

# SOG



## SO GOOD

E N V I R O N M E N T   S O C I A L   G O V E R N A N C E

2022 Far Eastern SOGO  
Corporate Sustainability Report







**SOGO**

**SO GOOD**

ENVIRONMENT SOCIAL GOVERNANCE

# CONTENTS

## Introduction

I. About this Report	06
II. About Far Eastern SOGO	06
Message from the Chairman	07
Special Information on ESG	08
Honors and Awards	12
Sustainable Development Strategies and Creation of Values	13
Far Eastern SOGO Vision Project	14
Starting a Vision Project for a New Normal	14
III. Sustainable SOGO	14
Mechanism and Framework for Sustainability Promotion	15
Management Process of Sustainability Issues	15
Changes to the Sustainability Issues	17
Far Eastern SOSO Value Chain and Its Relationship with Sustainability Issues	18
Stakeholder Engagement	20

## 1.Sound **Operation Power** 22

1.0 Strategic Results and Planning	23
1.1 Corporate Governance	25
1.2 Operation Performance	34
1.3 Information Security Protection	39
1.4 Risk Control	42
1.5 Supply Chain Management	46

## 2 Sustainable **Environment Power** 49

2.0 Strategic Results and Planning	50
2.1 Green Department Store	55
2.2 Climate Change Mitigation and Adaptation	67
2.3 Energy Management	74
2.4 Water Resource Management	80
2.5 Waste Management	82

### 3. Assured **Service Power** 84

3.0	Strategic Results and Planning	85
3.1	Merchandise Safety Management	86
3.3	Customer Relationship and Service	89
3.3	Shopping Center Safety Maintenance	98

### 4. Happy **Workplace Power** 99

4.0	Strategic Results and Planning	100
4.1	Employee Profile	102
4.2	Remuneration and Welfare	106
4.3	Professional Training	113
4.4	Occupational Safety and Health	119

### 5. Social **Impact Power** 126

5.1	All stores are a site of sustainable influence — C · S · R	127
5.2	Local Business	135

### Appendix 137

Appendix 1. International Sustainability Disclosure Framework Comparison Table	138
Appendix 2. Comparison Table of UN Global Compact	146
Appendix 3. Statement of Assurance	147



## About this Report

This Sustainability Report published by Pacific SOGO Department Stores Co., Ltd. (hereinafter "Far Eastern SOGO") is the sustainability-related information published for the ninth consecutive year. Adhering to the spirit of transparency, openness and sustainability, Far Eastern SOGO prepared the content of this report in accordance with the Universal Standards 2021 published by the Global Report Initiative (GRI) in 2021. The report is published annually to communicate to stakeholders the economic, environmental and social aspects of corporate sustainability, and to show concrete performance results.

### Basis of Preparation

This report was compiled based on the following international standards and guidelines:

Issuer	Standard framework/Regulations
The United Nations (UN)	UN Sustainable Development Goals (SDGs)
Global Sustainability Standards Board (GSSB)	GRI Universal Standards 2021
Financial Stability Board (FSB)	Task Force on Climate-related Financial Disclosures (TCFD)
Value Reporting Foundation (VRF)	Sustainability Accounting Standards Board (SASB)

### Scope of Reporting

This report covers the period from January 1 to December 31, 2022, and contains information on management approaches, material issues, implementation plans, and performance. The disclosure boundary of this report focuses on the business locations of Far Eastern SOGO in Taiwan, including "Pacific Chongguang Culture and Education Foundation" and "Pacific Chongguang Social Welfare Foundation", with respect to their CSR-related actions and performance in the economic, social, and environmental aspects. "Local" referred to in this Report indicates the sites of the Far Eastern SOGO business locations. The information related to the seven business locations in Taiwan referred to in the financial statements of the Company are disclosed in this Report.

The content and the financial data citations are open information that has been audited and certified by CPAs. Other data was summarized and compiled by Far Eastern SOGO. In consideration of comparability, the data for the most recent 4 years is disclosed in part of the performance information. The calculation scope of the data and the changes to the basis are described in notes.

### Management Process and Publication of the Report

Collection of first draft, verification of internal data	Organization for compilation	Third-party verification	Publication of the report
Each responsible department provides information, and the Auditing Office conducts data audits.	The ESG executive secretary team organizes the report for overall planning and compilation.	The report passes external verification.	The report is reviewed and confirmed by the Corporate Sustainability Committee (hereinafter the ESG Committee), finalized for design, and issued and published on the ESG website.

Date of first issue: June 2015

Date of current issue: June 2023

Date of previous issue: June 2022

Date of Next Issue: Scheduled for June 2024

### Assurance of the Report

To ensure the transparency and credibility of information disclosure, the information and data disclosed in this report has been verified by SGS Taiwan in accordance with GRI Standards 2021 Reference Options and Type 1 of AA1000 AS v3 Moderate Level Assurance. For the information on relevant methods of the assurance/verification process and the result, see the Statement of Verification in the Appendices of this report.

### Contact Information

Thank you for reading this Report. You are welcome to contact us in the following ways if you have any questions about this Report or Far Eastern SOGO.

Contact Person: Far Eastern SOGO, Sustainable Development Office, Wan-Yun Hsu, Assistant Vice President

Email : [esg@mail.sogo.com.tw](mailto:esg@mail.sogo.com.tw)

Tel: 02-7713-5555 Ext. 8251

HQ Address: No. 45, Section 4, Zhongxiao East Road, Da'an District, Taipei City, Taiwan (R.O.C.)

Stakeholder Contact: <https://esg.sogo.com.tw/9-6.php>

Far Eastern SOGO ESG Website: <https://esg.sogo.com.tw/>

Far Eastern SOGO Corporate Sustainability Report Download: <https://esg.sogo.com.tw/ESG-Report.php>



## Message from the Chairperson

### Keeping Up With the Times, Being Friendly with Common Good What has changed and not changed in the 35 years of Far Eastern SOGO

On November 11, 1987, at 11 am, SOGO opened its Zhongxiao Store in the Zhongxiao East Road shopping district of Taipei City. It was the largest department store in Southeast Asia at the time and was regarded as a legend. Known for “One-Stop Shopping” with a focus on exceptional products, services, and operational performance, SOGO has set numerous records as an industry leader. 35 years later, Far Eastern SOGO continues to exceed in generating new highs in its annual revenues and profits. In addition to being a “Cash Cow”, as referred to in the past, the Zhongxiao Store has taken on additional titles such as the “Dragon’s Den” and the “Mazu Temple of Beauty”. Furthermore, through promoting corporate social responsibility (CSR) since 2015, Far Eastern SOGO Department Store has become the “Model of Department Store Sustainability”, and has since received over 150 domestic and international CSR- and ESG-related awards in recent years for implementing corporate sustainable development.

