of Suppliers That Have/ May Have Negative Impacts 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 2024. Suppliers with no contact in the previous year are regarded as new suppliers for re-evaluation.

Four Key Dimensions of Supplier Evaluation



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4.4.3 Contracting Operations and Mall Safety (GRI 403-7, 410-1)

Contracting Operations Safety Management

To ensure operational quality and safeguard the safety of all operating personnel, FEDS has established the "Contractor Management Regulations" and posted them on the EIP system for internal employees to consult and follow at any time. For routine and project-based operations such as equipment maintenance, repair work, and floor renovation, FEDS provides complete operating standards and management guidelines to help contractors implement safety measures, reduce operational risks, and maintain mall operational safety.

Based on the nature of operations, contracting work is divided into the following three categories:



Before entering the site, contractors must complete the EIP construction application procedure in accordance with the "Contractor Management Regulations" and provide a roster of construction personnel showing that operators have completed labor and health insurance enrollment, education and training, and health management in accordance with the law. In October 2025, the Labor Safety & Health Department optimized the construction application system, dividing operation types into "general operations" and "high-risk operations" and requiring the submission of relevant certifications for hazardous-operation personnel and inspection-compliance documents for machinery and equipment at the engineering tendering stage. By year-end, a total of 2,629 contracting operation applications had been completed.

Hazard Identification and Prevention Mechanism

To strengthen operational safety management, the responsible unit must provide a "Hazardous Factors Notification Form" to contractors to inform them of FEDS' working environment, hazardous factors, and the measures to be taken under safety and hygiene regulations. This form lists 16 categories of hazards that may occur during operations depending on the work item, as well as potential hazardous factors and the preventive measures to be taken; through a written confirmation process, it clearly conveys to contractors and their operating personnel the operational safety behaviors they should observe.

To keep machinery and equipment in good condition, prevent disasters, and safeguard the safety of operating personnel, FEDS has established an "Automatic Inspection Plan," conducting regular inspections by category for the various machinery and equipment used in the workplace to confirm whether there are malfunctions, damage, or maintenance needs. Through institutionalized inspection and record management mechanisms, FEDS grasps the usage status of machinery and equipment, promotes preventive maintenance, effectively reduces the risk of incidents, and enhances overall safety and hygiene management effectiveness.

Automatic Inspection Plan Type and Frequency

Inspection Type	Inspection Item and Frequency	
 Machinery	Common Vehicle Every 3 Months / Daily	Aerial Work Vehicle Yearly / Monthly / Daily
	Lift Yearly / Monthly	Elevator Cage Yearly / Monthly / Daily
 Equipment	High Voltage Electrical Equipment Yearly	Low Voltage Electrical Equipment Yearly
	Small Boiler Yearly	Local Exhaust, etc. Monthly
 First Aid Items	AED Inspection Monthly	Emergency Medicine Equipment Every 6 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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Construction Insurance and Risk Control

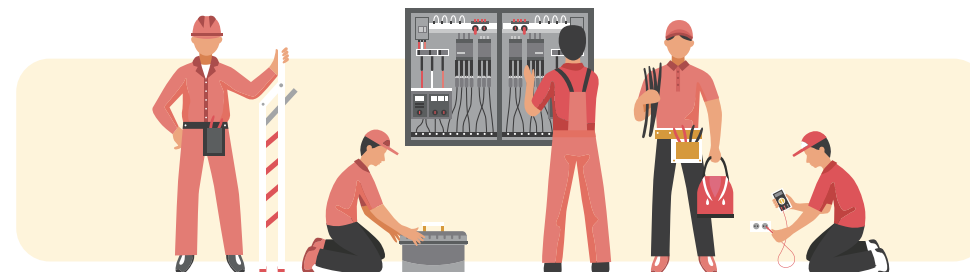
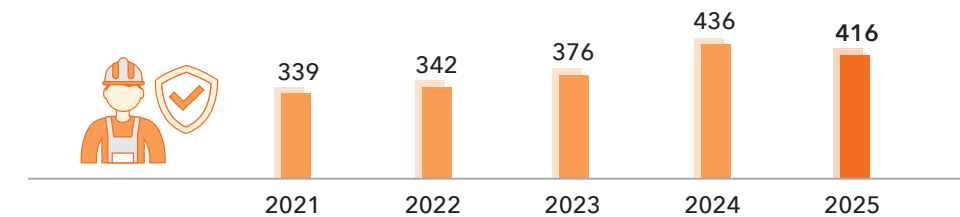
To reduce the potential hazards of high-risk operations and safeguard the safety of contractor personnel, FEDS has established "Insurance Reference Standards" for work types such as hot work, electrical work, working at heights, and confined-space operations – covering project items such as cleaning water towers, cleaning exterior building windows, cleaning grease traps, M&E repairs, and high-floor or elevated operations – and clearly specifies the required insurance items and legal licenses in the project tender documents. Vendors must provide complete documentation before entering the site, and may only commence operations after review confirms compliance with the requirements.

In addition, for labor-type cases related to cleaning and security, FEDS requires contractors to attach insurance policies, including employer's liability insurance and accident liability insurance, to the contract to safeguard worker safety. In the construction insurance for engineering procurement cases, the insured parties include FEDS, the contractor, and its primary and secondary subcontractors, and the insurance scope covers construction (installation) all-risk insurance, third-party liability insurance, employer's liability insurance, etc.

Furthermore, in 2023, FEDS optimized the construction application system so that branches could check construction insurance information in real time, enhancing review efficiency and strengthening risk control. In 2025, there were a total of 416 construction insurance policies. Going forward, FEDS will continue to build a safer, more robust operating environment, enhancing overall construction safety protection while strengthening operational risk control.

Number of Construction Insurance Policies

Unit: cases



Professional Training for Security Personnel

In the high-foot-traffic, mixed-use mall environment, security personnel play an important role in maintaining operational safety, managing unexpected incidents, and supporting service quality. To provide customers with a reassuring shopping space, in addition to 24-hour uninterrupted safety maintenance through monitoring and access control systems, FEDS entrusts professional security companies to conduct patrols and on-site management, establishing a complete site safety protection mechanism.

Regarding security personnel's professional competence, FEDS requires more than one week of pre-employment professional training and, through systematic training arrangements, helps security personnel maintain their professional skills. In 2025, there were a total of 194 security personnel, with 216 training participations and 497 training hours, averaging 2.6 hours of training per person. In addition, beyond regular on-the-job training, each branch holds fire drills every six months, requiring security personnel to participate in actual firefighting operations to strengthen emergency response capabilities.

To further ensure service quality and on-site response capabilities, the head office responsible unit conducts ad hoc on-site visits, using random checks to examine security personnel's familiarity with the site environment, reporting procedures, and service etiquette, ensuring they can assist customers in real time and effectively handle unexpected incidents, fully implementing mall safety management.

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

Talent is the cornerstone of an enterprise's long-term stability. With institutionalized human resource management at its core, FEDS builds a stable workforce, provides competitive and equitable remuneration and benefits, and supports professional growth through talent development. While advancing its business, FEDS values labor and human rights, workplace diversity and inclusion, and employees' physical and mental well-being. Since 2019, FEDS has promoted the Employee Health UP program for seven consecutive years, creating a healthy, inclusive workplace that respects differences and supports sustainable employee well-being.

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- 5.3 Talent Training and Career Development
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Competitive Remuneration and Benefits

- Overall salary levels superior to peers, 1.43 times higher than the retail industry average
- Average employee benefits of NT\$27,000, fully funded by FEDS.
- Regularly reviews remuneration and benefits policies to ensure internal and external fairness and competitiveness

Building Diversity, Equity, and Inclusion (DEI)

- Implemented equal pay for equal work, ensuring gender equality and pay fairness
- Promoted sexual harassment prevention education, strengthening a respectful workplace environment
- Supported diverse cultural needs, with an indigenous ceremonial leave application rate of 95%

Comprehensive Health Care



- Promoted Employee Health UP program for 7 consecutive years
- Held 242 health seminars, with participation increasing 1.5-fold
- Headquarters and all branches achieved "Healthy Workplace Certification"

Building Safe Workplaces

- Achieved the "zero occupational accidents" goal for 2 consecutive years
- Non-employee occupational injury incidents maintained at 0 throughout the year
- Cumulative accident-free working hours exceeding 38.18 million hours, demonstrating effective risk prevention



Systematically Empowering Future Talent

- Established a training blueprint, with average training hours per person of 24 hours, a 5% increase
- Planned 7 information-security training sessions in response to trends, with 1,156 participations
- 98 supervisors completed AI courses, cultivating digital governance capabilities

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5.1 A Stable and Sustainable Workforce Structure

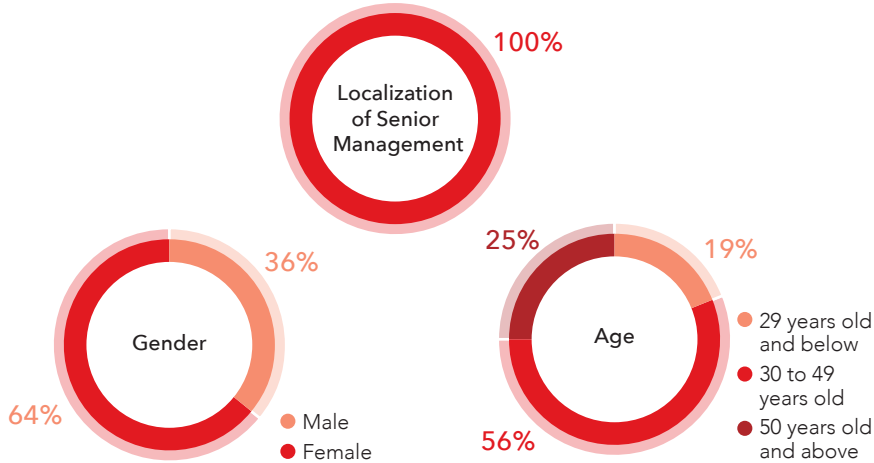
Through institutionalized human resource management, FEDS regularly reviews its workforce structure and turnover to ensure stable and resilient operations. FEDS is committed to fostering a diverse and inclusive workplace, upholding fairness and equal opportunity throughout recruitment, employment, and career development while continuously optimizing its workforce. FEDS also values the labor rights of non-employee workers, encouraging business partners through contract management and communication mechanisms to comply with relevant standards and provide good working conditions, enabling service personnel to contribute sustainably and strengthening organizational resilience.

5.1.1 Workforce Composition Overview (GRI 2-7, 401-1, 405-1)

As of the end of 2025, FEDS had a total of 1,200 employees, comprising 1,194 full-time employees and 6 short-term contract employees, a decrease of 41 (-3%) from the previous year. The workforce is predominantly female, totaling 767 (64%), and the age distribution is concentrated in the 30-49 age group (56%); both the gender ratio and the main age distribution remained level with the previous year, indicating a stable human resource structure.

By nationality, the workforce is predominantly Taiwanese (99.92%), with one foreign national. All senior management are Taiwanese, reflecting FEDS' commitment to developing local talent. In 2025, FEDS hired 181 employees, mainly under age 29, bringing innovation and digital capabilities to the organization. A total of 218 employees resigned, resulting in an 18% turnover rate, up 1 percentage point from the previous year, while overall workforce stability remained strong.

Human Resource Overview in 2025



Note: "Senior management" refers to supervisors at the Assistant Vice President level and above.

Employment Type

Category	2023			2024			2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-Time Employees	470	810	1,280	448	790	1,238	431	763	1,194
Informal Employees	0	2	2	1	2	3	2	4	6
Number of Permanent Employees	470	810	1,280	448	790	1,238	431	763	1,194
Number of Temporary Employees	0	2	2	1	2	3	2	4	6
Number of Employees without Guaranteed Hours	0	0	0	0	0	0	0	0	0
Total Number of Employees	470	812	1,282	449	792	1,241	433	767	1,200

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.

Workforce Structure

Category		2023		2024		2025	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
29 Years Old and Below	Male	95	7%	84	7%	71	6%
	Female	203	16%	190	15%	153	13%
	Total	298	23%	274	22%	224	19%
30 to 49 Years Old	Male	255	20%	247	20%	238	20%
	Female	474	37%	453	36%	435	36%
	Total	729	57%	700	56%	673	56%
50 Years Old and Above	Male	120	9%	118	10%	124	10%
	Female	135	11%	149	12%	179	15%
	Total	255	20%	267	22%	303	25%
Overall	Male	470	37%	449	36%	433	36%
	Female	812	63%	792	64%	767	64%
	Total	1,282	100%	1,241	100%	1,200	100%

Note: Proportion of employees in each age group = Number of employees in each age group ÷ Total number of employees.

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Number of New Hires and Departures

Category		New Employees						Resigned Employees					
		2023		2024		2025		2023		2024		2025	
		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	61	20%	48	18%	41	18%	52	17%	50	18%	37	17%
	Female	85	29%	80	29%	82	37%	91	31%	80	29%	91	41%
	Total	146	49%	128	47%	123	55%	143	48%	130	47%	128	57%
30 to 49 Years Old	Male	13	2%	14	2%	19	3%	41	6%	26	4%	29	4%
	Female	28	4%	18	3%	35	5%	74	10%	39	6%	42	6%
	Total	41	6%	32	5%	54	8%	113	16%	65	10%	71	10%
50 Years Old and Above	Male	3	1%	0	0%	4	1%	20	8%	8	3%	13	4%
	Female	0	0%	0	0%	0	0%	24	9%	5	2%	6	2%
	Total	3	1%	0	0%	4	1%	44	17%	13	5%	19	6%
Overall	Male	77	6%	62	5%	64	5%	113	9%	84	7%	79	7%
	Female	113	9%	98	8%	117	10%	189	15%	124	10%	139	11%
	Total	190	15%	160	13%	181	15%	302	24%	208	17%	218	18%

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

Number and Gender of Supervisors at or Above (Assistant) Manager Level

Category		2023		2024		2025	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Above Vice President Level	Male	4	80%	4	80%	3	43%
	Female	1	20%	1	20%	4	57%
	Total	5	100%	5	100%	7	100%
Assistant Vice President Level	Male	8	62%	7	58%	6	67%
	Female	5	38%	5	42%	3	33%
	Total	13	100%	12	100%	9	100%
(Assistant) Manager Llevel	Male	34	81%	33	79%	35	74%
	Female	8	19%	9	21%	12	26%
	Total	42	100%	42	100%	47	100%
Overall	Male	46	77%	44	75%	44	70%
	Female	14	23%	15	25%	19	30%
	Total	60	100%	59	100%	63	100%

5.1.2 Workers Who Are Not Employees (GRI 2-8)

In addition to direct employees, FEDS relies on non-employee workers, including department store counter staff, cleaning personnel, and security personnel employed by brand vendors and outsourcing companies, to support daily operations. Although not directly employed by FEDS, they are essential partners in delivering operational excellence and service quality. As of the end of 2025, FEDS' operating locations had 16,631 counter, cleaning, and security personnel.

Statistics on Workers Who Are Not Employees



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5.1.3 Diverse Hiring and Management

FEDS is committed to equal employment and gender equality, basing recruitment, hiring, and career development on ability and professional competence, regardless of gender or background. Regarding diversity and inclusion, FEDS employs people with disabilities beyond statutory requirements. In 2025, FEDS employed 14 persons with disabilities; after weighting those with severe or above disabilities at a ratio of 2, the weighted headcount reached 18, exceeding the statutory requirement by 7.

In addition, FEDS respects cultural diversity and provides friendly systems for different ethnic groups, such as allowing indigenous employees to apply for indigenous ceremonial leave. In 2025, there were 19 indigenous employees, with a ceremonial leave application rate of 95%, an increase of 6 percentage points from the previous year.

FEDS manages counter staff, cleaning, and security personnel through contract management, salary verification, and operational systems, requiring counter brands and outsourcing companies to comply with the Labor Standards Act and related regulations. FEDS ensures wages meet government-announced minimum wage requirements and establishes communication channels to collect feedback. Any suspected labor rights violations are reported to partners for improvement, continuously safeguarding labor and human rights.

5.2 Fair and Comprehensive Compensation and Benefits

FEDS has established a transparent remuneration and benefits framework and a performance evaluation system integrating fixed salary with performance-based incentives. Through clear assessment indicators and reward mechanisms, FEDS enhances fairness and consistency in performance management. FEDS provides benefits exceeding statutory requirements, with six categories and 30 measures covering healthcare, family support, festival gifts, recreation, and shopping discounts. It also promotes childcare support and maternal health programs to help employees balance career and family responsibilities, fostering a respectful, diverse, and inclusive workplace.

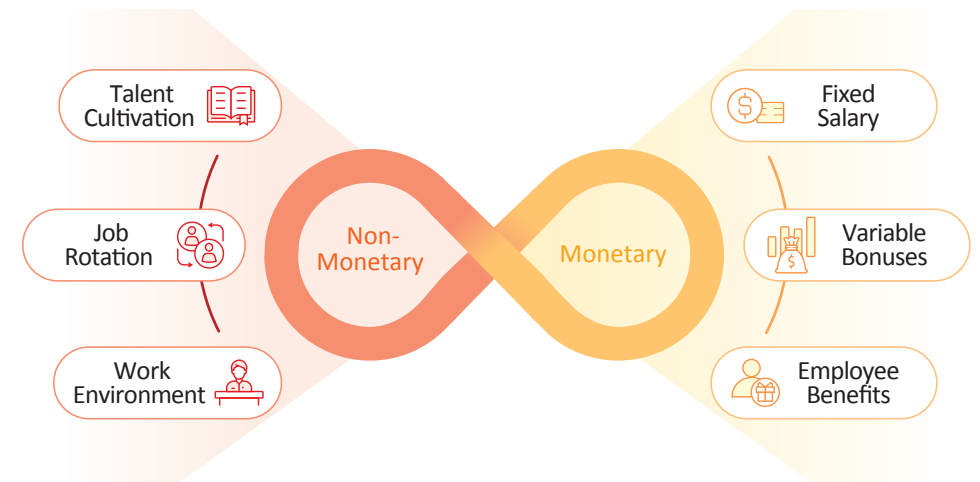
5.2.1 Remuneration System (GRI 2-19, 2-20, 2-21, 202-1, 405-2)

FEDS provides a comprehensive remuneration system covering six dimensions, including economic components such as fixed salary, variable bonuses, and employee benefits, as well as non-economic components such as talent cultivation, job rotation, and work environment. Through this integrated approach, FEDS attracts talent, retains key personnel, strengthens human capital, and enhances corporate competitiveness. Salary standards are determined by education, experience, performance, position, and professional competence, without discrimination based on gender, age, or race. Equal base salaries are provided for men and women performing the same work, upholding fair employment principles.

To ensure market-competitive remuneration, FEDS regularly surveys salary levels, references industry benchmarks and trends, and conducts comparative analyses using external professional data and public information to support salary-setting and adjustment decisions, ensuring remuneration aligns with market positioning and maintains a reasonable growth mechanism.

According to the Articles of Incorporation, when FEDS generates profits, 2% to 3.5% is allocated for employee remuneration, with at least 45% distributed to entry-level employees. The distribution ratio, amount, and method are approved by the Board of Directors and reported to the shareholders' meeting, with related information disclosed in the annual report and Articles of Incorporation to ensure transparency and governance oversight. In 2025, FEDS' starting salary was 1.16 times the statutory minimum wage, and average monthly salary reached 1.43 times the retail industry average, demonstrating FEDS' commitment to enhancing remuneration structures and recognizing service sector talent value.

Comprehensive Remuneration System



Comparison of Average Salary at Various Job Levels

Category	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Managerial Positions	1	0.84	1	0.83	1	0.89
General Employees	1	0.95	1	0.94	1	0.97
Sales Personnel	1	1.11	1	1.04	1	1.05

Note: 1. Average salary = Minimum wage + Remuneration.

2. "Managerial positions" refers to supervisors at the section head level and above; "sales personnel" includes long-term and short-term PTs.