During the pandemic, besides caring for our stakeholders and working together to overcome the retail downturn, Far Eastern SOGO continued to work towards its sustainability goals. Despite the progression of the pandemic, we continued to deliver outstanding financial results. Far Eastern SOGO achieved a new high in revenue and profit in 2022 from the efforts of our employees and the support from customers. It recorded a revenue of NT\$45 billion, an annual increase of 9%. Furthermore, its pre-tax/after-tax net profit, earnings per share, and return on shareholders’ equity have all grown for five consecutive years, with an EPS of NT\$1.69, an annual increase of over 20.7%, and a 20.5% increase in its after-tax earnings. In celebration of Far Eastern SOGO’s 35th anniversary, we hope to further sustain our beloved Taiwan and Mother Earth through our initiatives with the sustainable performance of ESG in the three aspects of environment, society, and corporate governance.

### First Present (E): Advocating for a sustainable environment and being the first department store in Asia Pacific to join EP100

In 2022, Far Eastern SOGO was the first retail department store in the Asia Pacific to join the international initiative EP100. We also won the National Enterprise Environmental Protection Award for four consecutive years and received a premium award in the “Low Carbon Product Awards” from the Environmental Protection Administration. Through integrating low-carbon products throughout the department store, we have received many recognitions such as the carbon reduction label and the “service carbon label”, which has allowed the Tianmu Store to be included in the green procurement declaration. Far Eastern SOGO has not forgotten to leverage its influence and collaborate with stakeholders to move towards achieving net-zero emissions. By 2023, the electronic gift cards we introduced have saved enough paper to stack up beyond the height of seven Yushan mountains. Moreover, in response to “Net Zero Green Living” in the government’s “12 Concrete Actions for Key Net Zero Strategies”, Far Eastern SOGO has attended several seminars, as well as observation and sharing sessions organized by the Environmental Protection Administration, becoming a model company for net zero green living in Taiwan.

### Second Present (S): Engaging in social inclusion, pay rise for two consecutive years, and receiving the Gold Award

During the pandemic, Far Eastern SOGO was the first department store to offer vaccination incentives to its employees. Employees were rewarded for each dose of vaccine they took, with those who took three doses receiving a total of NT\$2,500. We also offered paid leave for pandemic prevention beyond legal requirements. During and after the level 3 alert period, we offered paid leave

for pandemic prevention to employees who were confirmed with COVID or in quarantine, while also offering condolences to those affected by COVID-19, including both employees and counter partners. To ensure that every employee possesses an international awareness of occupational health and safety risk management, we introduced the ISO 45001 Occupational Health and Safety Management System. Far Eastern SOGO has set high standards for labor safety, winning the Taipei City Labor Safety Award for ten consecutive years. In early 2022 and 2023, Far Eastern SOGO provided salary increases for two consecutive years, exceeding 4% across the board, setting a benchmark in the retail industry. We shared the results and benefits with stakeholders, earning us the Gold Award for Happy Enterprise from a job bank.

### Third Present (G): Voluntarily issuing corporate sustainability reports for nine consecutive years, and strengthening the sustainability of suppliers

Far Eastern SOGO, a non-TWSE/TPEx-listed company, has independently issued sustainability reports for nine consecutive years, which have been third-party verified. The 2022 Corporate Sustainability Report of Far Eastern SOGO won the highest Platinum Award for Trade and Department Store at the Taiwan Corporate Sustainability Awards (TCSA), and its English version won the Bronze Award at the Global Corporate Sustainability Awards (GCSA) upon its first release. The report was ranked among the top 100 sustainability models in the category of overall performance. Far Eastern SOGO is the first department store in Taiwan to implement supply chain management. In accordance with SDG12 “Responsible Consumption and Production”, we have optimized our previous CSR policy into a “Sustainability Policy” with nine clauses to strengthen suppliers’ sustainability actions in the social and environmental aspects (including labor rights, environmental sustainability, and care for pregnant and breastfeeding women) to enhance suppliers sustainability.

Promoting CSR and ESG ideas is important to us. “If you take the right path, you will not be afraid to go far” has become the motto of Far Eastern SOGO from top to bottom regarding sustainability. I always encourage my colleagues in the department store, a majority of whom are women, that “If you bloom, butterflies will come”. Whether you are a junior employee or a middle or senior manager, the most important thing is if you can perform well in your job. By valuing and realizing your work values, you are already engaging with stakeholders on behalf of the Company, which is a demonstration of your sustainability DNA!