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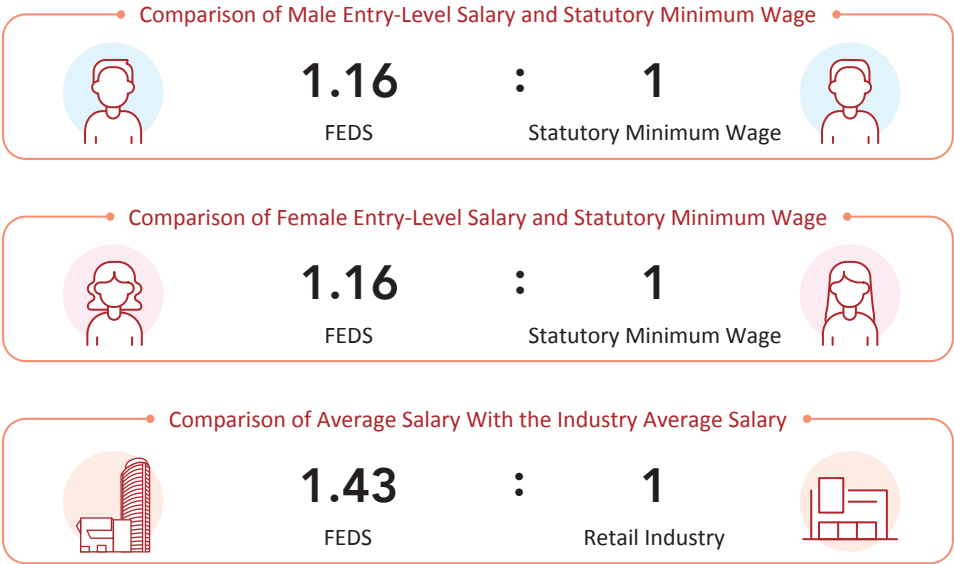
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Comparison of Salary with Market Levels



Note: Salary data sources are Taiwan's minimum wage and the retail industry average salary published by the Directorate-General of Budget, Accounting and Statistics (DGBAS).

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

Category	2023	2024	2025
Number of Non-Managerial Full-Time Employees	1,248	1,181	1,136
Average Salary of Non-Supervisory Full-Time Employees (NT\$ Thousand/Person)	798	788	792
Median Salary of Non-Supervisory Full-Time Employees (NT\$ Thousand/Person)	741	732	733

Comparison of 2025 Salary Income and Pay-Adjustment Ratios

Category	FEDS
Ratio of the Salary of the Highest Paid Employee to the Median Salary of Other Employees	16.21 : 1
Ratio of Salary Adjustment for the Highest Paid Employee to the Median of Salary Adjustment Among Other Employees	0.86 : 1

Note: 1. The median calculation for "other employees" (excluding the highest-paid individual) excludes contract employees and employees with less than 6 months of service; the median pay-increase calculation excludes contract employees and employees with less than 1 year of service.
2. Total employee remuneration comprises fixed and variable remuneration.

5.2.2 Performance Evaluation Mechanism (GRI 404-3)

FEDS has established an institutionalized performance evaluation system, with rules defined in work regulations covering probationary assessments for new hires, monthly reviews, and annual evaluations to ensure consistent and transparent performance management. All employees undergo regular evaluations based on professional competence, work performance, job contribution, and conduct, providing a basis for salary adjustments, incentives, and career advancement.

To enhance operational momentum and recognize excellent performance, FEDS links business results with employee incentives. Performance indicators include key metrics such as revenue growth, profit improvement, and contribution, reflected through individual and departmental rewards, including monthly performance bonuses, anniversary achievement bonuses, and year-end bonuses, fostering a positive cycle between employee performance and company growth.

Employee Performance Evaluation Participation

Category	2023			2024			2025		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Managerial Positions	100%	100%	100%	100%	100%	100%	100%	100%	100%
General Employees	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sales Personnel	100%	100%	100%	100%	100%	100%	100%	100%	100%

Since 2021, FEDS has promoted the "Incentive Program for Frontline Employees Winning External Awards," encouraging employees to represent FEDS in external professional competitions and evaluations, broadening industry perspectives and enhancing professional visibility. Employees who make award-winning contributions receive public recognition and substantive rewards according to the nature of the award; in 2025, a total of 43 employees were commended, bringing the cumulative total to 194. Through public recognition and institutionalized incentives, this effectively enhances employees' sense of accomplishment and organizational cohesion.

In career development, FEDS upholds the principle of "the right person in the right place" by providing cross-departmental job rotations to develop diverse capabilities and interdisciplinary thinking. All rotations follow the five transfer principles set out in relevant guidelines, with procedures defined in work rules and introduced during new recruit training to ensure transparency. In 2025, 179 employees participated in rotations, representing a 15% rotation rate and a 63% increase from the previous year, demonstrating FEDS' commitment to talent development and flexible workforce deployment in response to evolving retail market needs.

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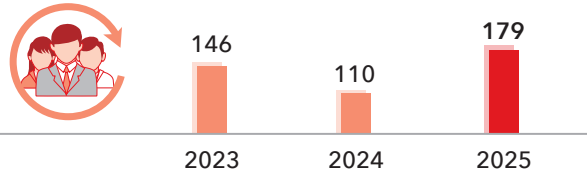
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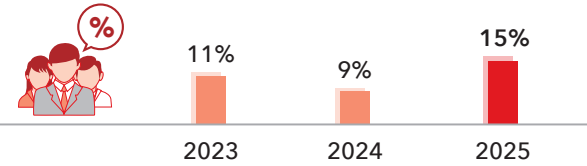
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Through sound performance management and incentive systems, FEDS continues to strengthen the link between employee capability development and corporate operating results, creating a work environment with growth momentum and career development opportunities.

Number of Employees Transferred



Transfer Rate



5.2.3 Employee Benefit Measures (GRI 401-2)

FEDS has established an Employee Welfare Committee that meets quarterly to plan and review employee benefits, ensuring continuous optimization of the benefit system. FEDS provides benefits exceeding legal requirements, covering six categories and 30 measures to address employees' needs in healthcare, family support, recreation, and living subsidies across different life stages.

In terms of welfare fund contributions, FEDS allocates employee welfare funds annually in accordance with the law and, beyond regulatory requirements, does not deduct contributions from employee salaries. In 2025, average welfare funds reached approximately NT\$27,000 per employee, enhancing quality of life and work-life balance. Leveraging its department store business, FEDS collaborates with counter vendors to provide exclusive employee shopping discounts, offering 240 discount events in 2025 and enabling employees to share operating results and brand resources.

Through sound performance management and incentive systems, FEDS continues to strengthen the link between employee capability development and corporate operating results, creating a work environment with growth momentum and career development opportunities.

Employee Benefits

 Basic Protection ✓ Labor insurance ✓ National Health Insurance ✓ Contributions to labor pension ✓ Retirement gifts and souvenirs ✓ Employee uniform	 Health Care ✓ Group insurance ✓ Regular health check-ups ✓ Compensation ✓ Compensation for severe injury or illness ✓ Hospitalization consolation money ✓ Contracted clinic discounts	 Shopping Discounts ✓ Employee shopping discounts ✓ Counter discount vouchers ✓ Affiliated enterprise product discount
 Festival Gift Money ✓ Lunar New Year bonus ✓ Dragon Boat Festival bonus ✓ Mid-autumn Festival bonus ✓ End-of-Year Party bonus ✓ Birthday bonus ✓ Anniversary incentive	 Family Support ✓ Employee childcare assistance ✓ Wedding gift money ✓ Child schooling subsidy ✓ Funeral allowance ✓ Maternity allowance	 Continuing Education and Recreation ✓ Continuing education subsidies ✓ Club activities ✓ Company trips ✓ Movie tickets ✓ Retail Employees' Day

Note: Underlined items indicate benefits exceeding legal requirements.

5.2.4 Insurance and Retirement Protection

To strengthen employee protection, FEDS has established a comprehensive insurance and retirement system in compliance with and beyond statutory requirements, enhancing employees' financial security and quality of life during and after employment. All employees are covered by labor insurance and national health insurance. In addition, FEDS fully subsidizes group insurance covering accident, work-related accident, hospitalization insurance, and cancer insurance, strengthening risk protection for employees and their families. In 2025, national health insurance covered 1,198 employees and 878 dependents, with FEDS contributing NT\$31.09 million in premiums; group insurance covered 1,197 employees with NT\$2.2 million invested, demonstrating FEDS' ongoing commitment to employee care.

FEDS has established Employee Retirement Regulations and formed a "Supervisory Committee of Labor Retirement Reserve" responsible for the contribution, expenditure, account management, and auditing of old-scheme pensions, ensuring fund compliance and financial stability. For employees under the old defined-benefit scheme, FEDS contributes 2% of monthly salary to a dedicated retirement reserve account, with benefits calculated based on years of service and the average salary of the six months before retirement. For the new defined-contribution scheme, FEDS contributes 6% of insured monthly salary to individual pension accounts at the Bureau of Labor Insurance. FEDS also conducts annual actuarial valuations through professional consultants to review fund adequacy and risks, ensuring the long-term sustainability of the retirement system. Details are disclosed in the "Post-Retirement Benefit Plan" section of the 2025 Annual Report.

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5.2.5 Childcare Support and Care (GRI 401-3)

Considering its nationwide operating locations and shift-based frontline workforce, FEDS aims to build a family-friendly workplace through institutionalized childcare and family-care support measures, helping employees balance work and family responsibilities throughout different life stages. In accordance with the Gender Equality in Employment Act, employees may apply for up to two years of unpaid parental leave before their child turns three. In 2025, 25 of 104 eligible employees applied for parental leave, with an 81% reinstatement rate, demonstrating effective support for career continuity. Starting in 2026, FEDS will introduce daily-unit parental leave in line with Ministry of Labor policy to enhance flexibility and childcare support.

Given the high proportion of female employees, FEDS promotes a Maternal Health Protection Program covering pregnancy and lactation health management, workplace hazard assessments, individual health care, and prenatal education to strengthen risk prevention and employee well-being. In addition to statutory maternity, paternity, and family care leave, FEDS provides childbirth allowances, children's school enrollment subsidies, and childcare partnerships through the Employee Welfare Committee to ease childcare responsibilities. In 2025, 15 employees received childbirth allowances and 86 received school enrollment subsidies, supporting employees' career development across different life stages.

Statistics on Parental Leave Reinstatement and Retention over the Past 3 Years

Category	2023			2024			2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible to Apply	46	90	136	45	76	121	32	72	104
Actual Number of Applicants	2	34	36	6	23	29	8	17	25
Application Rate (%)	4%	38%	26%	13%	30%	24%	25%	24%	24%
Number of Employees Subject to Reinstatement in the Current Year	1	26	27	4	18	22	6	10	16
Actual Number of Reinstatement Applicants	1	17	18	2	17	19	5	8	13
Reinstatement Rate (%)	100%	65%	67%	50%	94%	86%	83%	80%	81%
Number of Reinstated Employees Last Year	3	16	19	1	17	18	2	17	19
Number of Employees Who Were Reinstated for One Year	3	15	18	1	15	16	2	12	14
Retention Rate (%)	100%	94%	95%	100%	88%	89%	100%	71%	74%

Note: 1. Reinstatement rate = Actual number of reinstatement applicants ÷ Number of employees subject to reinstatement in the current year.
2. Retention rate = Number of employees who were reinstated for one year ÷ Number of reinstated employees last year.
3. Data regarding the "number of applicants eligible to apply for parental leave" were collected from 2023 to 2025, where calculations were made based on the number of people on 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 2025.

Caring for Motherhood and Caring for the Child



Caring for Health During Pregnancy

- Questionnaires were distributed to 38 employees to assess workplace burdens.
- Provided on-site maternal physician consultations, with 36 attendances receiving assessments and consultations.
- Shared 23 pregnancy-related resources on prenatal nutrition and childcare through multiple channels.



Caring for Postpartum Situations

- Signed contracts with postpartum care centers so that postpartum employees can rest with peace of mind.
- Provided "maternity allowance," which 66 people have applied for over the past three years, amounting to NT\$132,000 in total.



Offering Parenting Support

- Prepared nurturing essentials and distributed the "Mama Care Package" to new mothers.
- FEDS has signed special contracts with 2 childcare institutions to help colleagues with childcare in their neighborhoods.
- FEDS provides a Child Enrollment Subsidy to support employees' children's education. Over the past three years, 272 applications were approved, with total subsidies of NT\$407,000.

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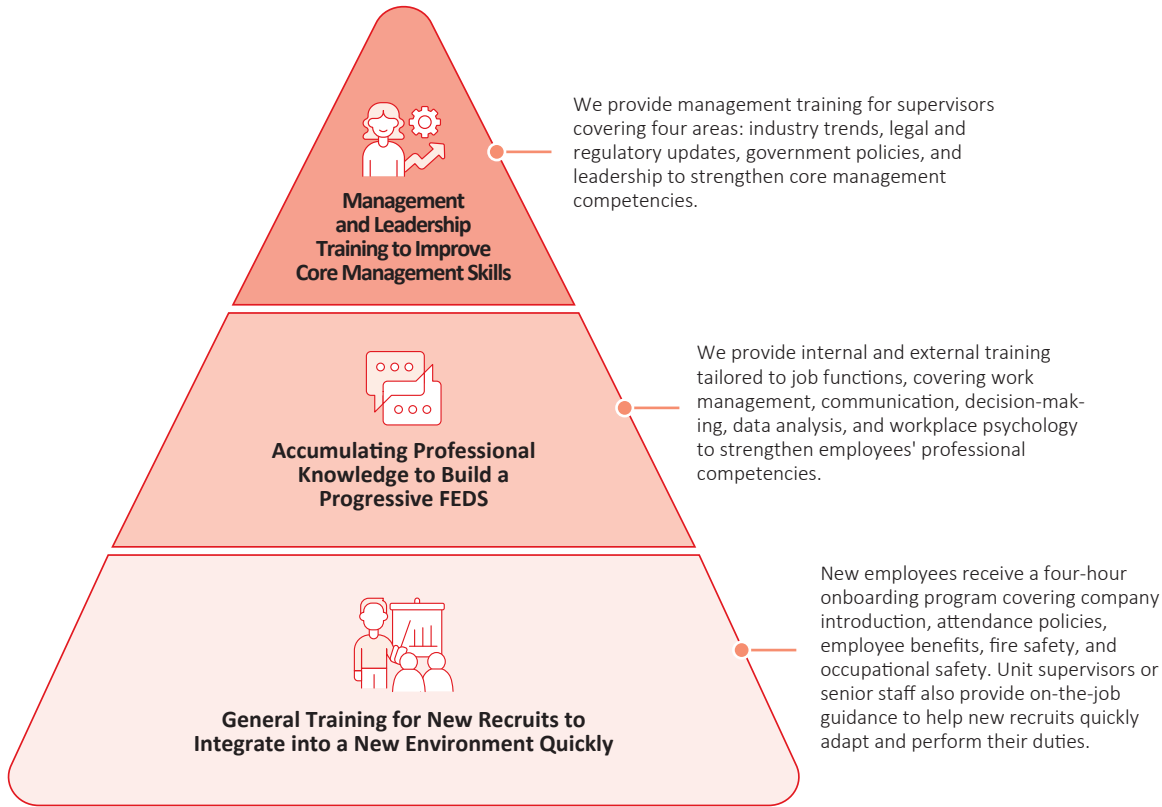
5.3 Talent Training and Career Development

FEDS regards talent cultivation as a core driver of organizational growth, building an institutionalized and forward-looking talent development system to strengthen employees' capabilities. Professional training is designed according to competency and job-level needs, ensuring fair access to diverse learning opportunities. Dedicated core courses for counter staff further enhance professional knowledge and service quality. To address digital trends, FEDS has introduced a digital learning platform featuring courses on sustainability, AI applications, and information security to strengthen organizational resilience. Since 2014, the training blueprint has expanded through industry-academia collaboration, cultivating future talent and building a robust pipeline to support long-term human capital development.

5.3.1 Talent Training System (GRI 404-1, 404-2)

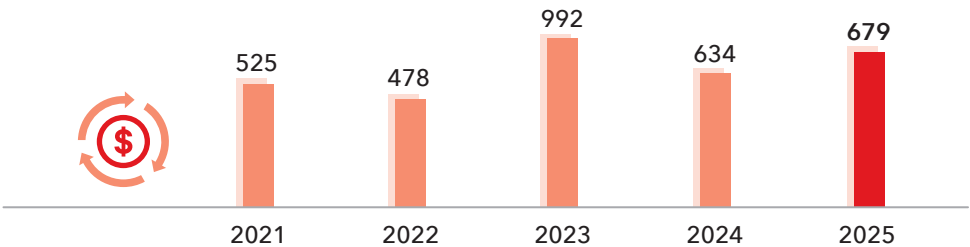
FEDS has built a comprehensive talent training system, with a training blueprint covering new recruits, professional-function personnel, and all management levels, planning dedicated courses according to different positions and development stages to systematically enhance employees' professional capabilities and management competence. The overall course framework is divided into three major categories: basic training, business-core training, and self-development training, balancing competency development, operational-expertise enhancement, and individual career development needs. To deepen the talent governance mechanism, FEDS links senior executives' remuneration with talent cultivation outcomes and succession-cultivation effectiveness, using specific performance indicators to strengthen management's responsibility for talent development and pipeline planning, progressively establishing a robust and sustainable succession system.

Employee Training Blueprint



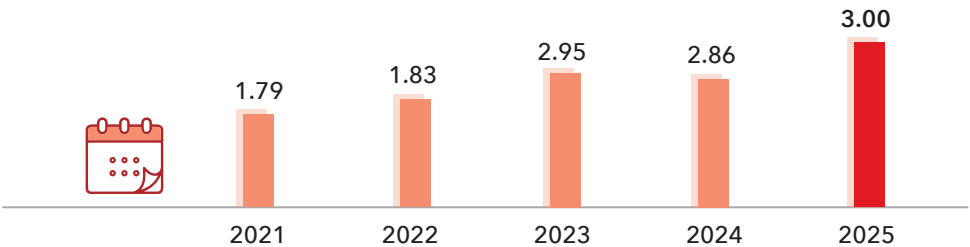
Employee Training Costs

Unit:NT\$



Employee Training Days

Unit:days



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In 2025, FEDS implemented three major training themes—technological, international, and information-security capabilities—integrating policy resources and practical outcomes to strengthen digital transformation, operational resilience, and retail talent competitiveness.

Cultivating Technological Capability Deepening AI Competencies

In 2025, focusing on three dimensions of generative AI-governance framework, tool application, and data analysis-FEDS systematically planned AI-themed education and training. In addition to participating in the Far Eastern Group AI Summit to grasp industry trends, it also passed the Ministry of Economic Affairs' "AI Talent Cultivation for the Service Industry" program, promoting an 18-hour project course to help mid-to-senior management build AI-application thinking and risk-identification capabilities. A total of 98 mid-to-senior managers completed the training and integrated learning outcomes into daily operational processes and decision analysis. The course satisfaction score was 4.7 out of 5, indicating that the training content highly matched practical needs and effectively enhanced the on-the-ground implementation of digital transformation.

Building an International Perspective Language Enhancement

To cultivate retail talent with a global perspective, FEDS periodically organizes overseas visits to observe firsthand the operating models and innovative service trends of international department stores. In 2025, with South Korea as the study destination, 22 outstanding employees were selected for in-depth investigation and exchange, strengthening cross-cultural understanding and international market insight and feeding learning outcomes back into actual work. At the same time, to enhance employees' international communication and professional expression capabilities, FEDS promoted a language-capability training program, planning online English courses and selecting 12 employees to participate, with formal implementation expected in 2026. In the future, FEDS will progressively expand participation and, combined with professional scenarios and practical application, cultivate retail professionals with both globalized thinking and cross-cultural communication capabilities.



Information Security Strengthening Security Awareness

As retail faces high risk for information-security attacks, FEDS continuously strengthens information-security and personal-data protection training. In 2025, FEDS held 7 courses covering social engineering, case analysis, and response processes, recording 1,156 participations and 3,473 training hours. Additionally, annual phishing email simulations for all employees achieved an 85% pass rate, with others completing remedial training and retesting. These real-scenario exercises successfully enhanced risk-identification capabilities and overall information-security resilience.

Through an institutionalized and forward-looking cultivation system, FEDS' 2025 employee training reached 23,375 attendances and 28,630 training hours, averaging 24 hours per person (+5%), with training investment of approximately NT\$810,000 (+3%). Through continuous resource investment and expanded training programs, FEDS continues to enhance employees' professional capabilities and strengthen long-term competitiveness.

● Average Training Hours by Job Level and Gender Unit: hours

Category	2023			2024			2025		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Managerial Positions	26.4	28.0	27.1	25.7	27.7	26.6	27.8	26.0	26.9
General Employees	23.6	25.8	24.9	24.9	26.3	25.8	26.1	28.9	27.8
Sales Personnel	29.6	14.7	15.2	18.8	9.8	10.1	9.5	11.8	11.7
Total Employees	25.0	22.5	23.6	25.2	21.6	22.9	26.5	22.5	24.0

Note: Sales personnel include long-term and short-term PT.