Chairlady,  
Pacific SOGO Department Stores

黃晴雯

May 2023

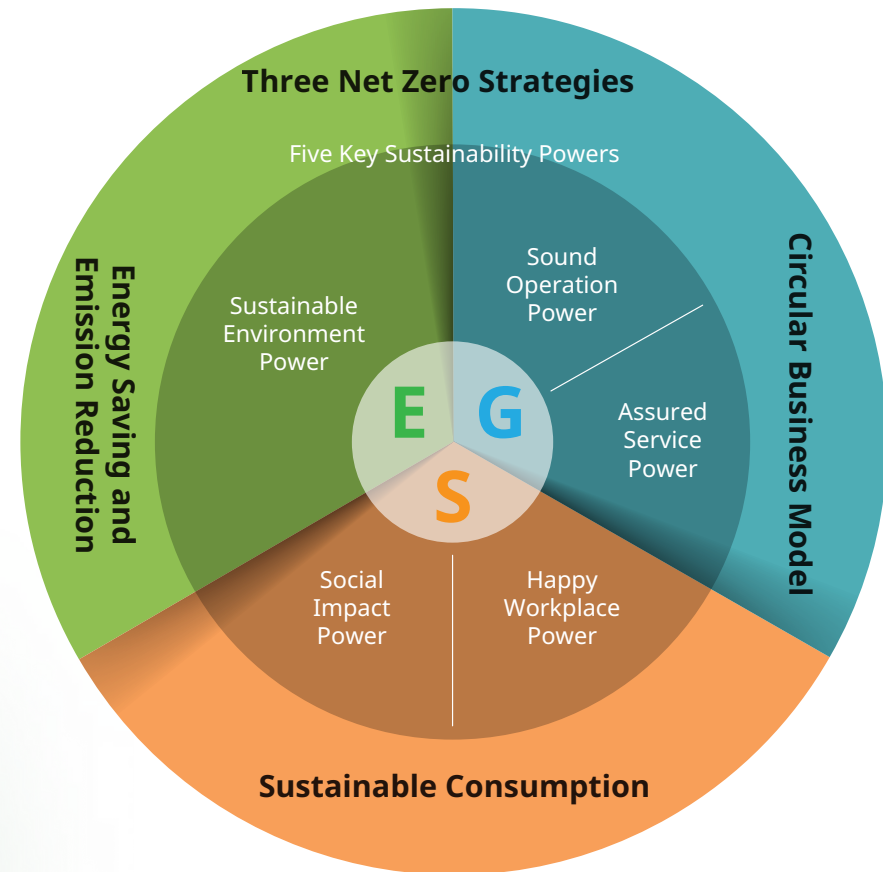




## Special Information on ESG








In response to the UN Sustainable Development Goals (SDGs) and taking into consideration the business model of the department store industry, Far Eastern SOGO has adopted the “Five Key Sustainability Powers” for sustainable development, including “Sound Operation Power”, “Sustainable Environment Power”, “Assured Service Power”, “Happy Workplace Power” and “Social Impact Power”, as the basis for daily management of sustainability issues. To respond to the concerns and expectations of global consumers and capital markets regarding ESG issues, we have been dedicated to implementing the integration of sustainable development strategies with our business cores to achieve the goal of becoming the No. 1 green department store in Asia. In 2021, led by the Corporate Sustainability Committee, we refocused on the planning of the 2030 sustainable development strategy and blueprint. With “energy saving and emission reduction”, “sustainable consumption” and “circular business model” as the “Three Net Zero Strategies”, we worked with our upstream, midstream and downstream stakeholders, such as brand partners, suppliers, employees and consumers, to implement various governance, environmental and social action plans for the vision of a sustainable city full of co-prosperity and happiness.






### Far Eastern SOGO Sustainability Roadmap



Five Key Sustainability Powers	Performance highlights	Corresponding SDGs	Three Net Zero Strategies	Performance highlights
Sound Operation Power	<p>With an approach of sustainable management and the spirit of agile innovation, we optimize the shopping experience of our stores and create the image of a leading department store brand.</p> <ul style="list-style-type: none"> <li>Our total revenue in 2022 was NT\$45.01 billion, and our pre-tax/after-tax net profit, earnings per share and return on shareholders' equity have all grown for five consecutive years, with an EPS of NT\$1.69, an annual increase of over 20.7%, and a 20.5% increase in its after-tax earnings.</li> <li>Large-scale renovation of Zhongxiao Store's supermarket and shopping area and Kaohsiung Store to strengthen customer adhesion and contribute to positive growth of our annual sales.</li> <li>We organized digital security training for all employees, and we received the MAS Information Security Mark certification for the SOGO APP.</li> </ul>	 	Circular Business Model	<ul style="list-style-type: none"> <li>We strengthened supplier sustainability and optimized supplier terms for suppliers to sign upon their first signature of contract/exchange of contract/request for payment.</li> <li>We promoted sustainable selection of suppliers with the "SOGO Sustain Good Things Are Easy to Choos" identification system, with 650 carefully selected products recommended throughout the year.</li> <li>We conducted a sustainability survey of engineering and general service suppliers and collected 198 questionnaires to provide guidance and connect the upstream and downstream value chains to promote a net-zero alliance.</li> <li>We implemented the principles of sustainable procurement, including green procurement, social innovation procurement, and renting instead of buying, and 100% of the general services were procured locally. Our total green procurement amounted to NT\$35 million, an increase of 38.06%. Other sustainable procurement amounted to NT\$9.93 million, an increase of 74.56%.</li> </ul>
Assured Service Power	<p>We strictly control product safety to strengthen consumer trust and create a model of "food safety management" in the department store industry.</p> <ul style="list-style-type: none"> <li>In response to the needs of stakeholders, we formulated the "Product Safety" action plan. 88% of the food and beverage counters and restaurants in the food courts of our stores across Taiwan have passed the GHP certification, with 97% of them being "Excellent".</li> <li>We enhanced product traceability, and our supermarkets introduced a complete section for product traceability.</li> <li>88% of customers were satisfied that Far Eastern SOGO "maintains product safety", a significant increase of 6.2% compared to 2021.</li> <li>We received the Gold Prize for Department Stores and Shopping Centers at the 2022 Taiwan Best Customer Center Award.</li> </ul>			

Five Key Sustainability Powers	Performance highlights	Corresponding SDGs	Three Net Zero Strategies	Performance highlights
Happy Workplace Power	<p>We provide a safe workplace with an occupational safety and health environment in line with international standards, and we plan for selection, retention and training of employees and their remuneration and benefits at a level better than the standards of the industry to create a happy workplace.</p> <ul style="list-style-type: none"> <li>During the pandemic, we achieved cost savings and a slight increase in profit. Salary adjustment takes place in July regularly, but in 2022 it was implemented early in January with a 4% salary increase for all employees, in order to share the results with stakeholders and boost the morale of employees (In March 2023, we increased the salary of all employees by 4% again, raising the pay for all employees for two consecutive years).</li> <li>Our average monthly salary is NT\$46,429, 7.91% higher than that of peer companies.</li> <li>During the pandemic, we strengthened employee care and were the first department store in Taiwan to offer vaccination incentives to employees, with subsidies for each dose and a total of \$2,500 for three complete doses of vaccine.</li> <li>We offer paid leave for pandemic prevention that is better than that provided by the law, with 1,583 hours applied for over two years. We also paid compensation to employees and counter partners who were confirmed with COVID and isolated, with 1,000 applications.</li> <li>We offer benefits that are better than those provided by the law, including a maternity allowance of NT\$5,000 and a parental allowance of NT\$10,000 per child, which are available to both men and women and can be requested for any newborn child at or below the age of one. Starting from 2023, the shortened working hours for parenting will be granted in the form of 80% of salary instead of unpaid leave.</li> <li>The expense for employee training grew by 143% annually, and is expected to grow again by 20% in 2023.</li> <li>Our stores in Taipei have all introduced ISO 45001, in line with international occupational safety and health standards.</li> </ul>	   	Sustainable Consumption	<ul style="list-style-type: none"> <li>Strengthening employee awareness of sustainability: The result of the 2022 employee satisfaction survey indicates that 93% of employees agree with sustainability, and that 89% of them are willing to practice sustainability at work.</li> <li>Advocating for sustainable consumption and working with stakeholders to generate earth-friendly consumption awareness and actions:               <ol style="list-style-type: none"> <li>In 2022, the Company invested NT\$7.63 million and organized 92 sessions of joint establishment sustainability events, and more than 90,000 people participated in the events with 230,000 benefiting from the events.</li> <li>We held two SOGO Sustain events, reaching 1.15 million people with our DMs and e-newsletters. We organized a SOGO APP tree planting event with 18,600 participants.</li> <li>We held 29 fairs for small farmers throughout the year. The small farmers' fairs held at the Zhongxiao Store saw more than 48,000 purchases for the year, with a 32.4% increase in sales and a 21% increase in the average unit price.</li> <li>66 self-media sustainability initiatives and communications, reaching more than 160,000 people.</li> <li>96% of the restaurants in our stores have passed the EPA green restaurant certification.</li> <li>Cloud invoices accounted for 53% of our invoices, achieving the plan of the Ministry of Finance for half of our invoices issued to be cloud invoices, three years ahead of schedule.</li> <li>Since 2015, we have been the first department store in Taiwan to issue electronic gift vouchers, and the accumulated amount of paper saved in the past 8 years can be stacked as high as 6.5 Jade Mountains.</li> </ol> </li> </ul>
Social Impact Power	<p>We build a sustainable ecosystem with the three common aspects of "Caring", "Sustainability" and "Reliability".</p> <ul style="list-style-type: none"> <li>We have used our locations throughout Taiwan as our bases of influence to work with 1,975 diversity partners in launching 912 social engagement events, investing resources worth over NT\$67 million and benefiting over 2 million people.</li> <li>In the past 10 years, NT\$28 million of resources were invested in the "Children SO GOOD Role Model Selection and Recognition" to reward 290 model teenagers, promote children's welfare, promote DEI, and work with stakeholders to build a public welfare ecosystem and drive a good social cycle.</li> </ul>	  		



Five Key Sustainability Powers	Performance highlights	Corresponding SDGs	Three Net Zero Strategies	Performance highlights
Sustainable Environment Power	<p>We implement energy management and develop energy-saving measures to create a one-stop procurement platform for green consumption, aiming to become a benchmark for green department stores in Asia.</p> <ul style="list-style-type: none"> <li>Our revenue generated per kWh of electricity was NT\$447.99, a 6.97% increase from 2021 and a new high in recent years. Compared with the base year of 2018, it increased by 25.55%.</li> <li>To develop renewable energy, the second phase of the solar panel construction project of the Hsinchu Store was launched, and the percentage of green power is expected to increase to 5.7%. The Tianmu Store has also applied for a renewable energy certificate. The Hsinchu renewable energy project site generated over 1.6 million kWh of electricity in 3 years, reducing an amount of carbon equivalent to carbon absorbed by 5 Hsinchu Parks.</li> <li>The Zhongxiao Store, Fuxing Store and Tianmu Store completed the ISO 14064-1:2018 greenhouse gas inventory.</li> <li>The water consumption per unit floor area was 8.34, and the water consumption per unit number of visitors and employees was 0.1216, which were both better than the value for water consumption indicators recommended by the Water Resources Agency, MOEA in 2022.</li> <li>We are the first department store to undertake green time deposit, the amount of which has increased from NT\$30 million to NT\$200 million.</li> </ul>	  	<p><b>Energy Saving and Emission Reduction</b></p>	<ul style="list-style-type: none"> <li>We officially joined the international initiative EP100 (Energy Productivity 100), becoming the first retail department store member in Asia Pacific. Our target is a 50.52% increase in energy productivity by 2028 compared to 2018.</li> <li>We have established the Climate Change Committee to address climate risks and green business opportunities, and the TCFD has completed an assessment and analysis of climate risk and financial links.</li> <li>Net zero targets: The Hsinchu Big City Store will be carbon neutral by 2028, all of our stores in Taiwan will be carbon neutral by 2040, and we will achieve net zero by 2050 in accordance with government policy.</li> </ul>



## Honors and Awards

Became member of 1 international initiative, won 30 awards, 5 certifications

### Overall Performance: 5 awards

- Global Vision CSR and ESG Awards - Exemplary Award for General Services (5 consecutive years)
- Taiwan Corporate Sustainability Awards (TCSA) - Top 100 Sustainability Model Businesses in Taiwan (ranked first among retailers in Taiwan in terms of the number of awards received)
- Taiwan Corporate Sustainability Awards (TCSA) - Sustainability Report - Platinum Award for Category 1 of Trade and Department Store
- Global Corporate Sustainability Awards (GCSA) - English Sustainability Report - Bronze Award
- National Sustainable Development Award

### Environmental Sustainability (E): 13 awards and 1 international initiative

- Official member of EP100
- Asia Responsible Enterprise Awards (AREA) - Green Leadership
- National Enterprises Environmental Protection Award - Silver Award (4 consecutive years)
- Taiwan Sustainability Action Awards (TSAA) - Gold Award for Environmental Sustainability
- Taiwan Corporate Sustainability Awards (TCSA) - Climate Leadership
- Global Corporate Sustainability Awards (GCSA) - Climate Leadership
- Taipei Net Zero Leadership Award - Model Award
- Outstanding Performance in Water Conservation (Tianmu Store)
- Awards for Outstanding Performance in Water Conservation - Excellence (Tianmu Store)
- Low Carbon Product Awards - Premium (Tianmu Store)
- Taiwan Business Entity Cloud Invoice Issuance Competition (northern Taiwan) - First Prize for Department Stores (Hsinchu Store)
- Taiwan Business Entity Cloud Invoice Issuance Competition (northern Taiwan) - Third Prize for Department Stores (Zhongli Store)
- Outstanding Green Restaurant in Taoyuan City (Zhongli Store)

### Social Inclusion (S): 8 awards and 3 certifications

- Taipei City Labor Safety Award - Outstanding Institution (10 consecutive years, and the only company in the department store industry)
- Taipei City Labor Safety Award - Big-hearted Employer
- Taipei City Labor Safety Award - Outstanding Employee
- Asia Responsible Enterprise Awards (AREA) - Investment in People
- 1111 Job Bank - Gold Award for Happy Enterprises
- Taiwan Corporate Sustainability Awards (TCSA) - Single Category of Sustainability Performance - Leadership in Talent Development
- Talent Quality-management System (TTQS) - Bronze Award (Hsinchu Store)
- Taiwan Best Customer Center Award - Gold Prize
- Certification of Healthy Workplace: Head Office, Fuxing Store, Tianmu Store

### Corporate Governance (G): 4 awards and 2 certifications

- Taiwan Sustainability Action Awards (TSAA) - Silver Award for Economic Development
- Outstanding Business Entity in the Issuance of Uniform Invoice
- Buying Power - Third Prize for Procurement of Social Innovation Products and Services
- Buying Power - Special Prize for Procurement of Social Innovation Products and Services (Fuxing Store)
- Model Entity of Green Procurement in Taipei City (6 consecutive years)
- Information security certification for SOGO APP: iOS and Android versions