In addition, FEDS advocates a culture of lifelong learning, encouraging employees to continuously enhance their professional capabilities throughout their careers. Besides internal training courses, FEDS also offers an external continuing-education application and subsidy mechanism to support long-term career development. For employees approaching or already in retirement, FEDS provides pension payments, retirement consultation, and employment guidance to help them smoothly transition to a new life stage. FEDS also maintains a retiree re-employment system, enabling experienced retirees to continue contributing their expertise, promoting organizational knowledge transfer and creating win-win outcomes for both FEDS and employees.

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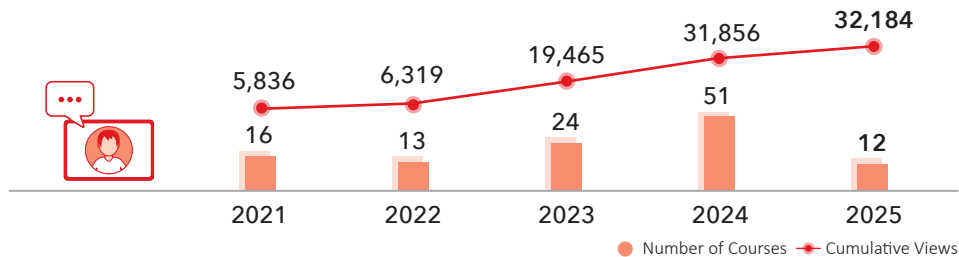
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5.3.2 Building a Digital Learning Platform (GRI 2-4)

To support its 12 operating locations across 10 cities and counties, FEDS established an "Online Learning Platform" on its internal information platform (EIP) in 2019, creating a digital learning environment free from geographic constraints that enables employees to learn anytime and anywhere, reducing travel costs and enhancing learning flexibility. In 2025, 12 new online courses were added, encouraging employees to use fragmented time to strengthen professional capabilities. To help back-office management units promptly grasp key operating standards, 10 management courses were added, covering inventory management and stocktaking, labor regulation changes, and financial-operation precautions, with a cumulative 230 views. Going forward, FEDS will continue to optimize platform functions and course diversity, building a more comprehensive digital learning ecosystem.

• FEDS' Digital Learning Promotion Status



5.3.3 Strengthening Practical Training for Floor Management Staff

Floor management staff play a key role in department store operations and customer service, responsible for maintaining floor operations, coordinating counter management, responding to customer inquiries, and handling unexpected situations. To strengthen professional competencies, FEDS has established a systematic training mechanism in which new recruits receive one-on-one practical instruction from senior staff, helping them quickly master core skills through scenario-based teaching and on-site drills. Subsequent courses cover visual merchandising, customer complaint handling, cashier-support operations, and operational response. In 2025, there were 156 floor management staff and reserve cadres, with 339 training attendances and 449 training hours, averaging 2.9 hours per person (+32%), continuing to enhance frontline operational management capacity.

• Average Training Hours for Floor Management Staff

Category	2023	2024	2025
Total Training Hours	370	391	449
Number of Floor Management Staff	179	178	156
Average Training Hours	2.1	2.2	2.9

5.3.4 Enhancing Practical Training for Counter Service Staff

To enhance service consistency and professionalism, FEDS has established a standardized training system for counter staff. Through three course categories—new recruit training, professional skills training, and self-growth training—it helps personnel quickly familiarize themselves with department store operating standards and service procedures. Training covers attendance systems, occupational safety and health, dress and grooming standards, cash register operations, gift certificate and merchandise voucher procedures, electronic carrier operation, and FEDS app functions, strengthening operational accuracy and digital service capabilities. In 2025, there were 15,913 counter staff, with 11,679 training attendances and 11,350 training hours. Through institutionalized training mechanisms, FEDS continues to enhance customer experience and service standardization.

• Three Types of Core Training for Counter Personnel



• Average Training Hours Among Counter Personnel

Category	2023	2024	2025
Total Training Hours	15,740	11,884	11,350
Number of Counter Personnel	14,574	16,366	15,913
Average Training Hours	1.1	0.7	0.7

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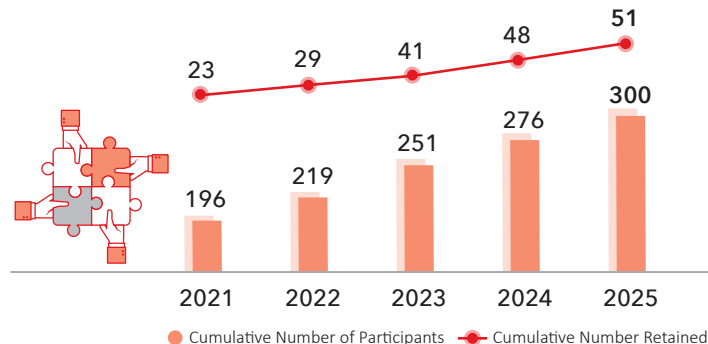
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5.3.5 Promoting Industry-Academia Collaboration

With "leveraging department store resources to nurture industry talent" as its core strategy, FEDS integrates the Group's cross-industry strengths with school resources to build a mechanism linking practical experience and academic education. It has participated for 12 consecutive years in the Far Eastern Group's "Industry-Academia Talent Training Program," collaborating with Yuan Ze University and Asia Eastern University of Science and Technology to promote practical training. As of the end of 2025, the program had recruited 300 interns cumulatively, expanding talent cultivation outcomes. FEDS also focuses on senior-high vocational education, collaborating with Yu Chang Vocational School to run an "Employment-Oriented Curriculum Special Class" that helps students develop practical skills and workplace adaptability.

FEDS has designed a 24-hour competency course series for interns, covering operations management, floor responsibilities, customer service, and equipment maintenance. Using the OJT model, supervisors provide on-site guidance while senior staff transfer experience to strengthen practical workplace capabilities. In 2025, 24 students participated in internships. Over the past five years, 112 students have joined branches in roles such as sales, customer service, and equipment maintenance; among them, 3 interns in 2025 passed assessments and were formally employed after graduation. Going forward, FEDS will continue to deepen industry-academia collaboration, helping students connect with the workplace earlier and explore career paths while building a stable, high-potential talent pipeline and achieving the long-term goal of jointly cultivating talent with schools.

Industry-Academia Collaboration Program Status



Deepening Campus Recruitment and Career Connection

FEDS continues to deepen its campus talent strategy, regularly participating in campus recruitment events that provide company introductions, job descriptions, resume collection, and career consultation services, strengthening direct interaction and employment matching with students and new graduates. In 2025, FEDS participated in 11 campus recruitment events and collected 103 resumes; over the past three years, it has participated in 26 events and collected 270 resumes, progressively building a diverse channel for attracting young talent.

In addition, FEDS has supported the Ministry of Labor's "The Youth's Employment Ultimate Program" for six consecutive years, with senior staff serving as instructors and planning systematic 3-to-6-month new-recruit training. Through a practice-oriented OJT model, it helps workforce newcomers quickly familiarize themselves with operational processes and professional skills, shortening adaptation periods and strengthening workplace stability. In 2025, 5 employees were recruited through the program, bringing the cumulative total to 119 young people who have joined the team.

Overall, FEDS' campus recruitment and workplace cultivation strategy closely integrates corporate development needs with young people's career growth paths, strengthening talent retention and development momentum through a mentor system and practical training. In the future, FEDS will continue to expand collaboration with colleges and universities and integrate government employment resources with the corporate talent-development framework, deepening the youth-cultivation mechanism and building a resilient talent pipeline.

Sponsoring the "Taipei Design Award" for 5 Consecutive Years

FEDS has long invested in Taiwan's design industry and creative talent development, sponsoring the "Taipei Design Award" for five consecutive years with a cumulative investment of NT\$1 million, encouraging outstanding designers to showcase innovative potential and professional achievement. Through corporate resource investment and collaboration on a world-class design platform, FEDS promotes exchanges between industry and design talent while advancing opportunities for local creative design to connect internationally. Through this sponsorship, FEDS and the organizer jointly promote the application of creative design across products, visual communication, and public spaces, fostering cross-disciplinary collaboration and the sharing of innovative outcomes, injecting new creative energy and visibility into the design community while advancing the sustainable development of Taiwan's creative industries.



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5.4 A Diverse, Inclusive, and Friendly Workplace

With "a sustainable and happy workplace" as its core goal, FEDS continues to promote a culture of diversity, equity, and inclusion (DEI), establishing a work environment that respects differences and protects rights. Through human rights policies, transparent grievance and communication mechanisms, and a sound labor-management consultation system, FEDS ensures that employees and partners can work in a safe, fair, and respectful environment while strengthening employee participation and two-way communication, creating a workplace characterized by inclusion and trust.

Explanation of Human Rights Policy Implementation

Issue	Content of Commitment	Management Actions
 Prohibition of Forced Labor	Comply with labor regulations and prohibit forcing employees to engage in labor services in any form.	Through sound personnel management systems and supplier management, promptly provide necessary assistance and communication for situations that may violate labor regulations.
 Prohibition of Child Labor	No employment of child labor under 16 years of age.	In accordance with the Labor Standards Act, prohibit all operating locations and suppliers from employing child labor under 16 years of age.
 Working Hours, Wages, and Benefits	All employees' working and rest hours, work remuneration, and related matters must comply with regulations.	Strictly comply with labor regulations and, through systematic management, education and advocacy, and continuous review mechanisms, establish reasonable working hours and a friendly work environment.
 Collaboration Freedom of Association and Labor Relations	Support employees' rights to assemble, associate, and participate in club organizations, and safeguard employees' freedom of speech.	Establish relevant management measures supporting employee assembly and association, and build diverse, smooth communication channels such as labor-management meetings and the employee feedback mailbox to safeguard employees' freedom of association and collective bargaining.
 Diversity, Equity, and Inclusion	Implement equal employment, eliminate inequality, and oppose all forms of discrimination, harassment, or bullying.	Safeguard equal pay for equal work, not affected by factors such as race, gender, or age. To prevent incidents such as discrimination, bullying, and sexual harassment, establish "Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment" and publicly promote them, enabling employees to work with peace of mind.
 Maternity Protection	Provide appropriate and reasonable facilities and leave for employees who are pregnant, in labor, or breastfeeding.	Establish an institutionalized management mechanism implemented through the five steps of "identify, assess, consult, adjust, and track," and provide a consultation window.
 Health and Safety	Comply with labor regulations and provide employees with a safe and healthy work environment.	Actively implement occupational safety and health management, with no occupational injury incidents in 2025, and provide employees with health check-ups exceeding legal requirements, promoting the "Employee Health UP" program toward becoming a healthy and happy enterprise.
 Privacy Protection	Ensure the privacy and security of personal data file management to prevent incidents of data leakage.	Establish internal standards in accordance with laws, implement personal data protection and information security management, and ensure data is properly stored and used.

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5.4.1 Protecting Labor and Human Rights (GRI 2-23, 407-1)

FEDS commits to respecting and safeguarding labor and human rights, following the spirit of international standards such as the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), and the International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and specifying compliance with labor laws and human rights principles in its Sustainability Principles to ensure employees' basic rights are not infringed. Through a monthly self-inspection mechanism reviewing human-rights-related risks and compliance, FEDS had no incidents in 2025 of child labor, forced labor, discrimination, or privacy infringement that violated its human rights policy.

In terms of operating model, department store counter staff, cleaning, and security personnel are mostly employed counter brand vendors and partner suppliers. Upholding the principle of shared responsibility, FEDS extends the scope of its human rights policy to counter vendors and suppliers; if any possible labor rights violation is found, the branch will immediately notify the partner and require improvement to ensure all workers receive reasonable protection.

In addition, in supply chain management, FEDS requires 100% of suppliers to sign the "Supplier Code of Conduct and CSR Commitment" covering 8 labor and human rights issues—including prohibition of child labor, forced labor, prohibition of discrimination, and reasonable working hours—and incorporates human rights compliance into its procurement selection criteria. If a report is received or an anomaly is found, a risk-review and improvement-tracking procedure is initiated. In 2025, no supplier human rights violations related to FEDS occurred during the course of collaboration.

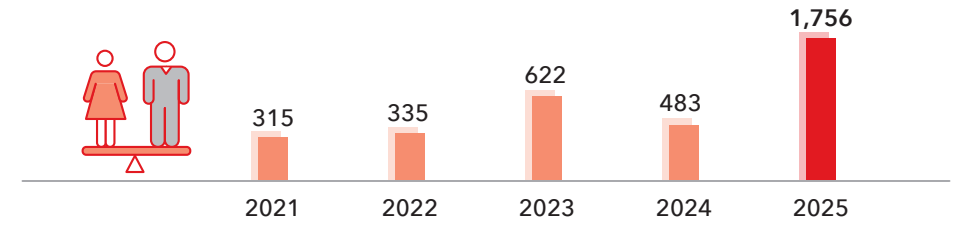
5.4.2 Gender Equality and Prevention Mechanisms (GRI 406-1)

FEDS adopts a zero-tolerance approach to workplace harassment and unlawful infringement. In accordance with the Gender Equality in Employment Act, it has established Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment, clearly defining complaint channels, investigation procedures, and confidentiality mechanisms to ensure employees can seek help and receive timely assistance. Cases are handled by the Human Resources Department at headquarters and the Business Management Office at each branch, with institutionalized procedures ensuring fair and confidential handling.

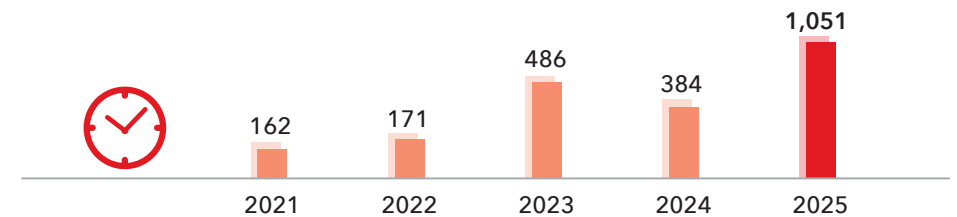
In terms of prevention and education, FEDS continuously strengthens employee awareness of anti-harassment policies through internal announcements, email, and meeting advocacy. In 2025, FEDS further promoted company-wide sexual harassment prevention training and incorporated topics such as workplace unlawful infringement prevention and sexual harassment prevention into new recruit and occupational-safety training courses to build awareness of gender equality and a positive workplace culture.

In 2025, gender-equality-themed training attracted a total of 1,756 participations with total training hours of 1,051, increases of 2.6 times and 1.7 times respectively over the previous year, indicating FEDS' continued emphasis on raising employee attention to gender equality and workplace safety issues.

Gender Equality Training Participants



Gender Equality Training Hours



5.4.3 Prohibition of Forced Labor (GRI 409-1)

Due to the operating characteristics of the department store industry, FEDS operates year-round but strictly complies with labor regulations, adopting a legal flexible working-hours system and adjusting schedules before major sales events to reasonably allocate manpower. FEDS prohibits any form of forced labor; when working hours increase due to business needs, it provides overtime pay or compensatory leave in accordance with the law to safeguard employee rights. In 2025, no incidents of forced labor or working hours exceeding statutory limits occurred.

FEDS prioritizes employee attendance safety. During natural disasters such as typhoons, FEDS assesses operations based on government suspension guidelines and peer practices; if business continues, employees receive holiday overtime compensation. In accordance with the Occupational Safety and Health Act, FEDS implements an "Abnormal Workload-Induced Illness Prevention Plan" to regularly assess health risks, provide physician support, adjust working hours when needed, and prevent overwork risks to ensure employee safety.

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5.4.4 Diverse Labor Relations (GRI 402-1)

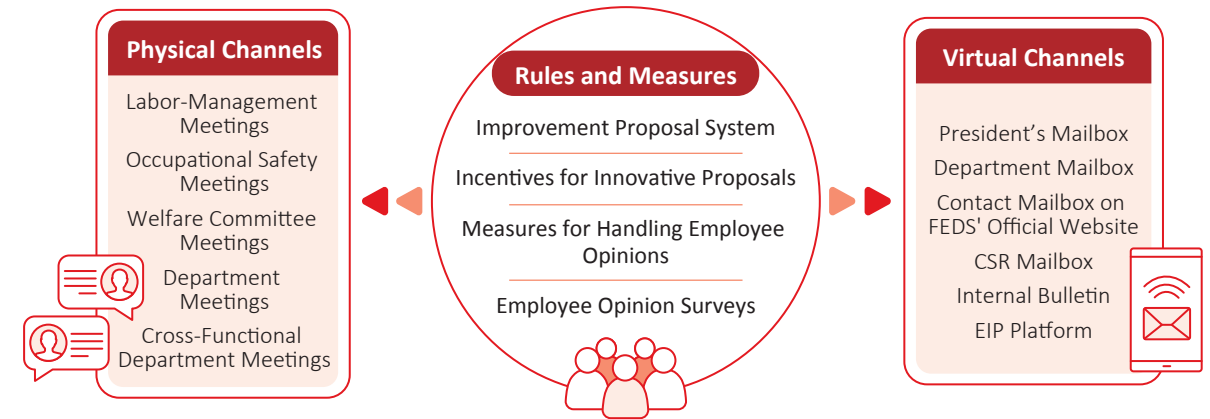
FEDS has established Employee Feedback Handling Procedures, building an employee grievance mechanism that includes a complaint mailbox, internal website, and diverse feedback channels, introduced during new recruit training. The highest authority for employee grievances is the President; all opinions from internal and external channels are carefully handled and responded to, ensuring smooth communication and prompt problem resolution. In 2025, no strikes or work stoppages occurred.

FEDS holds labor-management meetings quarterly as an important platform for labor-management consultation and exchange of opinions. In 2025, headquarters and branches convened a total of 48 meetings, with discussions covering topics such as attendance systems, scheduling management, and childcare services. All resolutions of labor-management meetings apply to all employees, achieving a coverage rate of 100% and ensuring all employees are protected by consultation outcomes.

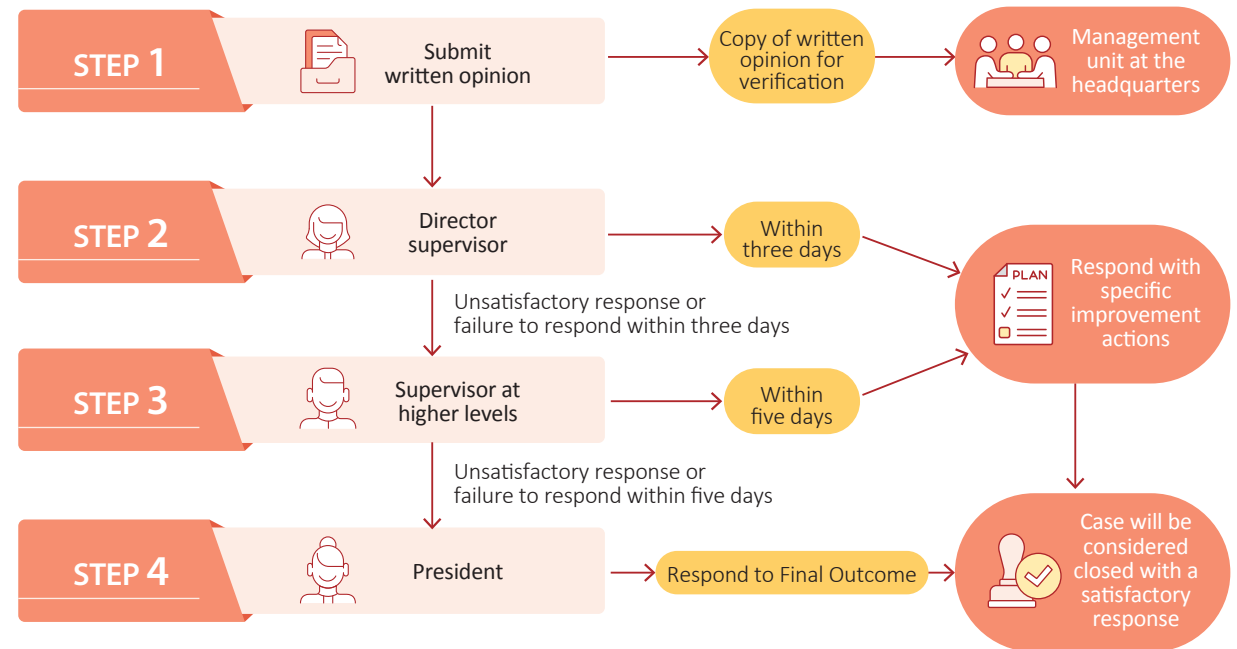
In the event of major operational changes affecting employees, FEDS provides advance notice in accordance with the Labor Standards Act, explaining adjustment details and support measures while ensuring employees fully understand relevant arrangements through labor-management meetings and internal announcements. It also actively collects employee feedback to reduce the impact of operational changes; no such events occurred in 2025.

In addition, FEDS conducts an employee satisfaction survey every two years to understand employees' perceptions. The 2025 survey covered remuneration and benefits, training and development, equality and inclusion, AI application, and sustainability-goal awareness, with a 47% response rate and an overall satisfaction score of 3.37 (out of 5). Based on the results, FEDS will strengthen digital advancement and technology-enabled applications, provide more diverse training resources, and continuously optimize related measures through regular tracking and internal reviews, creating a positive cycle of employee feedback and improvement.

Channels for Communicating Employee Opinions



Procedure for Handling Employee Opinions



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Diversity, Equity, and Inclusion (DEI) Workplace Practices

FEDS builds a respectful, fair, and inclusive workplace by embracing ethnic and generational diversity, safeguarding the rights of people with disabilities, and promoting family-friendly measures and women's empowerment. Through DEI integration into systems and daily management, FEDS enables employees to work and grow in a supportive environment.

01 Building a Diverse and Inclusive Talent Structure

- ▶ Respecting Differences**
Respecting the needs of employees of different ethnic groups and generations, opening indigenous ceremonial leave applications to indigenous employees, with a 95% application rate in 2025; while also encouraging cross-generational collaboration, with employees aged 50 and above accounting for 25%, demonstrating a multigenerational and inclusive workplace culture.
- ▶ Safeguarding Rights**
Promoting the employment of people with disabilities, employing 14 employees with disabilities in 2025, of whom 4 had severe disabilities, exceeding the statutory employment ratio and implementing equal employment opportunity.
- ▶ Diverse Facilities**
Establishing facilities such as nursing rooms, priority parking for women and children, and accessible restrooms, creating a friendly workplace space that accommodates diverse needs.

02 Establishing Fair Systems and Opportunities

- ▶ Consistent Standards**
Personnel regulations clearly stipulate that education and training, promotion, and appraisal systems are based on ability and performance, without differentiation by gender or background, ensuring employees enjoy equal opportunities in career development.
- ▶ Fair Appraisal**
Establishing an institutionalized performance evaluation mechanism, with all employees undergoing regular performance evaluations, ensuring an open and transparent appraisal system.
- ▶ Equal Pay for Equal Work**
Implementing the principle of gender equality, with a base-salary gender ratio of 1:1, ensuring employees of different genders enjoy fair treatment.

03 Creating a Supportive and Caring Workplace

- ▶ Providing Resources**
Promoting the maternal health protection program and providing measures such as parental leave and childcare allowances to support employees in balancing work and family responsibilities.
- ▶ Women's Empowerment**
With female directors accounting for 63% and female executives at the vice-president level and above accounting for 57%, demonstrating FEDS' emphasis on gender equality and women's empowerment.
- ▶ Eliminating Discrimination**
Breaking uniform stereotypes, female floor management staff may choose trouser or skirt uniforms according to personal preference, creating a more inclusive work environment.

Indicator	Data Highlights
Indigenous Ceremonial Leave Application Rate	95%
Percentage of Employees Aged 50 and Above	25%
Employees with Disabilities	14 (including 4 with severe disabilities)
Percentage of Female Directors	63%
Percentage of Female Executives at VP Level and Above	57%
Base-Salary Gender Ratio	1 : 1
Employee Appraisal Rate	100%

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5.5 Promoting Employee Health and Well-being

FEDS is committed to providing a safe and healthy workplace environment, ensuring employees can work with peace of mind and maintain a good quality of life. FEDS has established an "Occupational Safety and Health Committee" and formulated an "Occupational Safety and Health Policy," promoting various management measures systematically and continuously strengthening occupational safety and health management mechanisms to safeguard employee rights and advance toward the "zero occupational accidents" goal. At the same time, upholding the spirit that "only with healthy employees can an enterprise develop sustainably," FEDS has promoted the "Employee Health UP" program for seven consecutive years, continuously creating a healthy and happy workplace culture through diverse health-promotion activities and resource investment.

Overview of Occupational Safety and Health Committee

Category	Total Committee Members	Chairperson	Labor Representative Ratio
Headquarters	17	President	41%
FEDS XinYi A13	8	Store Manager	50%
Mega City Banqiao Store	15	Store Manager	53%
Taoyuan Store	14	Store Manager	50%
FEDS Zhubei	14	Store Manager	43%
Hsinchu Store	14	Store Manager	50%
Top City Taichung Store	16	Store Manager	63%
Tainan Store	26	Store Manager	46%
Kaohsiung Store	21	Store Manager	43%
Hualien Store	19	Store Manager	58%

5.5.1 Occupational Safety and Health Management Framework (GRI 403-1, 403-4)

To implement safety and health governance and comply with the Occupational Safety and Health Act, FEDS has established an "Occupational Safety and Health Committee" responsible for overseeing company-wide OSH policy and management. Committee members include department heads, dedicated occupational safety and health personnel, nurses, and labor representatives, with direct participation of senior management; the headquarters committee is chaired by the President to strengthen oversight and resource investment. Labor representatives account for 41%, while the proportion at each operating location ranges from 43% to 63%, all exceeding legal requirements, demonstrating FEDS' commitment to employee participation and communication.

The Occupational Safety and Health Committee oversees all workers at headquarters and each operating location, convening quarterly meetings. In 2025, it deliberated, coordinated, and made recommendations on 342 OSH-related matters, continuously improving management effectiveness. FEDS also strengthens information disclosure and two-way communication through labor-management meetings and the internal information platform (EIP), promoting full participation and continuous improvement.

Some operating locations, such as Banqiao Store and Chiayi Store, do not meet the statutory threshold for establishing an Occupational Safety and Health Committee. However, they have established dedicated occupational safety units (Occupational Safety Offices) and implement headquarters' management systems and operating standards, ensuring sound workplace safety and health management at each location.

5.5.2 Implementing Occupational Safety and Health Management (GRI 403-2, 403-7)

With "zero occupational accidents" as its core goal, FEDS has the President sign the "Occupational Safety and Health Policy" and adopts a tiered management structure to promote various OSH operations. The headquarters establishes a Labor Safety Department for overall management, while each branch establishes an Occupational Safety Office, ensuring effective policy implementation.

Each operating location conducts weekly safety inspections in accordance with regulations, covering six major dimensions—electrical safety, fire safety, chemical management, mechanical equipment, construction safety, and environmental safety—with a total of 43 inspection indicators, systematically identifying and reducing potential risks.

Occupational Safety and Health Policy



- Compliance with National Laws** : Comply with domestic occupational safety and health laws and regulations during implementation.
- Good Safety Management** : Implement staff education and training to reduce the risks of accidents.
- Health Protection for Employees** : Strengthen employee health management and create a high-quality and healthy workplace.
- Participation of All Employees** : Provide a good communication platform for all employees so that they are involved in safety and health measures.
- Supervisors to Lead by Example** : Fully support the implementation of safety and health management to prevent occupational accidents.
- Achieve Company Performance** : Implement the PDCA management model to realize zero accident in the workplace.

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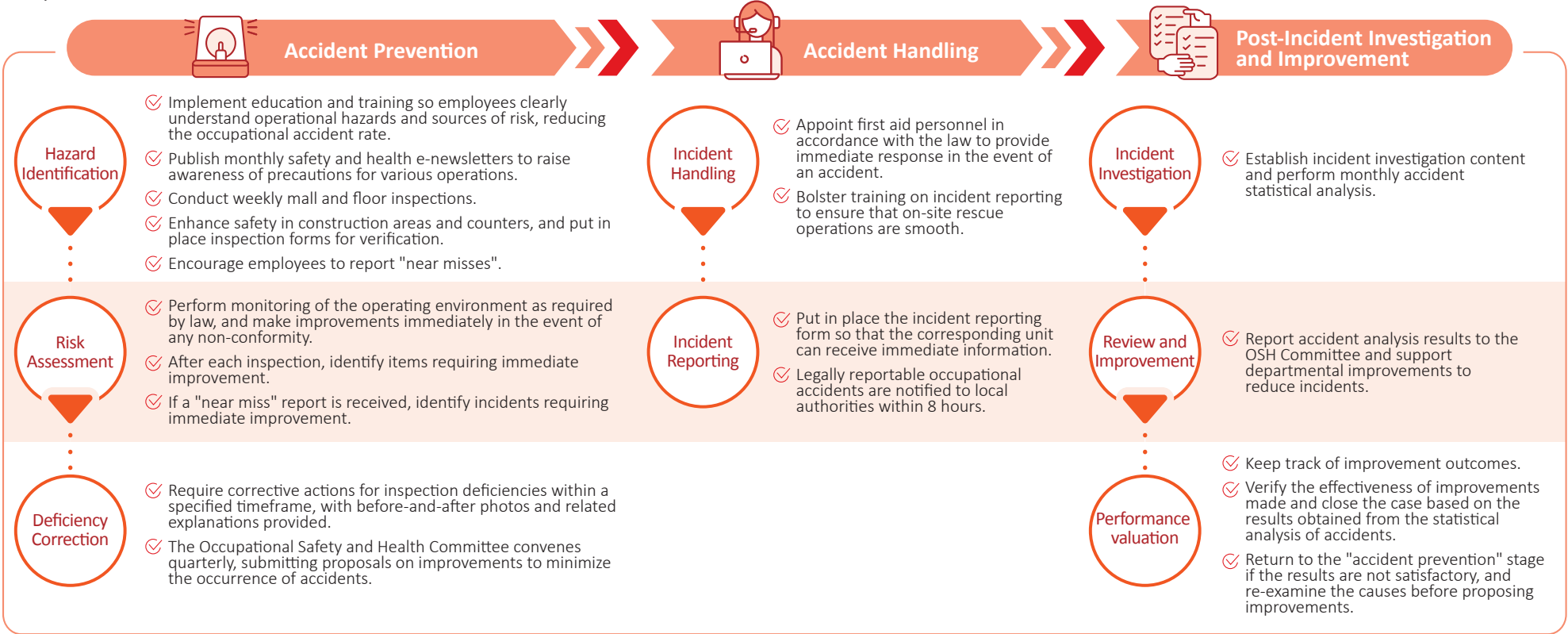
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In terms of management systems, FEDS has adopted the PDCA (Plan-Do-Check-Act) framework to establish a comprehensive environmental safety and health management process, formulated 21 management procedures, and incorporated incident reporting into key performance indicators (KPIs) to strengthen risk control and response capabilities. For occupational accident risks, FEDS has established a management mechanism covering three dimensions—"accident prevention," "accident response," and "post-incident investigation and improvement"—with related operating standards to reduce accident risks and enhance response efficiency.

In addition, FEDS holds an annual Occupational Safety and Health Conference to review safety inspection results and health promotion measures. In 2025, 24 relevant personnel participated, ensuring the effectiveness of OSH management. Looking ahead, the Labor Safety Department plans to introduce the ISO 45001 Occupational Health and Safety Management System to align with international standards and further strengthen OSH governance.

Workplace Safety Risk Management Procedures



Workplace Safety Inspection Status

Inspection Category	Inspection Content	Number of Indicators
 Electricity Safety	Use of sockets and extension cords	10 items
 Fire Safety	Escape routes, normal functioning of facilities, etc.	5 items
 Chemical Management NEW	Chinese labeling, safety data sheets, etc.	5 items
 Mechanical Equipment NEW	Validity of certifications, personnel licenses, etc.	6 items
 Construction Safety	PPE wearing by construction personnel, equipment checks, etc.	12 items
 Environment Safety	Floor level differences, ambient illumination, etc.	5 items

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5.5.3 Occupational Safety and Health Education (GRI 403-5)

To enhance employees' environmental safety and health awareness and response capabilities, FEDS plans tiered education and training for different audiences (new employees, current employees, and construction personnel) and provides external certification training resources for professional personnel, continuously strengthening OSH professional capabilities.

In 2025, in response to a public safety incident among industry peers, FEDS promptly strengthened its internal risk management mechanism and planned "Incident Reporting and Handling" education and training, with a total of 834 participations and total training hours of 653; the course content covered standard operating procedures (SOPs) and case analysis, effectively enhancing employees' public-safety risk awareness and emergency response handling capabilities.

In addition, FEDS upholds the principle of "prevention first, immediate response," continuously improving store safety management systems. Regular drills for evacuation, anti-violence, and emergency response are conducted to ensure rapid evacuation and risk control in the event of an incident, while cooperating with police authorities in executing response measures. These efforts continuously enhance operational resilience and safeguard the safety of employees, customers, and business premises.



Occupational Health and Safety Training



New Employee Training

The course content includes occupational safety and health policies and concepts, occupational safety and health precautions, emergency response plan, fire safety, first aid knowledge and traffic safety awareness.

completion rate **100%**



General Employee Training

A three-hour course is arranged every three years, including: safety and health knowledge, four major programs for workers (i.e., musculoskeletal, overload, maternal health, and workplace violence), and first aid awareness.

completion rate **100%**



Construction Worker Training

Contractors must submit a "Construction Application Form" three days before site entry and provide a personnel roster to ensure all personnel complete six-hour training. Upon entry, they must sign a "Hazard Notification Form" confirming their understanding of construction hazards and mall regulations before commencing work.

completion rate **100%**



External Certification Training

The content covers training and refresher courses for occupational safety and health supervisors and managers, first aid personnel, oxygen-deficient operations supervisors, fire prevention managers, and AED managers to strengthen mall safety management.

180 obtained certification completion rate **100%**

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5.5.4 Occupational Safety and Health Management Results (GRI 2-4, 403-7, 403-8, 403-9, 403-10)

FEDS continues to strengthen workplace safety management, striving to reduce occupational accident risks. In 2025, no occupational injury incidents occurred, achieving the "zero occupational injury" goal, with a comprehensive employee injury index of 0—superior to the three-year retail industry average of 0.39 published by the Occupational Safety and Health Administration of the Ministry of Labor. No occupational illness recognized by an occupational-medicine specialist occurred during the year, indicating effective workplace health-risk control mechanisms.

For potential accident risks, FEDS has established a comprehensive incident reporting and management process. When a work-related injury occurs, each branch's Occupational Safety Office immediately notifies the headquarters' Labor Safety Department. Dedicated personnel conduct incident investigation, cause analysis, improvement measures, and preventive advocacy, along with return-to-work assessment and guidance, to prevent recurrence. In addition, FEDS incorporates non-employee workers such as counter staff, cleaning personnel, and security personnel into its safety management scope. In 2025, all operating locations had a total of 16,631 non-employee workers, accounting for 93%, with 0 recordable occupational injury incidents throughout the year, implementing supply chain and partner safety management.

Occupational Injury Statistics

Category	Employees									Workers Who Are Not Employees								
	2023			2024			2025			2023			2024			2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Occupational Injury Fatalities	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
Number of Serious Occupational Injuries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Severe Occupational Injury Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of Recordable Occupational Injuries	1	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0
Recordable Occupational Injury Rate	0.21	0	0.08	0	0	0	0	0	0	0	0	0	0	0.006	0.006	0	0	0
Disabling Injury Frequency Rate (FR)	1.07	0	0.39	0	0	0	0	0	0		0			0.03			0	
Severe Disabling Injury Rate (SR)	135.41	0	49.7	0	0	0	0	0	0		0			2			0	
Comprehensive Employee Injury Index	0.38	0	0.14	0	0	0	0	0	0		0			0.01			0	

Note: 1. Serious occupational injury = disability for more than 6 months due to an occupational injury.
2. Recordable occupational injury = accidental falls, bumps, cuts, and crush injuries caused by improper operation in the workplace, excluding commuting accidents.
3. Occupational injury mortality rate = (Number of occupational injury fatalities ÷ Total working hours) × 200,000.
4. Recordable occupational injury rate = (Number of recordable occupational injuries ÷ Total working hours) × 200,000.
5. Disabling Injury Frequency Rate (FR) = Number of disabling injuries ÷ Total exposure hours × 1,000,000.
6. Severe Disabling Injury Rate (SR) = Total lost workdays ÷ Total exposure hours × 1,000,000.
7. Comprehensive injury index = (Disabling injury frequency rate × Disabling injury severity rate ÷ 1,000)^(1/2).
8. The "disabling injury frequency rate" data for non-employee workers in 2024 was incorrectly recorded in the previous report; the corrected data is presented in the table above.



0 Occupational Accident Goal Achieved



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5.5.5 Comprehensive Employee Health Management (GRI 403-3,403-6)

FEDS has long invested in employee health-promotion resources to create a workplace environment that supports physical and mental health. FEDS established Health Management Regulations and promoted the "Employee Health UP" program for seven consecutive years, enhancing employee health awareness and wellbeing through diverse initiatives. In 2025, headquarters and all branches achieved 100% "Healthy Workplace Certification," continuing to advance the "Work Happy & Work Healthy" vision. In response to the aging population trend, FEDS has implemented a Health Protection Plan for Middle-Aged and Elderly Workers, conducting regular risk assessments for employees aged 45 and above and establishing follow-up care mechanisms. In 2025, a total of 22 employees received follow-up care. Through appropriate job placement and work adjustments, FEDS strengthened a friendly and supportive workplace environment. Through the above management actions, FEDS continues to promote the health and wellbeing of cross-generational employees, implementing an inclusive and sustainable human capital strategy.

"Employee Health UP" Ten-Point Action Plan

Promoted Health Program for 7 Consecutive Years

Action 1 Health Care Stations The Labor Safety Department provides 20 health-care items, including first-aid kits, blood pressure monitors, body-fat scales, massage guns, health magazines, and wireless jump ropes for employee use. 20 Types of Care Gift Items	Action 2 Employee Health Management We provide health check-ups more frequently than legally required and collaborate with Far Eastern Memorial Hospital to monitor employees' health, with professional nurses providing follow-up care based on examination results. Proactive Health Tracking and Care	Action 3 Influenza Vaccination Services FEDS annually collaborates with local health authorities to provide eligible publicly funded and self-funded employees with influenza vaccinations; since 2024, opened to counter staff and customers as well, serving 984 persons in 2025, a 31% increase. Serving Visits ↑31%	Action 4 Power Walking for Carbon Reduction To promote physical activity and reduce sedentary behavior, FEDS has held the "Walking for Weight Loss and Carbon Reduction" program for three consecutive years. In 2025, 478 employees participated, collectively achieving 380.71 million steps. Participated Visits ↑7%	Action 5 Popular Health Information Regularly shares health education on chronic disease prevention and wellness via the intranet, enhancing employees' health awareness; 172 articles were published in 2025. Distribution ↑15%
Action 6 Health Points Collection Campaign FEDS implemented the "Health 99 Points Card" program, rewarding employees with raffle tickets for participating in health promotion activities. In 2025, employees accumulated 31,607 health points, up 9% from the previous year, and earned 3,042 raffle tickets. Health Points Issuance ↑9%	Action 7 Gentle Health Reminders Through digital signage in break rooms, FEDS promoted 48 messages on healthy eating, disaster prevention, and traffic safety in 2025. Over the past five years, 213 messages were disseminated, enhancing employees' health and safety awareness. 48 health information updates	Action 8 Employee Health Seminars Through diverse health seminars, enhances employees' awareness of disease prevention, stress adjustment, and mental health, inviting professional physicians and psychologists to provide health knowledge. In 2025, 242 seminars were held (+34%) Participated Visits ↑52%	Action 9 Employee Health Survey FEDS regularly conducts health surveys to assess workplace health risks and support health management strategies. In 2025, 216 surveys were distributed with a 70% response rate, and 66 high-risk employees received follow-up care and health consultation services. 216 questionnaires distributed	Action 10 On-Site Physician Consultations FEDS adopts a tiered health management approach and provides on-site physician consultations through contracted medical institutions. In 2025, 48 consultation sessions were held with 386 participations, helping employees monitor their health and receive early intervention. Participated Visits ↑97%

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5.5.6 Club Activities and Healthy Workplace (GRI 403-6)

FEDS encourages healthy lifestyles and positive social interaction through employee clubs, promoting cross-departmental engagement, stress relief, and team cohesion. Supported by its Employee Club Management Measures, FEDS provides subsidies and institutional support to enhance employee participation.

To promote regular exercise and well-being, FEDS established yoga, aerobics, and bowling clubs in 2025 to meet diverse fitness needs. A total of 121 employees participated in 90 events, generating 1,652 participations. In addition, the headquarters and all 10 branches received the iSports Enterprise Certification, demonstrating FEDS’ commitment to a healthy workplace.

Going forward, FEDS will continue enhancing employee club operations by improving participation accessibility, activity quality, and outcome tracking. Through flexible participation options, professional guidance, exercise safety management, and data-driven program optimization, FEDS aims to foster a healthier and more vibrant workplace culture.