2022 Global Vision CSR and ESG Awards - Exemplary Award for General Services



2022 TCSA Sustainability Model Businesses in Taiwan



2022 TCSA Sustainability Report - Platinum Award



2022 GCSA English Sustainability Report - Bronze Award



2022 National Sustainable Development Award



2022 Low Carbon Product Awards - Premium



2022 Taipei City Labor Safety Award



2022 Happy Enterprise

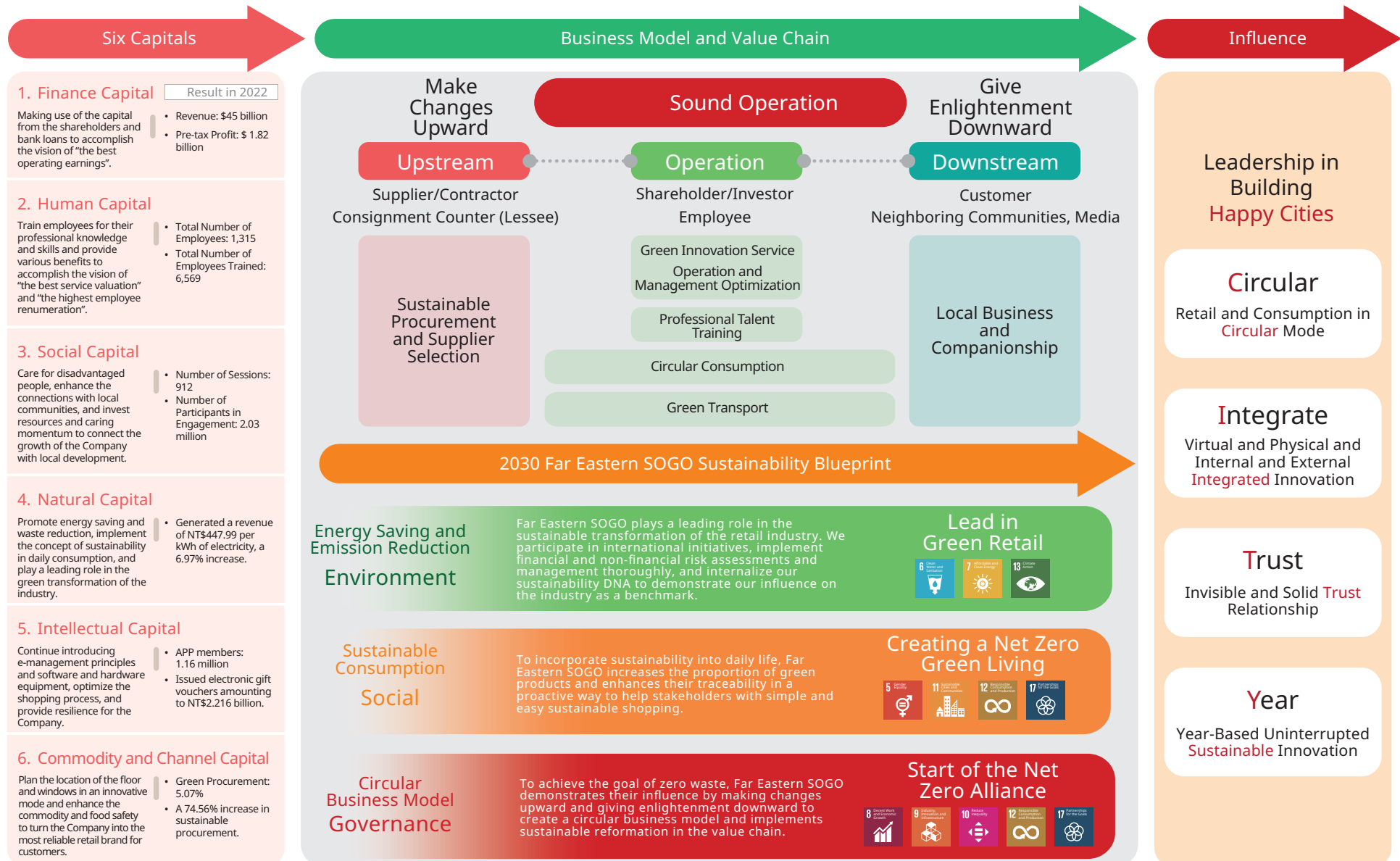


2022 Outstanding Business Entity in the Issuance of Uniform Invoice



2022 Buying Power - Third Prize

## Sustainable Development Strategies and Creation of Values



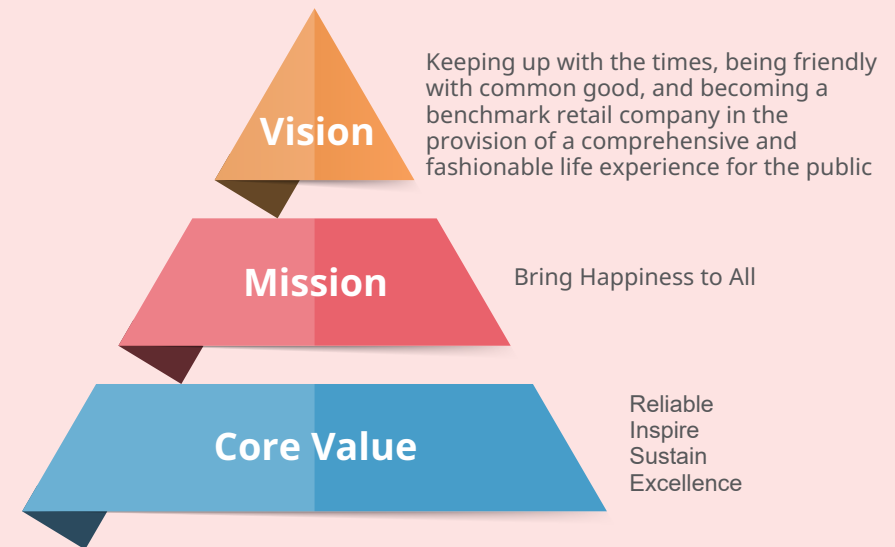


## Far Eastern SOGO Vision Project

### Starting a Vision Project for a New Normal

The pandemic brought about a new normal that has changed the consumer market of the retail industry dramatically. We started the “Vision Project” in 2020 to give a portrayal of the future and outline a forward-looking strategy. With the three ESG dimensions as the guidelines for operation in the future, we redefined our visions to “keep up with the times, be friendly with common good, and become a benchmark in the provision of a comprehensive fashionable life experience for the public”. With these, we developed the mission and core value of the Company. Our Mission is to Bring Happiness to All.

To ensure that all employees can carry out the vision and mission of the Company, we developed four core values: Reliable, Inspire, Sustain, and Excellence. The acronym combination of these four core values, R.I.S.E., indicates that Far Eastern SOGO will face the new normal with positively reviving dynamics.