Sports Club Activity Statistics

Category	2021	2022	2023	2024	2025
 Number of Club Members	35	85	107	77	121
 Total Sessions	25	41	91	129	90
 Total Number of Participants	250	353	869	1,779	1,652

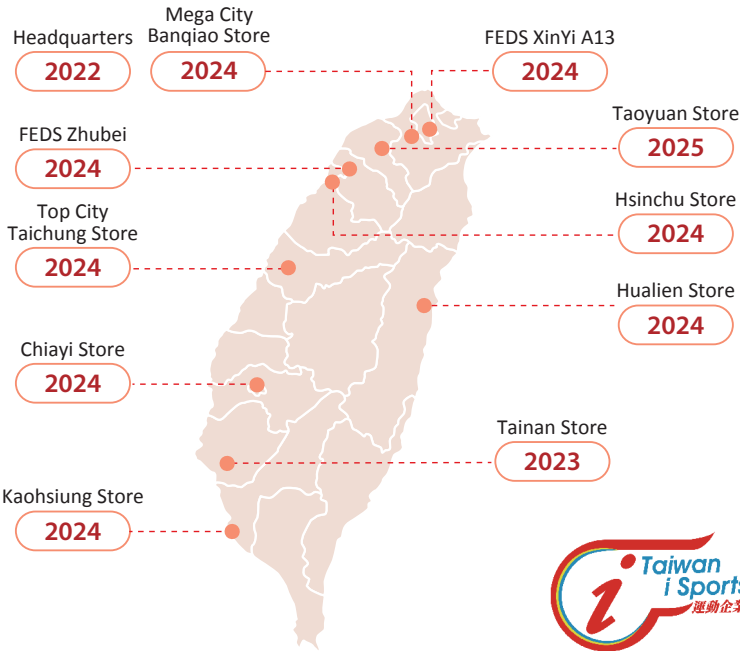


Awarded iSports Enterprise Certification

FEDS places great importance on employee health, actively responding to the Ministry of Education's Sports Administration's "iSports Enterprise Certification" philosophy by promoting diverse exercise initiatives. These efforts encourage employees to develop regular exercise habits, foster a healthy and energetic work environment, and fulfill the company's commitment to employee care. Since headquarters took the lead in obtaining iSports Enterprise Certification in 2022, Tainan Store served as the model site in 2023, followed by expansion to operating sites nationwide in 2024.

After three years of dedicated efforts, in addition to headquarters, 10 sites - FEDS XinYi A13, Mega City Banqiao Store, Taoyuan Store, Hsinchu Store, FEDS Zhubei, Top City Taichung Store, Chiayi Store, Tainan Store, Kaohsiung Store, and Hualien Store-have all obtained iSports Enterprise Certification. This has gradually built a corporate exercise culture, enhanced employee health, strengthened organizational cohesion, and moved the company toward becoming a healthy and happy enterprise.

Sites with iSports Enterprise Certification



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6 Heartwarming Social Caring

FEDS operates 12 locations across 10 cities in Taiwan and remains closely connected with local communities. Guided by the SDGs and its commitment to “giving back to society,” FEDS integrates resources from businesses, communities, and charitable organizations to promote diverse social initiatives, fulfill corporate social responsibility, and create positive social impact toward a sustainable future.

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Expanding Charitable Impact

- Held 1,053 activities, deepening the breadth and depth of social engagement
- Deployed 50 volunteer service events, with 199 events accumulated over 5 years
- Invested NT\$6.41 million in social welfare, a 1.88-fold increase
- Leveraged international exhibitions to promote social good, donating 9 batches of aid materials

Building a Vivacious Society

- Held 128 blood donation events, with the volume of blood collected increasing 1.7% year-on-year
- Sponsored the HDC for 8 consecutive years, promoting youth sports and healthy culture



Driving Sustainable Participation

- Held nearly 400 environmental events over 5 years, raising public environmental awareness
- Awarded 81,000 eco points, an 84% year-on-year increase, encouraging enthusiastic public participation
- Responded to 7 sustainability initiatives, raising public awareness of environmental issues



Caring for the Vulnerable, Conveying Warmth

- Held annual Christmas charity events for 17 years, benefiting over 4,200 rural children
- Conveyed holiday care through 17 events, donating over a thousand gifts of aid materials worth approximately NT\$520,000

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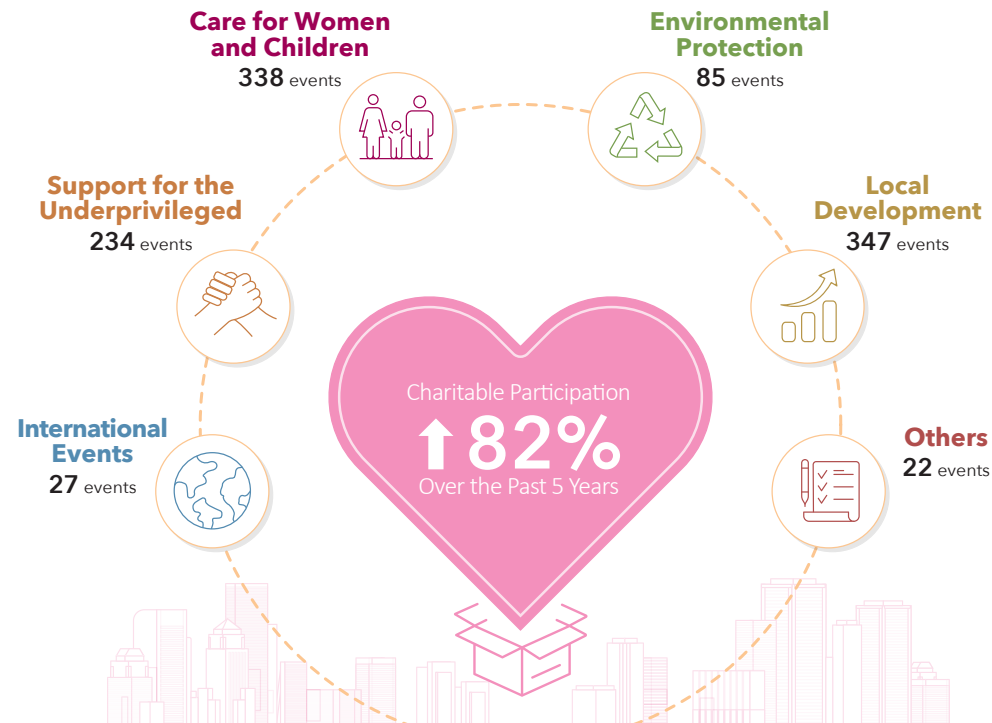
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With nearly 60 years of presence in Taiwan, FEDS leverages its core strengths to fulfill social responsibility. In 2025, through six action mechanisms—sponsorship, material contributions, fundraising, charity sales, donations, and capital raising—FEDS systematically promoted five key public welfare themes: international events, support for the underprivileged, care for women and children, environmental protection, and local development. A total of 1,053 public welfare activities were held throughout the year, reaching a record high and demonstrating steady and continuously expanding social influence.

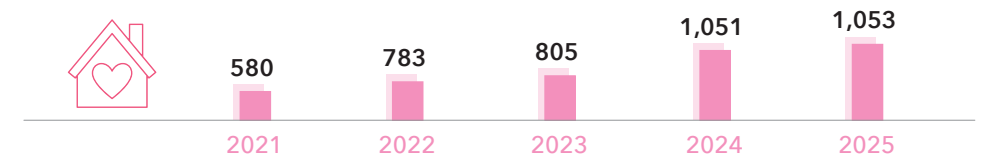
In implementation, FEDS has established a systematic two-way communication mechanism. At the end of each year, each location reports the following year's activity plans based on local needs and implementation experience. Headquarters then integrates key social issues, global sustainability trends, and the Company's ESG strategy to coordinate annual social care priorities. This ensures charitable resources effectively address social needs while balancing local characteristics with company-wide consistency. In 2025, charitable investment totaled NT\$6.414 million, with cumulative investment reaching NT\$17.14 million over the past five years, reflecting FEDS' long-term commitment to social investment and steady growth.

Meanwhile, FEDS continues to receive positive feedback from society, receiving 185 letters of appreciation in 2025 and 825 over the past five years, reflecting stakeholders' trust in and recognition of the Company's charitable efforts. Looking ahead, FEDS will continue to deepen cross-sector collaboration and local engagement, expand social impact, and build a more resilient and inclusive society.

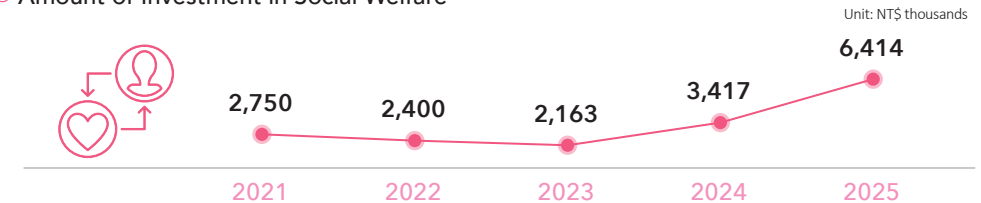
● Type of Charity Activities



● Number of Charity Activities



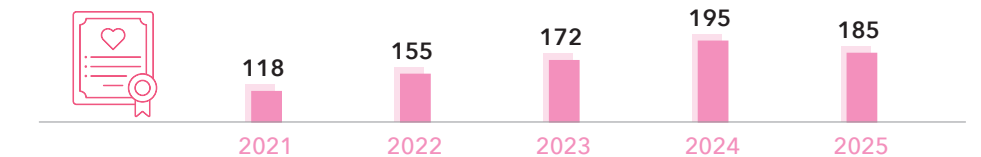
● Amount of Investment in Social Welfare



Charitable Investment ↑133% Over the Past 5 Years
 Resource Commitment Significantly Enhanced



● Number of Letters of Appreciation



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6.1 Response to Global Sustainability Initiatives

Since the UN adopted the 2030 Agenda and SDGs in 2015, FEDS has supported sustainable development through concrete actions and promoted sustainability awareness through diverse initiatives.

In 2025, FEDS responded to 19 sustainability initiative days covering themes such as women's empowerment, energy conservation and carbon reduction, care for the vulnerable, animal conservation, and children's rights, organizing 40 initiative activities in diverse formats. Through advocacy, interaction, and participation mechanisms, FEDS raised public awareness of and attention to sustainability issues, working with all sectors toward a sustainable and shared future.

Number of Global Sustainability Initiatives Supported



Sustainability Initiative Themes Supported in 2025

3/8 International Women's Day	September	World Alzheimer's Month
3/21 International Day of Forests	9/20	World Cleanup Day
3/22 Earth Hour	9/20	World Marrow Donor Day
4/22 World Earth Day	9/28	World Rabies Day
4/27 International Spank Out Day	October	Breast Cancer Awareness Month
May Mental Health Awareness Month	10/10	World Mental Health Day
6/3 World Bicycle Day	10/11	International Day of the Girl Child
6/5 World Environment Day	11/20	International Children's Rights Day
6/8 World Oceans Day	12/3	International Day of Persons with Disabilities
8/16 International Homeless Animals' Day		

3/8 International Women's Day

Integrating Resources to Promote Health Screening

FEDS responded to the UN-initiated "International Women's Day" by promoting women's health and rights. In 2025, Mega City Banqiao Store, Taoyuan Store, and Hsinchu Store partnered with medical institutions and local health centers to provide health screening services, bringing publicly funded healthcare into the community and reducing barriers to access. Medical professionals offered on-site consultations, mammography, cervical smear tests, and other publicly funded screenings to enhance women's health awareness and preventive care. Taoyuan Store also prepared 124 healthcare gifts for medical staff and participants, expressing appreciation for healthcare professionals while encouraging continued attention to personal health.

3/21 International Day of Forests

Diverse Activities in Support of Forest Conservation



The United Nations designated March 21 as the "International Day of Forests" to promote forest conservation. In 2025, seven stores—FEDS XinYi A13, Mega City Banqiao Store, Taoyuan Store, Hsinchu Store, Chiayi Store, Tainan Store, and Hualien Store—responded through mountain cleanups, seedling giveaways, and environmental education, distributing 1,700 seedlings. Mega City Banqiao Store and Chiayi Store also held a "Receipts for Seedlings" campaign, combining environmental action with social care by collecting 1,109 receipts for donation to vulnerable groups, creating both environmental and social benefits.

3/22 Earth Hour

Calling on the Public to Practice Energy Conservation

"Earth Hour," initiated by the World Wide Fund for Nature, encourages people worldwide to switch off unnecessary lights from 8:30 to 9:30 p.m. on the last Saturday of March to raise awareness of climate change. FEDS has long supported this initiative, with Top City Taichung Store participating for more than 13 consecutive years. In 2025, eight branches—Taoyuan Store, FEDS Zhubei, Hsinchu Store, Top City Taichung Store, Chiayi Store, Tainan Store, Kaohsiung Store, and Hualien Store—joined by turning off signage and non-essential lighting while encouraging employees, counter partners, and customers to support energy conservation, carbon reduction, and environmental sustainability.

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4/22 World Earth Day

Caring for the Earth Together



FEDS continues to support World Earth Day through diverse initiatives. In 2025, Taoyuan Store partnered with beauty brands to promote empty-bottle recycling, collecting 624 bottles from 135 participants. FEDS Zhubei, in collaboration with a local kindergarten, held an environmental art exhibition using recycled plastics, raising sustainability awareness among children and the public.

6/3 World Bicycle Day

Low-Carbon Cycling for Charity



The United Nations designated June 3 as "World Bicycle Day," promoting bicycles as a low-carbon, healthy, and affordable transportation option. In 2025, Top City Taichung Store joined this initiative for the first time by launching the "58th Anniversary Charity Ride," integrating sustainability with social care. Employees formed a "YouBike" team, riding from the department store to deliver aid materials directly to a non-profit organization serving vulnerable groups. The team completed a route of over 15 kilometers to Taichung Central Park, reducing approximately 30 kilograms of carbon emissions. Through this action, FEDS promoted low-carbon mobility while extending corporate care and creating shared value for society.



6/8 World Oceans Day

Protect the Marine Environment



In response to "World Oceans Day," four FEDS branches participated in marine conservation actions, combining efforts from employee volunteers, local governments, and partners to organize beach cleanups and marine education activities. Taoyuan Store, Top City Taichung Store, and Tainan Store conducted beach cleanups to protect Taiwan's west coast, while Chiayi Store hosted the "GOGO Ocean Planet" event, using engaging activities to help children learn about marine ecology and develop environmental awareness.



8/16 International Homeless Animals' Day

Promoting Animal-Friendly Concepts



Taoyuan Store has long promoted animal protection and responded to "International Homeless Animals Day" for four consecutive years. In 2025, it partnered with a non-profit organization to host the "Bring You Home, Protect Furry Friends" adoption advocacy event, featuring an interactive experience zone and adoption consultation station that enabled the public to engage with animals. Professional trainers and veterinarians shared pet care knowledge, promoting "adopt, don't shop" and responsible pet ownership. Parent-child activities, including "Pet-Loving Wool Felt DIY" and a "Pet Doctor Experience Camp," further fostered children's respect for life and kindness toward animals.

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September World Alzheimer's Month Focusing on Aging Issues



As Taiwan entered a super-aged society in 2025, FEDS focused on dementia care and age-friendly initiatives. In response to World Alzheimer's Month, Hualien Store partnered with Mennonite Christian Hospital to host the "Accompanying Dementia, Keeping Love from Losing Its Way" event, featuring physician-led education and caregiver sharing to enhance dementia awareness. The event also provided dementia patients and families with mall shopping experiences to support daily living abilities and confidence, promoting dementia-friendly communities through advocacy and action.

11/20 International Children's Rights Day Conveying Social Warmth



In response to "International Children's Rights Day," Hsinchu Store has partnered with the Hsinchu City Government for 11 consecutive years to organize the "Delivering Love and Happiness: Wish Card Dream-Fulfillment Program." Using the department store as a charity platform, the program invites disadvantaged children to share their wishes through wish cards, which are fulfilled by public participation. In 2025, 550 gifts were adopted, with nearly 4,000 gifts fulfilled over 11 years, demonstrating society's care and support for disadvantaged children.

12/3 International Day of Persons with Disabilities Advocating Inclusion



In 1992, the United Nations designated December 3 as the "International Day of Persons with Disabilities" to raise awareness of disability issues. Hualien Store has responded for three consecutive years, promoting social understanding and respect for persons with disabilities. In 2025, it partnered with the Hualien County Government to host the "Understanding Invisible Disabilities" advocacy event, helping the public recognize less visible disabilities. The event included a visually impaired massage experience, allowing participants to appreciate the professional abilities of persons with disabilities and fostering a more inclusive society.

6.2 Promoting Transnational Cultural Exchange

FEDS was Taiwan's first department store to host international product exhibitions. In 1973, FEDS partnered with the U.S. Department of Commerce to launch its first American merchandise exhibition, establishing a platform for global cultural exchange. Over five decades, FEDS has organized diverse international exhibitions featuring cultural elements, foods, and specialty products from around the world, enabling consumers to experience global cultures locally. In 2025, FEDS held 27 international exhibitions featuring countries including Japan, South Korea, Thailand, and Canada across its locations, promoting cultural diversity and international exchange.

In addition, FEDS integrated international product exhibitions with charitable initiatives, extending care through cross-border material sharing. During the 2025 exhibitions, FEDS donated 9 batches of aid materials worth NT\$168,000 to rural children and disadvantaged elderly groups, adding social care value to cultural exchange.



Aomori Hirosaki Product Exhibition, Japan Deepening Taiwan-Japan Cultural Exchange

FEDS continues to promote Taiwan-Japan cultural exchange through its 14-year partnership with Hirosaki City, Aomori Prefecture, Japan, hosting the "Aomori Hirosaki City Cultural Products Carnival." In 2025, the 55-day event toured FEDS branches and The Mall, featuring Aomori apples directly sourced from Japan, specialty foods, beverages, and souvenirs. Incorporating Japanese cultural elements, including festival-style décor and the "Nebuta Festival Grand Parade," the event showcased Aomori's local culture and enabled consumers in Taiwan to experience its cultural charm.



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Thailand Product Exhibition An Immersive Experience of Thai Culture

In 2025, FEDS launched three Thailand-themed product exhibitions at FEDS XinYi A13, FEDS Zhubei, and Kaohsiung Store over 74 days, bringing Thai culture and experiences to consumers in Taiwan. XinYi A13 hosted the "Thailand Cultural Festival" featuring traditional Thai performances that created an immersive festive atmosphere. FEDS Zhubei held the second "Thai Style at FEDS" exhibition, showcasing popular Thai products and lifestyle culture. Kaohsiung Store presented the "Thai Miss You Joint Exhibition and Sale," featuring over 50 Thai and Southeast Asian specialty products, attracting approximately 30,000 visitors with over 90% customer satisfaction. Through product displays and cultural activities, FEDS enhanced public understanding of Thai culture.



Canada "Maple Flavor Leisurely Tour" Promoting a Healthy Food Culture

For seven consecutive years, FEDS has partnered with City'Super and the Canadian Trade Office in Taipei to jointly hold the Canada Product Exhibition. In 2025, under the theme "Maple Flavor Leisurely Tour," the 21-day event showcased over a hundred products, including Canadian beef, ice wine, and classic maple products, while promoting healthy and safe eating through offerings such as natural apple chips from local Canadian orchards. FEDS also collaborated with Canadian apparel brands to provide exclusive discounts, further enhancing cultural exchange.

After the exhibition concluded, a delegation from Agriculture and Agri-Food Canada made a special in-depth visit to Mega City Banqiao Store to gain firsthand understanding of Taiwanese consumer trends and retail channel sales, helping to plan the introduction of more diverse Canadian specialty products that meet consumer needs and continuing to deepen transnational cultural exchange.



Korean Product Exhibition Showcasing the Charm of Korean Culture

FEDS partnered with the Korea Agro-Fisheries & Food Trade Corporation (aT) to organize the "Korean Wave Charm at FEDS" Korean Product Exhibition, which entered its 13th year in 2025. The event toured FEDS branches and The Mall, featuring authentic Korean foods, snacks, and beverages to showcase Korea's diverse food culture. The opening included K-pop performances and interactive experiences such as tuho (arrow throwing), while collaborations with food and beverage counters introduced limited-time dishes. Through products, cultural activities, and brand partnerships, the event enabled consumers to experience Korean culture more deeply.



Australian Product Exhibition "Aussie Taste Tour" Exploring Australian Food Culture

In 2024, FEDS partnered with City'Super and the Australian Office for the first time to hold an Australian Product Exhibition, which was well received by consumers. In 2025, they collaborated again under the theme "Explore Australia, Experience the Culture," hosting the 22-day "Aussie Taste Tour" Australia Product Exhibition from May 12 to June 2 at all eight City'Super locations in Taiwan. The event featured specialty products including Australian beef, seafood, dairy products, and grains, while professional Australian chefs shared cooking techniques and product stories, allowing the public to experience authentic Australian cuisine and gain deeper insight into Australian food culture and agriculture.