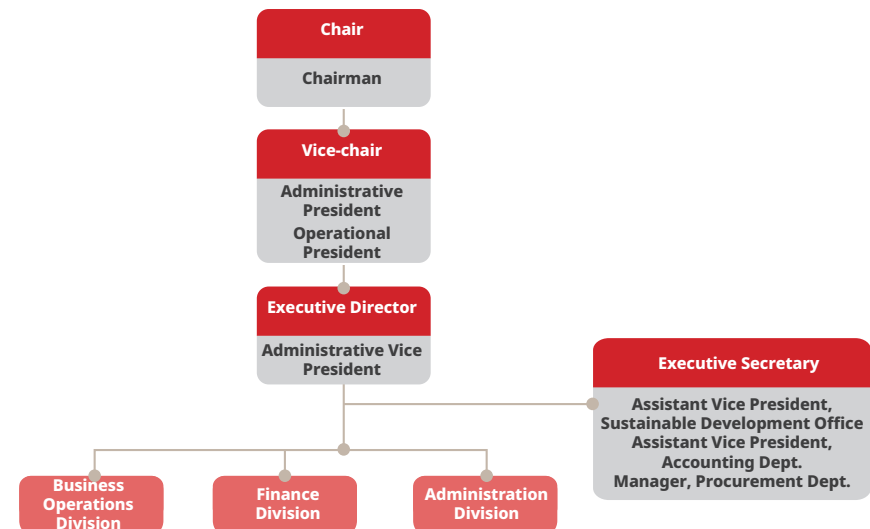


## Sustainable SOGO

Far Eastern SOGO launched the “NEW LIFE Project” in 2007 to promote sustainability based on the four principles of “Care and Sharing, Sustainable Homeland, Premium Life, and Cultural Innovation”. We defined 2015 as the “First Year of CSR”, and we formed a committee to commence and supervise relevant management policies and actions. In 2020, the “CSR Committee” was changed to the “Corporate Sustainability Committee” (hereinafter the ESG Committee) in response to the international trend of sustainability, and 2020 was defined as the “First Year of Sustainability” for Far Eastern SOGO.

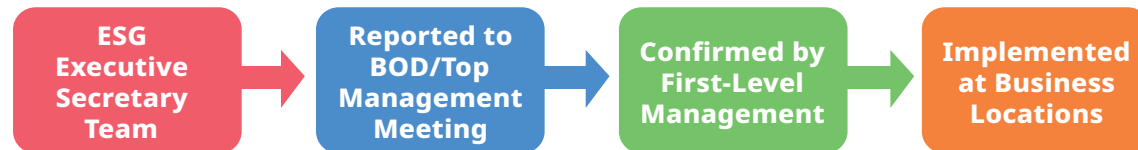
The ESG Committee is chaired by the Chairman. The President acts as the Vice Chair and the Administrative Vice President acts as the Executive Director. The organization is formed by the representatives of the Business Operations Dept. (sales and promotion), Finance Division, Accounting Division, and Administration Division. ESG-related policies are established by the ESG Committee and implemented by the departments of human resources, sales promotion, merchandising, operation, construction and engineering, labor safety, finance, auditing and sustainable development as well as branch stores. Appropriate management policies are adopted for internal and external matters, respectively, depending on the characteristics of stakeholders. The ESG executive secretary team engages in cross-departmental discussions of issues and integration of resources, the implementation of sustainability strategies, follow-up on the progress of relevant projects, and preparation of the “Corporate Sustainability Report”. Through this cross-departmental platform for implementation and communication, we accelerate the pace of sustainable development.

### ◆ ESG Committee and Implementation Structure





## ◆ Sustainability Project Implementation Mechanism



ESG projects are reported to the Board of Directors or top management meeting after being discussed by the ESG executive secretary team and implemented after they are approved at the meeting. Prior to the implementation of a ESG project, the Chairman will form a consensus of the top management at the decision-making meeting held every week. The project is then discussed by the first-level management at the meeting of store managers held every month. Promotion and communication will be conducted at the monthly meeting of executives at the level of manager or above to confirm the content of the project. In March 2023, in order to improve cross-departmental communication on sustainability projects, Far Eastern SOGO established a department responsible for sustainability promotion, the Sustainable Development Office, a first for a department store in Taiwan.

## Management Process of Sustainability Issues

The identification and management of sustainability issues and stakeholders are the core bases for the implementation of ESG. When Far Eastern SOGO prepares its annual corporate sustainability report, the ESG executive secretary team conducts management processes including identification, analysis and ranking in accordance with the global standards and frameworks for sustainability reporting, and based on the AA1000:2018 accountability principles of “inclusiveness, materiality, responsiveness and impact” and stakeholder inclusiveness, with reference to the industrial characteristics of the department store and retail industry.

## STEP 1 Stakeholder identification: 7 categories of stakeholders

Far Eastern SOGO examined the business activities and the sustainability context of operations with reference to the five principles of AA1000 Stakeholder Engagement Standard (SES), and identified 7 categories of stakeholders based on core group discussions upon confirmation by senior managers.

## STEP 2 Collection of corporate impact issues: 50 impact items

With reference to GRI standards, SASB, TCFD, the international standards of ISO 26000 social responsibility guidance, international evaluation of industrial issues, UN SDGs, domestic and foreign industrial issues, global trend issues and media reports, we identified 50 impact items and their positive and negative impacts on companies.

## STEP 3 Integrating corporate impact issues into sustainability issues: 22 sustainability issues

After the consultant team gave advice on integration, the impact items were integrated into sustainability issues by topic, which were discussed by members of the ESG core team and external consultants, and then integrated into 22 annual sustainability issues for subsequent identification.

## STEP 4 Analysis and ranking of material issues: 1,003 questionnaires were returned

Online questionnaires were used to survey internal and external stakeholders. They were distributed through functional groups and business offices to understand the level of concern of stakeholders about the sustainability issues. Then, an analysis of high, moderate and low materiality was conducted to identify the materiality of these issues based on the “level of stakeholder concern” and “level of impact on the Company's operations”. In 2022, we collected 986 valid questionnaires from stakeholders and 17 valid questionnaires from the senior management.