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6.3 Deeply Cultivating Local Social Welfare and Care

Rural and disadvantaged families often face daily challenges due to limited transportation, economic conditions, and social resources. With nearly six decades of local commitment, FEDS embraces the philosophy of "every festival is an act of care, every opening is an act of charity," leveraging its locations and group resources to promote diverse charitable initiatives, address community needs, and enhance support and participation opportunities for vulnerable groups.

Combining Commerce with Charity Making Every Purchase More Meaningful



FEDS integrates charity into daily operations, transforming commercial spaces into platforms for social inclusion. During new store openings or counter launches, FEDS leverages brand resources for charitable actions, such as donating meal vouchers and supplies through food and beverage brands and inviting local schools to perform, promoting cultural heritage and community engagement.

In 2025, upon the opening of "GBA Brewery" restaurant, Banqiao Store donated NT\$50,000 in meal vouchers to the New Taipei City Social Affairs Bureau. When "KAIFUN TOGETHER" opened at Tainan Store, the store invited a local elementary school drum troupe to perform, provided free meals and practical backpacks to 30 children with disabilities, and donated NT\$50,000 in meal vouchers to the Tainan City Government Social Affairs Bureau.

In addition, FEDS partnered with parent-child amusement parks to expand participation opportunities for disadvantaged families. Banqiao Store and Kaohsiung Store collaborated with "Chasing Wind Fantasy Island" to provide free admission experiences for 639 children. During Banqiao Store's "Flower Language Forest" renovation in November, 150 students were invited to participate, helping children develop social interaction and life experiences in a safe and enjoyable environment.

Through these innovative models combined with operations, the Company not only improves the efficiency of resource use but also enables its charitable impact to continue expanding.



Disaster Response and Community Support Timely Warmth to Safeguard Homes



Facing extreme weather disasters, FEDS has consistently supported local communities by providing timely assistance. In September 2025, a typhoon severely affected Hualien, where the Matai'an Creek Barrier Lake in Guangfu Township overflowed, causing flooding and extensive damage. FEDS quickly mobilized group resources and partnered with A.Mart and Ding Ding Integrated Marketing Service to launch the "Light Up Hope in Hualien: Donate Points to Help Disaster Victims Rebuild Their Homes" program, delivering water, dry rations, and daily necessities to affected residents.

Beyond immediate material support, FEDS encouraged public participation through a points-collection mechanism, turning small contributions into meaningful support for disaster-affected families and helping stabilize their resettlement and daily needs. This collective care from business and society addressed urgent needs while bringing companionship and hope to residents during recovery.

FEDS believes that when disaster strikes, what matters most is not only reconstruction but also building a force of mutual support. In the future, FEDS will continue to integrate resources to become an important backbone safeguarding local communities in times of need.

Educational Support for Children and Youth Creating More Possibilities for Growth



FEDS continues to support children and youth development by reducing resource gaps through education and companionship. Taoyuan Store joined Taoyuan City's "Green Satellite After-School Tutoring Class" program, with a cross-functional employee volunteer team—including operations managers, marketing planners, and customer service staff—regularly visiting non-profit organizations to accompany children from disadvantaged families. Over two years, 26 tutoring sessions have been held, benefiting more than 250 participants.

During these sessions, employees provided academic support while helping children develop self-confidence and teamwork skills through interaction. Off-campus visits and festival experiences enabled rural students to broaden their horizons and gradually build the abilities and confidence to face the future.

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Festive Care, Connected
Christmas Charity Lighting Held for 17 Consecutive Years

Whenever festivals arrive, FEDS transforms the lively atmosphere of its malls into a force for social support. In 2025, six branches—Taoyuan Store, FEDS Zhubei, Hsinchu Store, Top City Taichung Store, Tainan Store, and Hualien Store—worked with stakeholders such as consumers and counter vendors to jointly promote Christmas charity actions.

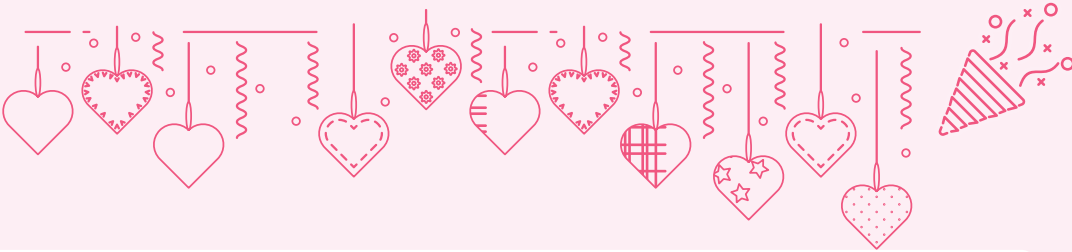
Tainan Store has held its shoe-donation campaign for 17 consecutive years, addressing rural students' needs for suitable footwear due to growth and financial constraints. To date, the campaign has supported 119 schools and donated 4,200 pairs of athletic shoes. In 2025, it combined the 15-meter "Blooming Christmas Tree" with performances such as concerts and dance shows, integrating charity into community experiences while arranging museum visits and meals to broaden students' horizons.

In the wish-adoption campaign, four branches—Taoyuan Store, Hsinchu Store, Top City Taichung Store, and Hualien Store—fulfilled a combined 431 Christmas wishes, giving concrete responses to children's hopes. In addition, FEDS Zhubei held the "One Donation, One Pair, Across a Thousand Miles" charity event for the first time in 2025, collecting 150 pairs of brand-new athletic shoes donated to two rural elementary schools in Hsinchu County.

Festive care extended to the Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival, with seven branches collecting gift boxes and supplies for donation. Throughout the year, FEDS invested nearly NT\$520,000 through 17 events, distributing 1,276 gift boxes, 1,800 catties of rice, and 990 rice dumplings. Subsidiary A.Mart also collected 3,192 holiday meals and 3,990 rice dumplings, bringing warmth and reunion to disadvantaged families.



Festivals are not only moments for celebration but also an important bridge connecting social care.



17 years of shoe donations

Over **4,200** pairs of sneakers donated

119 remote schools reached



17 charity events across the three major festivals

1,276 holiday gift boxes distributed

1,800 catties of charity rice distributed

990 rice dumplings distributed



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6.4 Promoting Environmental Protection Initiatives

In recent years, extreme weather events have intensified, and climate change has become a key global risk issue. FEDS actively responds to environmental challenges by integrating corporate resources and channel influence, working with stakeholders such as consumers, counter vendors, and charitable organizations to promote diverse environmental recycling and green initiatives, encouraging the public to participate in environmental protection through concrete actions and fostering a sustainable lifestyle.

In addition, FEDS continues to promote local agricultural products, reducing carbon emissions by shortening the transport distance of ingredients and supporting local agriculture and sustainable consumption. By marketing high-quality Taiwanese agricultural products, FEDS puts the concept of "local production for local consumption" into practice, working with society to advance environmental sustainability.

6.4.1 Results of Environmental Actions

FEDS encourages stakeholders to jointly participate in environmental action, having held 398 environmental events over the past five years. In 2025, FEDS continued to promote resource recycling and environmental education activities during holidays and peak periods, with recycling items covering empty cosmetic bottles, used clothing, books, toys, and bags. To enhance public participation, the activities incorporated a HAPPY GO points reward mechanism, awarding 81,000 points in 2025, an 84% increase over the previous year. In addition, 40 environmental education activities were held throughout the year, continuing to strengthen public environmental awareness and promote the practice of green living.

Number of Environmental Activities Over the Past 5 Years

2021	2022	2023	2024	2025
47	82	88	96	85

HAPPY GO Eco Points Awarded Over the Past 3 Years

Unit: 10,000 points



Empty Cosmetic Bottle Recycling | Promoting Resource Recycling

FEDS continues to promote the recycling of empty cosmetic and skincare bottles, working with counter vendors, local governments, and recycling agencies. In 2025, FEDS held 14 events at 8 branches, recycling over 11,750 empty bottles in total. By offering incentives such as HAPPY GO points, cash vouchers, and eco-friendly products, FEDS enhanced consumer participation, fostered post-consumption recycling behavior, and strengthened the practice of the circular economy.



Used Clothing Recycling | Combining Environmental Protection with Social Care

FEDS regularly holds used clothing recycling events, collaborating with government agencies and non-profit organizations and offering HAPPY GO points as a reward, or having partner organizations add incentives such as eco-friendly gifts to increase participation. In 2025, 8 branches participated, holding 16 events and recycling over 37,065 pieces of second-hand clothing. After sorting, some of the recycled clothing was donated to vulnerable groups, while the rest was handed over to partner organizations for remanufacturing or recycling, which not only reduced waste generation but also delivered social welfare benefits.



Second-Hand Book and Toy Collection | Extending the Value of Recycling

FEDS promotes the collection of second-hand books and toys, combining resource recycling with charitable care so that books and toys can be passed on to the next child in need. These aid materials are cleaned and sorted by employees before being donated to non-profit organizations for use by children in rural areas. In 2025, 7 events were held, collecting 1,768 books and 1,302 toys in total, effectively extending the service life of these items and promoting the sharing of educational resources.



Small Appliance Repair Initiative | Putting "Repair Instead of Replace" into Practice

Taoyuan Store and Kaohsiung Store promoted small appliance repair services, advocating a model of "extending product service life." In 2025, through collaboration with student teams and government agencies, they held 2 repair events, helping the public repair small appliances such as electric fans and desk lamps, repairing 30 items in total. In addition to reducing electronic waste, this initiative enhanced the public's knowledge of maintenance and use through on-site repair instruction, strengthening the concept of valuing resources.



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6.4.2 Supporting the Development of Small Farmers

Most small farmers in Taiwan use environmentally friendly farming methods to produce agricultural products, but limited marketing and channel resources make it difficult for them to effectively reach the end consumer market. FEDS leverages its channel platform advantages to continuously hold agricultural markets and themed exhibitions and sales, helping local agricultural products expand their sales channels and encouraging consumers to practice healthy and sustainable eating.

In 2025, FEDS promoting 3,592 agricultural products and generating approximately NT\$12.34 million in sales. Over the past five years, FEDS has promoted a cumulative total of 20,835 agricultural products, continuing to support the small-farmer economy through concrete actions and promoting the sustainable development of local agriculture.

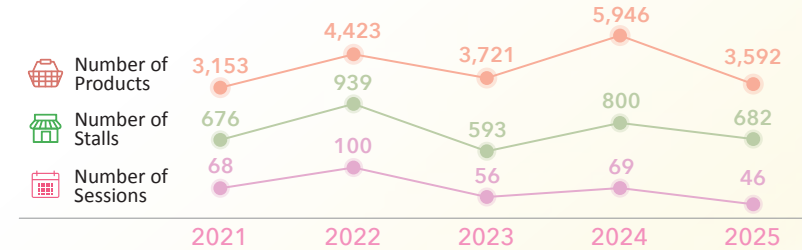
Government Collaboration on Exhibitions and Sales Promoting Local Specialty Products

FEDS has long collaborated with local governments to promote local agricultural specialty products. In 2025, FEDS continued to partner with the Tainan City Government to hold the Tainan Product Exhibition, with a total of 8 events touring 6 stores, of which Mega City Banqiao Store has collaborated for the eighth consecutive year.

In this event, FEDS Zhubei and Top City Taichung Store further combined local specialty food and beverage brands (including Bib Gourmand-recommended establishments) under the theme "Tainan Leisurely Dining," integrating agricultural and fishery products with local food culture and selling representative products, strengthening the connection between agricultural and cultural value and enhancing the consumer experience.



FEDS Agricultural Product Markets in the Past 5 Years



Tainan Product Exhibition Schedule in 2025

Time	Stores	Event Theme	Featured Products
3/30	Taoyuan Store	Plum Delights Agricultural Exhibition	Green plums, cherry tomatoes, dried fruit, etc.
4/19-4/20	Hualien Store	Southern Agriculture Fun in Hualien	Golden diamond pineapple, melon, etc.
5/17	Chiayi Store	Vibrant Summer Party – Tainan Agricultural Market	Pineapple, dried fruit, milkfish balls, etc.
7/25	Top City Taichung Store	2025 Tainan International Mango Festival Midsummer Mango Pop-Up Market	Mango, orchids, etc.
8/9-8/10	FEDS Zhubei	2025 Tainan Leisurely Dining – Bib Gourmand Eateries x Tainan Agriculture and Fishery Product Exhibition	Yujing guava, dragon fruit, avocado, milkfish, etc.
10/10-10/12	Top City Taichung Store		Seafood, beef soup, shrimp meatballs, etc.
10/10-10/12	Mega City Banqiao Store	Autumn Harvest Tainan Flavors, a Season of Abundance	Red pomelo, milkfish, salted egg yolk pastry, etc.
11/30	FEDS Zhubei	Southern Autumn-Winter Fresh Fruit Carnival	Melon, dragon fruit, citrus, etc.

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Promoting Food and Agriculture Education Deepening Farm-to-Table Awareness

FEDS continues to promote food and agriculture education, shortening the distance between place of origin and consumer and strengthening consumers' awareness and practice of sustainable eating. In 2025, for the seventh consecutive year, FEDS collaborated with the Changhua City Government to hold the "Changhua Premium Fresh" exhibition and sale, an 11-day event at Mega City Banqiao Store that gathered 43 local brands and sold over 150 high-quality agricultural specialty products, showcasing the diverse characteristics and rich energy of Changhua's local agriculture.

Nearly 20 experiential courses were arranged during the event, covering diverse formats such as food and agriculture education, product applications, and interactive experiences that effectively attracted large number of participants. Through immersive experiences and hands-on participation, the event further strengthened consumers' understanding and recognition of the "farm-to-table" sustainable eating concept, promoting a positive cycle of local agriculture and green consumption.



Integrated Rural Marketing Showcasing Sustainable Agriculture Achievements

For the ninth consecutive year, Kaohsiung Store collaborated with government agencies such as the Council of Agriculture of the Executive Yuan and the Kaohsiung City Government Agriculture Bureau to hold the "Kaohsiung Rural Party." In 2025, under the theme "Leisurely Rural Tour, Let's Party," the event integrated three aspects: an agricultural product market, a green living experience, and cultural performances. The event gathered 30 rural communities and over 40 stalls, selling mountain tea and processed agricultural products, and attracted over 6,000 visitors, effectively enhancing the visibility of rural brands and showcasing achievements in agricultural innovation and sustainable development.

Local Product Exhibitions and Sales Fostering Regional Agricultural Business Opportunities

Hsinchu Store's collaboration with the Nantou County Government entered its tenth year, and in 2025 it held the "Taste Nantou, Mountain City Delicacies" exhibition and sale over 4 days, setting up 95 stalls to sell high-quality agricultural products such as tea, coffee, and fruits and vegetables. The event combined tea ceremony experiences and hands-on workshops (such as making pickles and moss ball planters), deepening consumers' understanding of local agricultural culture and generating approximately NT\$1.3 million in sales, enhancing the added value of agricultural products.



Promoting Festival Markets Supporting Local Sustainable Consumption

The Mall held a "Small Farmers' New Year Goods Market" on the eve of the Lunar New Year, gathering 16 small-farmer brands to sell seasonal agricultural products, handmade holiday snacks, and refined processed agricultural foods, promoting the concepts of farm-direct delivery and environmentally friendly agriculture. Event attracted approximately 200 visitors, successfully integrating the concept of sustainable consumption into the festival shopping context.

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6.5 Promoting Healthy and Joyful Living

"Health" is the foundation of everyone's peace of mind and sense of well-being. With promoting public health at its core, FEDS combines its mall space and foot-traffic advantages to integrate health concepts into everyday life scenarios. Through diverse activity designs—ranging from physical health and psychological stress relief to social safety issues—FEDS continues to accompany the public in building a sustainable lifestyle, making health not merely a slogan but a daily choice that can be put into practice.

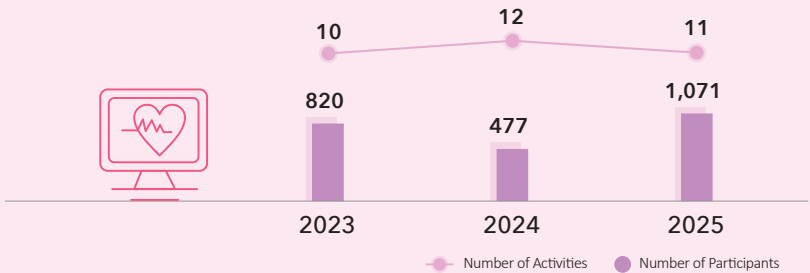
■ Safeguarding Health | Confident Self-Care for Women

FEDS has long focused on women's health, continuing to bring health services into the more convenient department store setting. In 2025, 7 branches held women's health screening activities, holding 11 events throughout the year with services reaching every region of Taiwan. By bringing in mammography screening vehicles and X-ray vehicles to provide services such as cervical smear tests and mammography, FEDS allowed women to complete health examinations in familiar everyday spaces.

A total of 1,071 people participated throughout the year, with a cumulative total of over 2,368 over the past three years. Such services not only lower the barrier to examination but also convey the important concept of "early detection, early treatment," accompanying women in taking good care of themselves amid busy lives.

In addition, Hualien Store participated in the "Hualien County Women's Sports Participation Touring Course: Summer Fun Sports" organized by the Hualien County Government, holding 24 events from June 16 to August 8 and attracting 1,200 participants. Under the guidance of professional fitness coaches, the public released stress and strengthened their physical fitness through exercise, gradually building regular exercise habits and making health part of life.

● Women's Health Screening Activities Held Over the Past 3 Years



■ Rolling Up Sleeves | Blood Donation Connecting Social Goodwill

Behind the stable operation of the medical system, blood supply is always an indispensable link. FEDS has long leveraged its channel influence to call on stakeholders to jointly participate in blood donation, making "rolling up sleeves to help others" part of everyday life. Through the integration of online promotion and on-site events, clear flow planning and on-site staff guidance, and the provision of practical gifts such as vouchers, bath towels, and eco-friendly cups, FEDS enhanced public participation.

In 2025, stores across Taiwan held a total of 128 blood donation events, successfully mobilizing tens of thousands of participants and collecting over 5.44 million cc of blood, a 1.7% increase over the previous year. These accumulated drops of goodwill not only support the medical system but also allow more people to participate in charity through simple actions, forming a stable and sustained force of social support.

21,773 annual blood donation participants

● The Number of Blood Donation Activities in the Past 5 Years

Category	2021	2022	2023	2024	2025
Number of Activities	51	74	45	136	128
Number of People	9,262	13,805	12,741	10,708	21,773
Blood Donation (CC)	2,315,500	3,446,650	3,185,750	5,354,000	5,443,250



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■ Dancing with Vitality | Building a Health Culture

FEDS has cultivated street dance culture since 2018, collaborating with the Chinese Taipei School Sport Federation for 8 consecutive years to hold the national dance competition, creating a stage where young people can freely express themselves and exchange and learn from one another. In 2025, the competition spanned the northern, central, and southern regions, with FEDS XinYi A13, Top City Taichung Store, and Kaohsiung Store hosting the preliminary rounds respectively, attracting 111 teams and over 800 students to participate, culminating in an exciting final at Mega City Banqiao Store that showcased youthful vitality and team chemistry.

Moreover, the Kaohsiung Store continued to open its space by inviting students from local senior and vocational high school dance clubs to perform in the mall, so that dance is no longer confined to campuses but becomes a cultural scene close to daily life. While shopping, the public could enjoy rhythmic and creative performances up close, feeling the passion and confidence of the younger generation. In 2025, 4 performance events were held, attracting over 8,200 onlookers.

While continuing its external collaborations, FEDS has extended its own-brand competition, the "FEDS Cup Xi-i Street Dance Competition," which has now been held for 5 consecutive years and offers NT\$30,000 in prize money to encourage more people to bravely take the stage. The event sets no age or nationality restrictions; from children as young as 6 to adult dancers. In 2025, over a hundred dancers gathered at Hsinchu Store and Top City Taichung Store. For many participants, this was not only a competition but also making health.

Supporting dance championships for 8 Consecutive Years



■ Family Time | Making Exercise Part of Life

FEDS integrates health concepts into family life scenarios, encouraging the public to build exercise habits through interactive parent-child activities. In response to the "World Masters Games," Banqiao Store planned a series of parent-child sports activities. Through guidance from professional coaches and gamified design, children learned basic balance skills and built self-confidence in a relaxed atmosphere.

In the final parent-child sports day, 40 families jointly took part in challenge activities—"Badminton Together," "Lucky Dice," "Kung Fu Soccer," and "Healthy Trail"—accumulating wonderful memories of healthy living amid laughter and cooperation. These activities not only strengthened physical fitness but also brought exercise back into family daily life, becoming an important medium for connecting emotions.

■ Building Correct Awareness | Saying No to Drugs for a Healthy Life

Within health issues, prevention is equally crucial. In the face of the potential threat of drugs to society, FEDS integrates anti-drug education into parent-child activities through an educational and entertaining approach. In 2025, three branches—Taoyuan Store, Tainan Store, and Kaohsiung Store—collaborated with local governments to hold "Little Police Officer" experience activities, attracting 738 parents and children to participate and allowing children to understand the duties of police work through role-play while building the correct awareness of saying no to drugs.

In addition, Kaohsiung Store provided a venue to help the Foundation for a Drug-Free World Taiwan hold the parent-child charity market, allowing the public to learn about the harms of drugs in a relaxed atmosphere through challenge games, fun interactions, and art performances. This approach not only enhanced the effectiveness of advocacy but naturally integrated the concepts of health and safety into life.

Through diverse dimensions such as blood donation, sports culture promotion, family interaction, health screening, and educational advocacy, FEDS continues to translate health concepts into concrete actions. In the future, FEDS will continue to leverage its channel influence so that gradually build a more vibrant and caring society.

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6.6 Encouraging Employee Volunteer Service

FEDS through an institutionalized volunteer participation mechanism, encourages employees to translate care into concrete actions. FEDS has long promoted the "Links of Love" program, in which each branch independently forms a one-day "volunteer service team" that goes into the community to engage in diverse charitable services such as environmental maintenance, care for the vulnerable, and companionship for the elderly, putting the Company's sustainability commitment into practice.

In 2025, FEDS held 50 employee volunteer events with 358 participants, dedicating 1,146 service hours. Over the past five years, 199 events have been accumulated with 2,682 participants, demonstrating the Company's achievements in continuously deepening employee participation and local connection.

Volunteer Service Performance

Category	2021	2022	2023	2024	2025
Number of Activities	16	51	30	52	50
Number of Participants	232	813	520	759	358
Activity Hours	736	925	2,990	1,593	1,146

Neighbors Together | Creating a Livable Environment

FEDS actively participates in community environmental maintenance in its role as a corporate citizen, working with residents to create a clean and livable environment through street-cleaning and cleanup actions. In 2025, three branches—FEDS Zhubei, Chiayi Store, and Tainan Store—engaged in community environmental improvement, calling on employee volunteers to join local residents in entering streets, alleys, and parks, which not only enhanced environmental quality but also promoted community interaction and strengthened neighborly bonds.

In terms of concrete actions, FEDS Zhubei promoted a routine street-cleaning mechanism, encouraging employees to integrate environmental maintenance into their daily lives; Chiayi Store combined local school resources, having elementary school students participate in street-cleaning activities to cultivate environmental protection awareness through concrete action and deepen the grassroots foundation of environmental education; Tainan Store worked with residents to clean the community together and provided care and support for volunteers.

Through diverse and continuous community participation, FEDS not only improved local environmental quality but deepened the foundation of trust between the Company and the community. In the future, FEDS will continue to integrate internal and external resources to expand the breadth and depth of community participation, working with local partners to jointly create a sustainable and livable environment.



Safeguarding Marine Ecology | Engaging in Beach Cleanups

In response to the SDG 14, FEDS continues to encourage employees to participate in environmental volunteer service, fulfilling its commitment to marine conservation through beach cleanups. In 2025, 5 branches engaged in related actions, including Mega City Banqiao Store, Banqiao Store, Taoyuan Store, Top City Taichung Store, and Tainan Store.

Taoyuan Store and Top City Taichung Store organized beach cleanups on their own initiative, while the other stores combined local governments and local resources to participate jointly, strengthening public-private collaboration and expanding the benefits of the action. A total of 94 employees participated throughout the year, accumulating 221 service hours and removing 2,203 kilograms of marine debris across 5 events, lessening the impact on marine ecology.

Through ongoing beach cleanups, FEDS not only substantially improved the coastal environment but also enhanced employees' awareness of and participation in marine pollution issues. In the future, FEDS will continue to combine government and local resources to deepen environmental education and the impact of its actions, contributing a steady force to marine ecological conservation.

Beach Cleanup Overview

Time	Stores	Government Activity	Activity Name	Cleanup Location	Marine Debris Collected
6/5	Top City Taichung Store		—	Lishui Fishing Port, Longjing District, Taichung City	250 kg
6/8	Tainan Store	✓	The Ocean Needs You: Marine Debris Awareness Campaign	Guanxi Platform, Anping District, Tainan City	413 kg
6/10	Taoyuan Store		—	Zhuwei Beach, Dayuan District, Taoyuan City	10 kg
9/20	Mega City Banqiao Store	✓	2025 New Taipei City Autumn Joint Beach Cleanup	Zhongjiao Bay Beach, Jinshan District, New Taipei City	1,530 kg
9/20	Banqiao Store	✓			



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- 6.1 Response to Global Sustainability Initiatives
- 6.2 Promoting Transnational Cultural Exchange
- 6.3 Deeply Cultivating Local Social Welfare and Care
- 6.4 Promoting Environmental Protection Initiatives
- 6.5 Promoting Healthy and Joyful Living
- 6.6 Encouraging Employee Volunteer Service**

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Local Restoration | Planting Trees to Protect Forests

Alishan in Chiayi is an important natural and tourism asset of Taiwan, yet in recent years its forest ecology has faced severe challenges due to extreme weather and typhoons. Recognizing the urgency of environmental protection, Chiayi Store actively participated tree-planting event jointly promoted by the Forestry and Nature Conservation Agency of the Ministry of Agriculture and the Chiayi City Government, engaging in local ecological restoration.

In 2025, 8 corporate volunteers from Chiayi Store joined government agencies in planting native Taiwanese tree species that attract birds and butterflies, promoting biodiversity through restoration. At the same time, tree planting also helps with carbon sequestration, contributing concrete action to addressing climate change. Through the participation of corporate volunteers, FEDS safeguarded precious mountain and forest resources, promoted biodiversity, and enhanced environmental resilience.



Caring for the Vulnerable | Support Families' Basic Needs

FEDS continues to focus on the living needs of vulnerable groups, translating care into concrete support through employee volunteer service. In 2025, 14 employees from Kaohsiung Store became volunteers for a day, going to the Andrew Food Bank to participate in sorting, counting, and packing food boxes, helping to effectively deliver social resources to families in need.

In this activity, 50 food boxes were completed within 2 hours, each containing about 10 daily necessities such as rice, canned goods, and dry rations, enough to provide a disadvantaged family with about one week of basic dietary needs and benefiting over 300 people. Through hands-on participation, employees not only directly assisted vulnerable groups but also gained a deeper understanding of the challenges they face in life and finances, further enhancing their empathy and sense of social responsibility, and hoping to call on more people to join in the future, expanding the reach of care so that warmth and support continue to spread through society, bringing stability and hope to more families in need.



Active Aging Care | Deepening Companionship

As Taiwan officially enters a super-aged society, issues such as elderly people living alone and lacking companionship have drawn increasing attention. FEDS actively responds to the social needs brought by demographic change, continuing to promote active and encouraging employee volunteers to enter the elderly's living spaces to convey care and support through real companionship. In 2025, FEDS held 9 elderly care activities, bringing warmth and companionship to the elderly through diverse interactive formats.

Among them, Banqiao Store, with "active aging companionship" at its core, formed a one-day volunteer service team that went deep into long-term care institutions and day-care centers in multiple districts of New Taipei City, planning 6 service activities throughout the year and mobilizing employee volunteers to accompany elderly people who are disabled, have dementia, or live alone. Through activity designs such as senior fitness exercises and hands-on experiences, the events not only promoted physical activity among the elderly but also enriched their daily lives.

Top City Taichung Store further expanded its service offerings; beyond companionship and interaction, it combined the resources of non-profit organizations and professional hair salons to provide a "charity haircut" service, helping elderly people with limited mobility or who rarely go out to improve their quality of life. A single visit and a single haircut allowed volunteers' care to be concretely realized in the elderly's daily lives, also deepening the Company's substantive response to aging issues.



Through diverse and continuous volunteer actions, FEDS translates employee participation into concrete social impact and actively responds to important issues such as environmental protection, local development, and social care. In the future, FEDS will continue deepen connections with local communities, and work with more partners to engage in charitable actions, spreading the power of care to more corners and continuing to strive to build a warmer and more inclusive society.

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● Employment Type

Type	A.Mart									City'Super									The Mall								
	2023			2024			2025			2023			2024			2025			2023			2024			2025		
	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	714	694	1,408	676	647	1,323	591	579	1,170	81	235	316	77	207	284	74	192	266	8	15	23	9	15	24	9	13	22
Informal Employees	315	362	677	227	329	556	194	325	519	21	76	97	20	92	112	19	89	108	0	2	2	0	3	3	0	2	2
Total Number of Employees	1,029	1,056	2,085	903	976	1,879	785	904	1,689	102	311	413	97	299	396	93	281	374	8	17	25	9	18	27	9	15	24
Number of Permanent Employees	1,029	1,056	2,085	903	976	1,879	779	885	1,664	81	235	316	77	207	284	74	192	266	8	15	23	9	15	24	9	13	22
Number of Temporary Employees	0	0	0	0	0	0	6	19	25	0	0	0	0	0	0	0	0	0	0	2	2	0	3	3	0	2	2
Number of Employees Without Guaranteed Hours	0	0	0	0	0	0	0	0	0	21	76	97	20	92	112	19	89	108	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

Type	A.Mart			City'Super			The Mall		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Counter Staff	N/A	N/A	N/A	584	603	559	272	82	98
Cleaning Staff	106	106	98	27	27	25	5	5	5
Security Guard	82	82	73	N/A	N/A	N/A	13	15	15
Total	188	188	171	611	630	584	290	102	118

Note: N/A indicates no such personnel.

● Workforce Structure

Type	Gender	A.Mart						City'Super						The Mall					
		2023		2024		2025		2023		2024		2025		2023		2024		2025	
		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	87	6%	85	6%	66	6%	7	2%	8	3%	5	2%	0	0%	0	0%	0	0%
	Female	87	6%	71	6%	51	4%	21	7%	16	6%	10	4%	1	4%	4	17%	2	9%
	Total	174	12%	156	12%	117	10%	28	9%	24	9%	15	6%	1	4%	4	17%	2	9%
30-49 Years Old	Male	404	29%	350	26%	293	25%	48	15%	44	15%	39	15%	6	26%	6	25%	5	23%
	Female	361	27%	333	25%	287	25%	138	44%	118	42%	104	39%	9	39%	7	29%	6	27%
	Total	765	56%	683	51%	580	50%	186	59%	162	57%	143	54%	15	65%	13	53%	11	50%
Over 50 Years Old	Male	223	16%	241	18%	232	20%	26	8%	25	9%	30	11%	2	9%	3	12%	4	18%
	Female	246	16%	243	18%	241	20%	76	24%	73	25%	78	29%	5	22%	4	17%	5	23%
	Total	469	32%	484	36%	473	40%	102	32%	98	34%	108	40%	7	31%	7	29%	9	41%
Total Employees	Male	714	51%	676	51%	591	51%	81	25%	77	27%	74	28%	8	35%	9	37%	9	41%
	Female	694	49%	647	49%	579	49%	235	75%	207	73%	192	72%	15	65%	15	63%	13	59%
	Total	1,408	100%	1,323	100%	1,170	100%	316	100%	284	100%	266	100%	23	100%	24	100%	22	100%

Note: 1. Proportion of employees in each age group = Number of employees in each age group ÷ Total number of employees.
2. The above statistics of The Mall and City'Super only include full-time employees.

● Employee Performance Management

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

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Number of New Employees

Type	Gender	A.Mart						City'Super						The Mall					
		2023		2024		2025		2023		2024		2025		2023		2024		2025	
		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	30	17%	23	15%	16	14%	4	14%	2	8%	1	7%	0	0%	0	0%	0	0%
	Female	37	21%	15	10%	6	5%	16	57%	3	13%	1	7%	0	0%	4	100%	0	0%
	Total	67	39%	38	24%	22	19%	20	71%	5	21%	2	14%	0	0%	4	100%	0	0%
30-49 Years Old	Male	33	4%	17	2%	12	2%	15	8%	6	4%	4	3%	1	7%	1	8%	0	0%
	Female	37	5%	21	3%	11	2%	28	15%	10	6%	9	6%	1	7%	1	8%	0	0%
	Total	70	9%	38	6%	23	4%	43	23%	16	10%	13	9%	2	13%	2	15%	0	0%
Over 50 Years Old	Male	8	2%	6	1%	4	1%	1	1%	1	1%	1	1%	1	14%	0	0%	1	11%
	Female	20	4%	4	1%	7	1%	14	14%	7	7%	7	6%	0	0%	0	0%	0	0%
	Total	28	6%	10	2%	11	2%	15	15%	8	8%	8	7%	1	14%	0	0%	1	11%
Total Employees	Male	71	5%	46	3%	32	3%	20	6%	9	3%	6	2%	2	9%	1	4%	1	5%
	Female	94	7%	40	3%	24	2%	58	18%	20	7%	17	6%	1	4%	5	21%	0	0%
	Total	165	12%	86	7%	56	5%	78	25%	29	10%	23	8%	3	13%	6	25%	1	5%

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

Number of Resigned Employees

Type	Gender	A.Mart						City'Super						The Mall					
		2023		2024		2025		2023		2024		2025		2023		2024		2025	
		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	41	24%	39	25%	37	32%	4	14%	3	13%	3	20%	0	0%	0	0%	0	0%
	Female	41	24%	49	31%	19	16%	14	50%	9	38%	5	33%	2	200%	2	50%	1	50%
	Total	82	47%	88	56%	56	48%	18	64%	12	50%	8	53%	2	200%	2	50%	1	50%
30-49 Years Old	Male	89	12%	64	9%	57	10%	18	10%	8	5%	8	6%	1	7%	1	8%	1	9%
	Female	63	8%	49	7%	44	7%	38	20%	33	20%	25	17%	0	0%	4	31%	1	9%
	Total	152	20%	113	17%	101	17%	56	30%	41	25%	33	23%	1	7%	5	38%	2	18%
Over 50 Years Old	Male	34	7%	31	6%	36	8%	3	3%	6	6%	2	2%	0	0%	0	0%	0	0%
	Female	37	8%	36	7%	34	7%	14	14%	23	23%	18	17%	2	29%	0	0%	0	0%
	Total	71	15%	67	14%	70	15%	17	17%	29	30%	20	19%	2	29%	0	0%	0	0%
Total Employees	Male	164	12%	134	10%	130	11%	25	8%	17	6%	13	5%	1	4%	1	4%	1	5%
	Female	141	10%	134	10%	97	8%	66	21%	65	23%	48	18%	4	17%	6	25%	2	9%
	Total	305	22%	268	20%	227	19%	91	29%	82	29%	61	23%	5	22%	7	29%	3	14%

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

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

Type	Gender	A.Mart						City'Super						The Mall					
		2023		2024		2025		2023		2024		2025		2023		2024		2025	
		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%	2	100%	1	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%	2	100%	1	100%	1	100%	1	100%	1	100%	0	0%	0	0%	0	0%
Assistant Vice President Level	Male	6	86%	6	86%	5	83%	1	50%	1	50%	2	67%	0	0%	1	100%	1	100%
	Female	1	14%	1	14%	1	17%	1	50%	1	50%	1	33%	0	0%	0	0%	0	0%
	Total	7	100%	7	100%	6	100%	2	100%	2	100%	3	100%	0	0%	1	100%	1	100%
Manager/Assistant Manager Level	Male	96	65%	89	64%	87	66%	17	61%	16	64%	16	62%	0	0%	0	0%	0	0%
	Female	52	35%	50	36%	44	34%	11	39%	9	36%	10	38%	1	100%	0	0%	0	0%
	Total	148	100%	139	100%	131	100%	28	100%	25	100%	26	100%	1	100%	0	0%	0	0%
Total	Male	103	66%	97	66%	93	67%	19	61%	18	64%	19	63%	0	0%	1	100%	1	100%
	Female	53	34%	51	34%	45	33%	12	39%	10	36%	11	37%	1	100%	0	0%	0	0%
	Total	156	100%	148	100%	138	100%	31	100%	28	100%	30	100%	1	100%	1	100%	1	100%

Comparison of Average Salary for Each Position

Type	A.Mart						City'Super						The Mall					
Year	2023		2024		2025		2023		2024		2025		2023		2024		2025	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Managerial Positions	1	0.87	1	0.87	1	0.88	1	0.83	1	0.83	1	0.84	1	1.18	1	0.91	1	0.95
General Employees	1	0.99	1	0.99	1	1	1	1.07	1	1.13	1	0.93	1	0.95	1	0.96	1	1.07

Note: Average salary = Minimum wage + Remuneration

Comparison of Entry-Level Personnel Starting Salary Against the Statutory Minimum Wage

Type	A.Mart			City'Super			The Mall		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Male	1:1	1:1	1:1	1.04:1	1:1	1.07:1	1.07:1	1.06:1	1.09:1
Female	1:1	1:1	1:1	1.14:1	1:1	1.07:1	1.07:1	1.16:1	1.09:1

Note: The salary data is based on Taiwan's minimum wage.

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Statistics of Parental Leave

Type	A.Mart						City'Super						The Mall					
	2023		2024		2025		2023		2024		2025		2023		2024		2025	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of Employees Eligible to Apply	17	21	9	14	3	6	4	21	5	20	3	21	0	0	0	0	0	0
Actual Number of Applicants	0	3	3	5	3	5	0	4	0	3	0	3	0	0	0	0	0	0
Application Rate	0%	14%	33%	36%	100%	83%	0%	19%	0%	15%	0%	14%	0%	0%	0%	0%	0%	0%
Number of Employees Subject to Reinstatement	4	4	1	9	4	3	0	1	0	3	0	3	0	0	0	0	0	0
Actual Number of Reinstatement Applicants	1	1	1	6	3	2	0	0	0	1	0	2	0	0	0	0	0	0
Reinstatement Rate	25%	25%	100%	67%	75%	67%	0%	0%	0%	33%	0%	67%	0%	0%	0%	0%	0%	0%
Number of Reinstated Employees Last Year	2	5	1	1	1	6	0	4	0	0	0	1	0	0	0	0	0	0
Number of Employees Who Were Reinstated for One Year Last Year	2	3	1	1	1	6	0	2	0	0	0	1	0	0	0	0	0	0
Retention Rate	100%	60%	100%	100%	100%	100%	0%	50%	0%	0%	0%	100%	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 were reinstated for one year last year ÷ number of reinstated employees last year.

Occupational Injury Statistics

Type	A.Mart									City'Super									The Mall								
	2023			2024			2025			2023			2024			2025			2023			2024			2025		
	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
Number of Occupational Injury Fatalities	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%	
Number of Serious Occupational Injuries	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	
Serious Occupational Injury 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%	
Number of Workers with Recordable Occupational Injuries	15	31	46	30	7	37	28	4	32	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	
Recordable Occupational Injury Rate	1.75%	4.22%	2.89%	3.45%	0.98%	2.33%	4.10%	0.60%	2.38%	0%	0%	0%	0%	0%	0%	1.09%	0%	0.27%	0%	0%	0%	0%	0%	0%	0%	0%	

Note: 1. In 2025, the total working hours for A.Mart, City' Super, and The Mall were 2,692,893, 736,032, and 43,648 hours, respectively.
2. Recordable occupational injuries = Accidental falls, bumps, cuts, and crush injuries caused by improper operation in the workplace, excluding traffic accidents during commutes; Serious occupational injury = Disabled for more than 6 months due to an occupational injury.
3. Occupational injury mortality rate = (Number of occupational injury fatalities ÷ Total working hours) × 200,000
4. Recordable occupational injury rate = (Number of recordable occupational injuries ÷ Total working hours) × 200,000

Appendix II. Environmental-Oriented Data of Subsidiaries

Item	A.Mart			City'Super			The Mall		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Power Consumption (10,000 kWh)	8,342	8,333	7,919	800	741	706	508	593	626
Energy Intensity (kWh/m²•yr)	360	363	320	514	476	446	248	247	302

Appendix III. 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 2025 (January 1, 2025 to December 31, 2025).
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

◆ GRI 2: General Disclosures 2021

Disclosure Items		Chapter	Page	Remarks
2-1	Organizational Details	About FEDS Report	3	
		1.1 Forward-Looking Innovative Management	36	
2-2	Entities Included in the Organization's Sustainability Reporting	About FEDS Report	3	
2-3	Reporting Period, Frequency and Contact Point	About FEDS Report	3	
2-4	Restatements of Information	1.1 Forward-Looking Innovative Management	36	2023 and 2024 employee salary and benefit data restated to align with 2025 data definitions; does not affect company operations.
		2.2 Upgrading the Customer Experience	57	Cumulative carbon reduction from digital e-vouchers restated to unify the conversion basis; does not affect company operations.
		3.2 Enhancing Energy Efficiency and Management	75	2024 total electricity consumption adjusted due to a clerical error; does not affect company operations.
		3.3 Water Resource Management and Use Efficiency	77	The rainwater harvesting storage tank capacity at FEDS Zhubei has been revised due to a clerical error; does not affect company operations.
		5.3 Talent Training and Career Development	109	2024 cumulative digital learning views adjusted due to a clerical error; does not affect company operations.
		5.5 Promoting Employee Health and Well-being	117	2024 disability injury frequency rate for non-employee workers adjusted due to a clerical error; does not affect company operations.