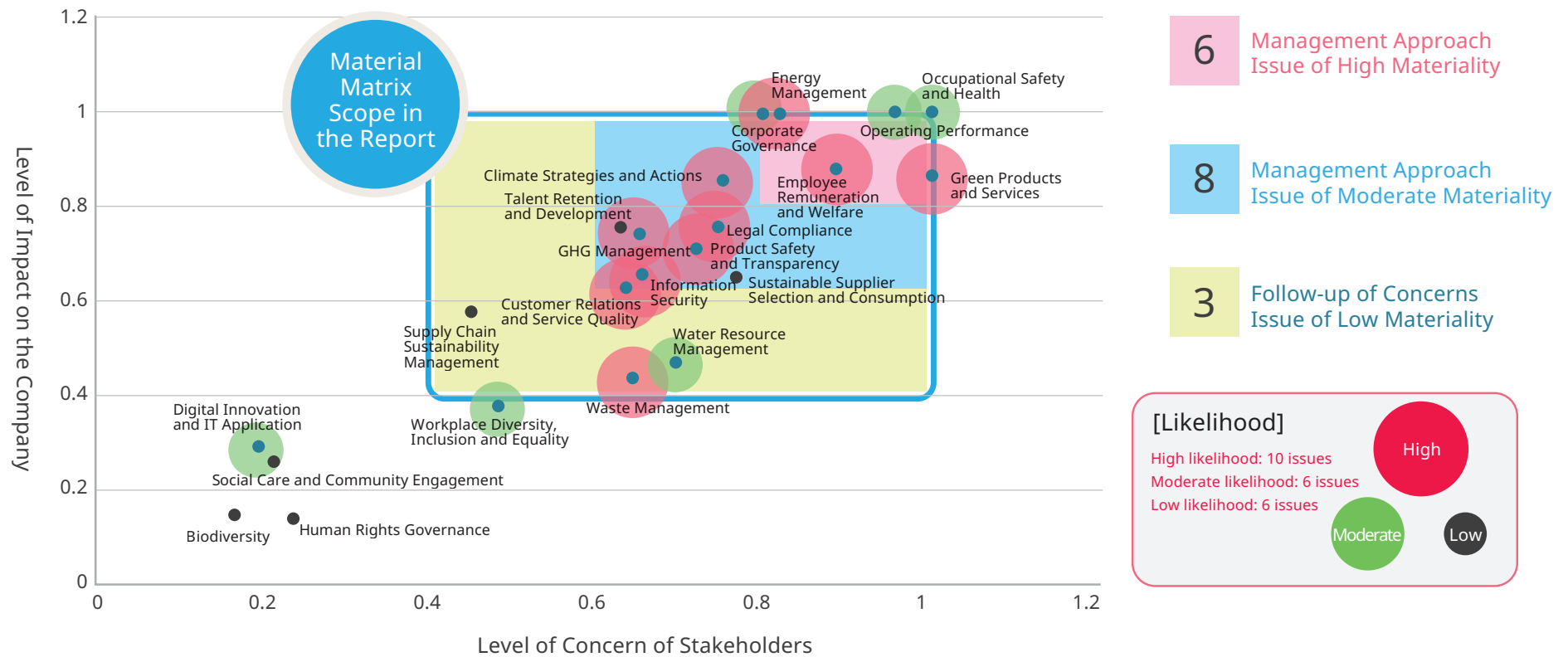
## STEP 5 Assessment and discussion of the impact of issues: 14 material issues

Based on the spirit of GRI 3 materiality analysis, we measured the financial impact and likelihood of occurrence of highly and moderately material issues, and identified 14 material issues with the corresponding GRI standards, taking into account the advice of external consultants, experts and academics.

## STEP 6 Disclosures and reporting of material issues

After assessment, we have focused on 14 material issues for disclosure in this report, and have developed a policy for issue management. In the future, we will continue to review the materiality of each sustainability issue, respond to stakeholders' expectations, and ensure that the report's disclosures are transparent, reasonable and balanced.

## Matrix of Sustainability Issues



Environmental Sustainability (E)	Green products and services, energy management, climate strategies and actions, GHG management
Social Inclusion (S)	Occupational safety and health, employee remuneration and welfare, customer relations and communication, product safety and transparency, talent retention and development
Economic Governance (G)	Operating performance, corporate governance, legal compliance, information security, sustainable supplier selection and consumption












## Changes to the Sustainability Issues

After the global pandemic, countries are opening up and recovering. In response to the Company's strategies of sustainable management and development, and with reference to the material issues of international concern, the materiality of Far Eastern SOGO's "energy management", "GHG management", "operating performance" and "corporate governance" has greatly increased. The adjustments of the remaining issues are listed in the following table.












2022 Questionnaire issue	Materiality			Changes to issue	Corresponding Chapter
	2022	2021			
Operating Performance	High	Moderate	Up	Materiality is increased because stakeholders are concerned with the operating performance and financial performance of Far Eastern SOGO.	1.2 Operation Performance p.34
Corporate Governance	High	Moderate		Materiality is increased due to international trends and stakeholders' concern with the situation of corporate governance structures at the senior level.	1.1 Corporate Governance p.25
Energy Management	High	Moderate		Materiality is increased in response to Far Eastern SOGO's targets for sustainable development and EP100.	2.3 Energy Management p.74
GHG Management	Moderate	Low			2.2 Climate Change Mitigation and Adaptation p.67
Sustainable Supplier Selection and Consumption	Moderate	High	Down	Materiality is slightly decreased compared to other issues, since Far Eastern SOGO has been actively working on the transformation of its supply chain and promoting comprehensive management measures internally.	1.5 Supply Chain Management p.46 2.1 Green Department Store p.55
Product Safety and Transparency	Moderate	High		Materiality is slightly decreased compared to other issues, since Far Eastern SOGO has been promoting high-quality products for a long time and has maintained a good management system.	3.1 Merchandise Safety Management p.86

## Far Eastern SOSO Value Chain and Its Relationship with Sustainability Issues

We took the “Five Key Sustainability Powers” in the Report as the standards for management of material sustainability issues, analyzed their meaning and significance to us, and corresponded the operational value chain of the organization to the GRI Standards.

Corresponding Chapter	Sustainability Issue	GRI Standards	Level of Financial Impact [Note 4]			Relationship between Impact and Business (Cause/Contribution/Direct Relationship)							SGDs
			High	Moderate	Low	Upstream		Operation		Downstream			
						Lessee (Consignment Counter)	Supplier/ Contractor	Shareholder/ Investor	Employee	Customer	Neighboring Communities	Media	
Sound Operation Power	Operating Performance	GRI 201: Economic Performance		v		△	O	O	O	O	v	v	
	Sustainable Supplier Selection and Consumption	GRI 204: Procurement Practices			v	O	O	v	O	△	v	v	
	Corporate Governance	GRI 205: Anti-corruption			v	△	△	O	O	v			
	Legal Compliance	GRI 2-27: Compliance with laws and regulations [Note 3]			v	△	△	O	O	△			
	Information Security	GRI 418: Customer Privacy			v	△	△		O	O			
Sustainable Environment Power	Energy Management	GRI 302: Energy			v	△	△		O		v		
	Climate Strategies and Actions	GRI 305: Emissions			v	△	△		O	△			  
	GHG Management				v	O	O		O	△	v		 