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Disclosure Items		Chapter	Page	Remarks
2-4	Restatements of Information	Appendix IV: Sustainability Accounting Standards Board (SASB) Index	149	2024 renewable energy percentage restated with an adjusted calculation basis; does not affect company operations.
2-5	External Assurance	About FEDS Report	3	
2-6	Activities, Value Chain and Other Business Relationships	Sustainable Value Creation Chain	19	
		1.1 Forward-Looking Innovative Management	36	
		4.4 Comprehensive Supply Chain Management	96	
2-7	Employees	5.1 A Stable and Sustainable Workforce Structure	103	
2-8	Workers Who Are Not Employees	5.1 A Stable and Sustainable Workforce Structure	103	
2-9	Governance Structure and Composition	1.2 Robust Sustainable Governance	41	For details, please refer to the Company's 2025 Annual Report under "2. Corporate Governance Report"
2-10	Nomination and Selection of the Highest Governance Body	1.2 Robust Sustainable Governance	41	
2-11	Chair of the Highest Governance Body	1.2 Robust Sustainable Governance	41	
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	1.2 Robust Sustainable Governance	41	
2-13	Delegation of Responsibility for Managing Impacts	1.2 Robust Sustainable Governance	41	
2-14	Role of the Highest Governance Body in Sustainability Reporting	1.2 Robust Sustainable Governance	41	
2-15	Conflicts of Interest	1.2 Robust Sustainable Governance	41	
2-16	Communication of Critical Concerns	1.2 Robust Sustainable Governance	41	
2-17	Collective Knowledge of the Highest Governance Body	1.2 Robust Sustainable Governance	41	
2-18	Evaluation of the Performance of the Highest Governance Body	1.2 Robust Sustainable Governance	41	
2-19	Remuneration Policies	1.2 Robust Sustainable Governance 5.2 Fair and Comprehensive Compensation and Benefits	41 105	
2-20	Process to Determine Remuneration	1.2 Robust Sustainable Governance 5.2 Fair and Comprehensive Compensation and Benefits	41 105	
2-21	Annual Total Compensation Ratio	5.2 Fair and Comprehensive Compensation and Benefits	105	
2-22	Statement on Sustainable Development Strategy	Message from the Chairman	6	
		Message from the President	7	
2-23	Policy Commitments	Creating Corporate Sustainable Value	8	
		4.4 Comprehensive Supply Chain Management	96	
		5.4 A Diverse, Inclusive, and Friendly Workplace	113	

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Disclosure Items		Chapter	Page	Remarks
2-24	Embedding Policy Commitments	Creating Corporate Sustainable Value	8	
		1.2 Robust Sustainable Governance	41	
2-25	Processes to Remediate Negative Impacts	1.3 Sound Risk Management	48	
2-26	Mechanisms for Seeking Advice and Raising Concerns	1.3 Sound Risk Management	48	
2-27	Compliance with Laws and Regulations	Explanation of Major Violations and News Events	30	
		1.5 Comprehensive Regulatory Compliance	53	
2-28	Membership Associations	1.2 Robust Sustainable Governance	41	
2-29	Approach to Stakeholder Engagement	Materiality Assessment	25	
		Communication with Stakeholders	32	
		1.3 Sound Risk Management	48	
2-30	Collective Bargaining Agreements	None		There is no labor union, so no collective bargaining agreements are signed.

◆ GRI 3: Disclosures on Material Topics

Disclosure Items		Chapter	Page	Remarks
3-1	Process to Determine Material Topics	Materiality Assessment	25	
3-2	List of Material Topics			
3-3	Management of Material Topics			

GRI Standard	Disclosure Items		Chapter	Page	Remarks
Key Topic: Store Safety and Services					
GRI 410: Security Practices 2016	410-1	Security Personnel Trained in Human Rights Policies or Procedures	4.4 Comprehensive Supply Chain Management	96	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	2.5 Ensuring a Safe Shopping Environment 4.1 Transparent Product Labeling	62 86	
	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Explanation of Major Violations and News Events 2.5 Ensuring a Safe Shopping Environment 4.1 Transparent Product Labeling	30 62 86	

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GRI Standard	Disclosure Items		Chapter	Page	Remarks
Key Topic: Information Security and Personal Data Protection					
GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	1.4 Rigorous Information Security Protection	52	
Key Topic: Energy Management					
GRI 302: Energy 2016	302-1	Energy Consumption within the Organization	3.2 Enhancing Energy Efficiency and Management	75	
	302-3	Energy Intensity			
	302-4	Reduction of Energy Consumption			
	302-5	Reductions in Energy Requirements of Products and Services			
GRI 303: Water and Effluents 2018	303-1	Interactions with Water as a Shared Resource	3.3 Water Resource Management and Use Efficiency	77	
	303-2	Management of Water Discharge-Related Impacts	3.4 Waste Reduction and Circular Recycling	78	
	303-3	Water Withdrawal	3.3 Water Resource Management and Use Efficiency	77	
	303-4	Water Discharge			
	303-5	Water Consumption			
Key Topic: Product Quality and Safety					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	2.5 Ensuring a Safe Shopping Environment 4.1 Transparent Product Labeling	62 86	
	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Explanation of Major Violations and News Events 2.5 Ensuring a Safe Shopping Environment 4.1 Transparent Product Labeling	30 62 86	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for Product and Service Information and Labeling	4.1 Transparent Product Labeling	86	
	417-2	Incidents of Non-Compliance Concerning Product and Service Information and Labeling			
Key Topic: Customer Service and Communication					
GRI 417: Marketing and Labeling 2016	417-3	Incidents of Non-Compliance Concerning Marketing Communications	4.1 Transparent Product Labeling	86	

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GRI Standard	Disclosure Items		Chapter	Page	Remarks
Key Topic: Occupational Safety and Health					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	5.5 Promoting Employee Health and Well-being	117	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation			
	403-3	Occupational Health Services			
	403-4	Worker Participation, Consultation and Communication on Occupational Health and Safety			
	403-5	Worker Training on Occupational Health and Safety			
	403-6	Promotion of Worker Health			
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	4.4 Comprehensive Supply Chain Management 5.5 Promoting Employee Health and Well-being	96 117	
	403-8	Workers Covered by an Occupational Health and Safety Management System	5.5 Promoting Employee Health and Well-being		
	403-9	Work-Related Injuries			
	403-10	Work-Related Ill Health			
Key Topic: Integrity in Business Operations and Compliance with Regulations					
GRI 205: Anti-Corruption 2016	205-1	Operations Assessed for Risks Related to Corruption	1.3 Sound Risk Management	48	
	205-2	Communication and Training about Anti-Corruption Policies and Procedures			
	205-3	Confirmed Incidents of Corruption and Actions Taken			
Key Topic: Waste Management and Resource Sustainability					
GRI 306: Waste 2020	306-1	Waste Generation and Significant Waste-Related Impacts	3.4 Waste Reduction and Circular Recycling	78	
	306-2	Management of Significant Waste-Related Impacts			
	306-3	Waste Generated			
	306-4	Waste Diverted from Disposal			
	306-5	Waste Directed to Disposal			

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GRI Standard	Disclosure Items		Chapter	Page	Remarks
Important Topic: Business Performance and Innovation Strategy					
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	1.1 Forward-Looking Innovative Management	36	
	201-4	Financial Assistance Received from Government			
Important Topic: Talent Cultivation and Retention					
GRI 202: Market Presence 2016	202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	5.2 Fair and Comprehensive Compensation and Benefits	105	
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	5.1 A Stable and Sustainable Workforce Structure	103	
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	5.2 Fair and Comprehensive Compensation and Benefits	105	
	401-3	Parental Leave			
GRI 404: Training and Education 2016	404-1	Average Hours of Training Per Year Per Employee	5.3 Talent Training and Career Development	109	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs			
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	5.2 Fair and Comprehensive Compensation and Benefits	105	
Important Topic: Labor Rights					
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	5.4 A Diverse, Inclusive, and Friendly Workplace	113	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	1.2 Robust Sustainable Governance 5.1 A Stable and Sustainable Workforce Structure	41 103	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	5.2 Fair and Comprehensive Compensation and Benefits	105	
GRI 406: Non-Discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	5.4 A Diverse, Inclusive, and Friendly Workplace	113	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and Suppliers in Which the Right to Freedom of Association and Collective Bargaining May Be at Risk	5.4 A Diverse, Inclusive, and Friendly Workplace	113	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	5.4 A Diverse, Inclusive, and Friendly Workplace	113	

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GRI Standard	Disclosure Items		Chapter	Page	Remarks
Fundamental Topic: Climate Change Response					
GRI 201: Economic Performance 2016	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	3.1 Net-Zero Transition and Climate Action	66	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	3.1 Net-Zero Transition and Climate Action	66	
	305-2	Energy Indirect (Scope 2) GHG Emissions			
	305-4	GHG Emissions Intensity			
	305-5	Reduction of GHG Emissions			

Appendix IV. Sustainability Accounting Standards Board (SASB) Index

Code	Metric	Corresponding Disclosure			Chapter	Page
Topic: Energy Management						
		2023	2024	2025		
CG-MR-130a.1	(1) Total Energy Consumed (GJ)	802,404	773,496	751,500	3.2 Enhancing Energy Efficiency and Management	75
	(2) Percentage Grid Electricity (%)	100%	100%	100%		
	(3) Percentage Renewable (%)	0.04%	0.11%	0.81%		
Topic: Data Security						
CG-MR-230a.1	Description of Approach to Identifying and Addressing Data Security Risks	For details on data security risks, please refer to "1.4 Rigorous Information Security Protection"			1.4 Rigorous Information Security Protection	52
		2023	2024	2025		
CG-MR-230a.2	(1) Number of Data Breaches	0	0	0	1.4 Rigorous Information Security Protection	52
	(2) Percentage of Personal Data Leakage (%)	0	0	0		
	(3) Number of Customers Affected	0	0	0		

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Code	Metric			Corresponding Disclosure			Chapter	Page
Topic: Labor Practices								
				2023	2024	2025		
CG-MR-310a.1	(1) Average Hourly Wage (Unit: NT\$)			277	279	296	5.1 A Stable and Sustainable Workforce Structure 5.2 Fair and Comprehensive Compensation and Benefits	103 105
	(2) Percentage of In-Store and Distribution Center Employees Earning Minimum Wage, by Region (%)			0%	0%	0%		
CG-MR-310a.2	(1) Voluntary Turnover Rate of In-Store and Distribution Center Employees (%)			23%	17%	18%		
	(2) Involuntary Turnover Rate of In-Store and Distribution Center Employees (%)			0.3%	0%	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	5.4 A Diverse, Inclusive, and Friendly Workplace	113
Topic: Workplace Diversity and Inclusion								
				2023	2024	2025		
CG-MR-330a.1	Percentage of Gender Representation	Male	Executive Managers	0.3%	0.3%	0.3%	5.1 A Stable and Sustainable Workforce Structure 5.4 A Diverse, Inclusive, and Friendly Workplace	103 113
			Non-Executive Managers	0.6%	0.6%	0.5%		
			Other Employees	35.7%	35.3%	35.3%		
		Female	Executive Managers	0.1%	0.1%	0.3%		
			Non-Executive Managers	0.4%	0.4%	0.3%		
			Other Employees	62.9%	63.3%	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.		0%		
			Non-Executive Managers			0%		
			Other Employees			1.6%		
		New Immigrant	Executive Managers			0%		
			Non-Executive Managers			0%		
			Other Employees			0.1%		

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Code	Metric			Corresponding Disclosure			Chapter	Page
				2023	2024	2025		
CG-MR-330a.1	Percentage of Racial/Ethnic Group/ Disability Representation	Persons with Disabilities	Executive Managers	0%	0%	0%	5.1 A Stable and Sustainable Workforce Structure 5.4 A Diverse, Inclusive, and Friendly Workplace	103 113
			Non-Executive Managers	0%	0%	0%		
			Other Employees	1.2%	1.4%	1.5%		
CG-MR-330a.2	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Employment Discrimination (Unit: NT\$)			0	0	0		
Topic: Product Sourcing, Packaging and Marketing								
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 3.5.4.		3.5 Green Consumption and Sustainable Services		80	
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 Chapters 4.1.2 and 4.3.1.		4.1 Transparent Product Labeling 4.3 Safe Food Safety Control		86 92	
CG-MR-410a.3	Discussion of Strategies to Reduce the Environmental Impact of Packaging		For details on green packaging, please refer to Chapter 3.5.4.		3.5 Green Consumption and Sustainable Services		80	
Topic: Activity Metrics								
				2023	2024	2025		
CG-MR-000.A	(1) Number of Retail Locations			13	12	12	1.1 Forward-Looking Innovative Management	36
	(2) Number of Distribution Centers			0	0	0		
CG-MR-000.B	(1) Total Area of Retail Locations (Unit: m²)			958,702	971,229	971,229		
	(2) Total Area of Distribution Centers (Unit: m²)			0	0	0		

Appendix V. TCFD and Climate-Related Information of TWSE/TPEX Listed Company Index

Category	TCFD-Recommended Disclosure Items	Climate-Related Information of TWSE/TPEX Listed Company	Chapter	Page
Governance	Describe the Board's 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 Net-Zero Transition and Climate Action	66
	Describe Management's Role in Assessing and Managing Climate-Related Risks and Opportunities.			
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 Net-Zero Transition and Climate Action	66
	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.		
	Describe the Resilience of the Organization's Strategy, Taking into Consideration Different Climate-Related Scenarios, Including a 2°C or Lower 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.		
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 Net-Zero Transition and Climate Action	66
	Describe the Organization's Process for Managing Climate-Related Risks.			
	Describe How Processes for Identifying, Assessing, and Managing Climate-Related Risks Are Integrated into the Organization's Overall Risk Management.			
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 Processes.	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.	3.1 Net-Zero Transition and Climate Action	66
		If Internal Carbon Pricing Is Used As a Planning Tool, the Basis for Setting the Price Should Be Explained.		
	Disclosure Scope 1, Scope 2 and, if Applicable, Scope 3 Greenhouse Gas Emissions and Related Risks.	Greenhouse Gas Inventory and Verification Status, Reduction Targets, Strategies, and Specific Action Plans.		
	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.		

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Appendix VI. Comparison Table of UN Global Compact

Category	10 Principles	Chapter	Page
Human Rights	1. Businesses Should Support and Respect the Protection of Internationally Proclaimed Human Rights	5.4 A Diverse, Inclusive, and Friendly Workplace	113
	2. Make Sure That They Are Not Complicit in Human Rights Abuses		
Labor Standard	3. Businesses Should Uphold the Freedom of Association and the Effective Recognition of the Right to Collective Bargaining	5.4 A Diverse, Inclusive, and Friendly Workplace	113
	4. The Elimination of All Forms of Forced and Compulsory Labor		
	5. The Effective Abolition of Child Labor		
	6. The Elimination of Discrimination in Respect of Employment and Occupation		
Environment	7. Businesses Should Support a Precautionary Approach to Environmental Challenges	3. Efficient Environmental Protection Operations	65
	8. Undertake Initiatives to Promote Greater Environmental Responsibility		
	9. Encourage the Development and Diffusion of Environmentally Friendly Technologies		
Anti-Corruption	10. Businesses Should Work Against Corruption in All Its Forms, Including Extortion and Bribery	1.3 Sound Risk Management	48

Appendix VII. Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Category	Content	Chapter	Page
Chapter 1. General Principles	Purpose of Policy, Scope of Practice and Principles	Message from the Chairman	6
		Message from the President	7
		Creating Corporate Sustainable Value	8
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		Materiality Assessment	25
Chapter 2. Exercising Corporate Governance	Regulating Corporate Governance Implementation	Communication with Stakeholders	32
		1.2 Robust Sustainable Governance	41
		Creating Corporate Sustainable Value	8
		Materiality Assessment	25
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Chapter 3. Fostering a Sustainable Environment	Regulating the Development of a Sustainable Environment	1.2 Robust Sustainable Governance	41
		1.3 Sound Risk Management	48
		5.2 Fair and Comprehensive Compensation and Benefits	105
		5.3 Talent Training and Career Development	109
		3. Efficient Environmental Protection Operations	65
Chapter 4. Preserving Public Welfare	Regulation to Safeguard Public Welfare	4.1 Transparent Product Labeling	86
		4.4 Comprehensive Supply Chain Management	96
		5.2 Fair and Comprehensive Compensation and Benefits	105
		5.3 Talent Training and Career Development	109
		5.4 A Diverse, Inclusive, and Friendly Workplace	113
Chapter 5. Enhancing Disclosure of Sustainable Development Information	Regulating Enhancement of Corporate Sustainable Development Information Disclosure	5.5 Promoting Employee Health and Well-being	117
		6. Heartwarming Social Caring	123
		About FEDS Report	3
		Creating Corporate Sustainable Value	8
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Chapter 6. Supplementary Provisions	Regulating the Amendment of the Sustainable Development System	Communication with Stakeholders	32
		1.2 Robust Sustainable Governance	41

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Appendix VIII. Statement of Assurance



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FAR EASTERN DEPARTMENT STORES LTD.'S SUSTAINABILITY REPORT FOR 2025

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 2025. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 Moderate level during 2026/3/24-2026/4/30. The boundary of this report includes FEDS Taiwan operational and service sites as disclosed in FEDS's Sustainability Report of 2025. 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 stated in the Sustainability/ESG Report for 2025.

RESPONSIBILITIES

The sustainability information in the FEDS's Sustainability Report of 2025 and its presentation are the responsibility of the directors or governing body and management of FEDS. SGS has not been involved in the preparation of any of the material included in the Report.

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).

Assurance has been conducted at a type 2 moderate level of scrutiny.

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:

Reporting Criteria Options

1	AA1000 Accountability Principles (2018)
2	Reporting reference to GRI Standards (2021)

- The evaluation of the reliability and quality of specified sustainability performance information in FEDS's 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 Standards.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the data presented in FEDS's Sustainability Report of Year 2025, which is claimed in the GRI content index (covering GRI 2, GRI 3, and the GRI 200, 300, and 400 series as material topics).

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 stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Greenhouse Gas Emission, SASB related disclosures, and non-material topics and the related indicators have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm 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 professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

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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).

The assurance team 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 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. FEDS may set relevant metrics to measure engagement effectiveness, outcomes and impact to carried out the engagement and communication in future disclosure.

MATERIALITY

FEDS has executed processes for determining issues that are material to the business. Integration of the assessment process across the organisation, including through relevant processes, such as risk management and compliance with laws, regulations, and internal policies and procedures are expected to be enhanced in the future reporting.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

FEDS has included in this report the disclosures of the organisation's annual performance and results on stakeholders and on the organization itself. Measurements and evaluations on potential impacts, such as direct and indirect, intended and unintended, and positive and negative impacts and the relevant management process to address these impacts are to be further described in future reporting.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, the assurance team checked the information and records including but not limited to minutes of meetings of BOD and committees, management documents, certification system reports, consolidated data file among operation sites, internal systems, training records, organization official website, internal audit plans and execution records etc. 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 2025, 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 disclosed information related to FEDS's contributions to sustainability development. For future reporting, it is recommended FEDS to improve its processes of assessing impacts on the economy, environment, and people as well as the management of significant impacts and further to conduct due diligence in GRI Standards, to fairly present the impacts management process , and disclose the measurement and monitoring process of impact identified with responsive indicators based on application of due diligence. The organization is encouraged to enhance the structure and consistency of its disclosures, including clear definitions, self defined methodologies, and aligned presentation formats, to better support transparency and comparability in accordance with reporting principles.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
16 June, 2026
WWW.SGS.COM



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Sustain for a
Good Life .



2025 Sustainability
Report