Corresponding Chapter	Sustainability Issue	GRI Standards	Level of Financial Impact [Note 4]			Relationship between Impact and Business (Cause/Contribution/Direct Relationship)							SGDs
			High	Moderate	Low	Upstream		Operation		Downstream			
						Lessee (Consignment Counter)	Supplier/ Contractor	Shareholder/ Investor	Employee	Customer	Neighboring Communities	Media	
Assured Service Power	Green Products and Services*	-			v	△	O	v	△	O			
	Customer Relations and Communication	GRI 416: Customer Health and Safety			v	△	△		O	O		v	 
	Product Safety and Transparency	GRI 417: Marketing and Labeling			v	△	△	v	O	O		v	  
Happy Workplace Power	Employee Remuneration and Welfare	GRI 401: Employment			v			△	O				
	Occupational Safety and Health	GRI 403: Occupational Health and Safety			v	O	O	v	O	O			
	Talent Retention and Development	GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity			v		△	v	O				  

Note:

(1) The "\*" mark at the end of a sustainability issue indicates that it does not have a corresponding GRI Standards indicator, and that it is a material issue to the Company.

(2) Level of involvement: Cause (O): The impact is caused by the organization's own activities.

Contribution (△): The organization's activities cause, facilitate or induce another entity to cause the impact.

Direct relationship (v): The organization does not cause or contribute to negative impacts that may arise from its business relationships (operations, products or services).

(3) "GRI 307 Environmental Compliance" and "GRI 419 Socioeconomic Compliance" were combined after the GRI 2021 framework was updated.

(4) See the levels of Far Eastern SOGO's TCFD scenario analysis and financial impact:

High: Reduced the average revenue of Far Eastern SOGO by more than 60%

Moderate: Reduced the average revenue of Far Eastern SOGO by 20%-60%

Low: Reduced the average revenue of Far Eastern SOGO by less than 20%

## Stakeholder Engagement

Far Eastern SOGO's ESG Committee referred to the AA1000 Stakeholder Engagement Standard (SES, 2011) for the five principles of "Responsibility, Dependency, Influence, Diverse Perspectives and Tension", with its vice presidents, store managers of business locations and managers at the level of assistant vice president or above identifying 7

categories of material stakeholders (customers, employees, shareholders/investors, lessees (counters), suppliers/contractors, neighboring communities and media) in the process of sustainable development, in order to deepen the engagement process, strengthen Far Eastern SOGO's sustainable development strategy and enhance social accountability.

Stakeholder	Issues of concern	Responsible Department	Communication channel and frequency	Communication Effectiveness in 2022
<b>Customers</b> We assessed the market development trends and introduced various brands and counters. However, only personal consumption of the customer was crucial to identify whether Far Eastern SOGO has really understood the trend of consumption.	Operating Performance Green Products and Services Occupational Safety and Health Employee Remuneration and Welfare Legal Compliance Information Security	Business Operations Dept. Sales Promotion Dept. Human Resources Dept. Customer Service Center Sustainable Development Office	[Regular] Annually: Customer Satisfaction Survey [Irregular] Digital marketing tools, customer comment cards, toll-free hotlines, online message boards	<ul style="list-style-type: none"> <li>• 346 customer comments</li> <li>• 1,068 participants in the satisfaction survey</li> <li>• 20,000 visits to the sustainability website</li> <li>• 66 posts on the FB sustainability fan page, reaching 14,564 people</li> </ul>
<b>Employee</b> When facing the changes of the consumption trend and the diversification of the channels and brands, all of our employees held fast to their posts and adapted themselves with innovative thoughts to strive for the support of the customers and pursue the best operating performance.	Operating Performance Green Products and Services Employee Remuneration and Welfare Occupational Safety and Health Corporate Governance Energy Management	Human Resources Dept. Labor Safety Office Employee Welfare Committee	[Regular] Annually: Employee Satisfaction Survey, Employee ESG Awareness Survey Quarterly: Labor-management Meeting Daily: Morning meeting and daily report [Irregular] System revision briefing, internal E-HR website, EIP website, employee suggestion box	<ul style="list-style-type: none"> <li>• 1,227 participants in the satisfaction survey</li> <li>• 1 opinion-gathering workshop</li> <li>• 17 labor-management committee meetings</li> <li>• 94 employees received the EAPs service</li> <li>• 31 EAP seminars with 906 participants</li> <li>• 700 participants in the sustainability quiz</li> <li>• 170 participants in sustainability training</li> </ul>
<b>Shareholders/Investors</b> They agreed on the ESG principles, invested resources, and supported Far Eastern SOGO to implement corporate sustainability activities. They set up an example in the department store industry.	Operating Performance Green Products and Services Corporate Governance Energy Management Climate Strategies and Actions	Secretariat Finance Dept. Accounting Dept.	[Regular] Annually: Shareholders' Meeting, Annual Report of the Parent Company Quarterly: Board of Directors [Irregular] Market Observation Post System	<ul style="list-style-type: none"> <li>• 3 Board of Directors meetings</li> <li>• 1 shareholders' meeting</li> </ul>

Stakeholder	Issues of concern	Responsible Department	Communication channel and frequency	Communication Effectiveness in 2022
<b>Lessees (Counters)</b> Far Eastern SOGO as a leading brand in the department store industry providing customers with the best experience in consumption and services thanks to our partners working at the counter on each floor and in each hall, in addition to the endeavors of our employees.	Green Products and Services Occupational Safety and Health Sustainable Supplier Selection and Consumption Energy Management Customer Relations and Communication	Business Operations Dept. Sales Promotion Dept. Construction and Engineering Dept. Customer Service Center Sustainable Development Office	[Regular] Quarterly: Supplier Meetup Daily: Morning meeting and daily report [Irregular] Phone, E-mail, Letter, Explanatory and Coordination Meeting (schedule coordination meeting, explanatory meeting on renovation of a floor)	<ul style="list-style-type: none"> <li>2 SOGO Sustain events to recommend 650 sustainable products</li> <li>2,667 lessees signed the Sustainability Policy, with 100% coverage</li> <li>Information was communicated through daily morning meetings</li> </ul>
<b>Suppliers/Contractors</b> They were the drivers for the provision of the most competitive products and facilities in the stores of Far Eastern SOGO.	Legal Compliance Green Products and Services Occupational Safety and Health Talent Retention and Development	Business Operations Dept. Administration Dept. Construction and Engineering Dept. Procurement Dept.	[Irregular] Phone, E-mail, Letter, On-site Inspection, Various Meetings (quality improvement meeting)	<ul style="list-style-type: none"> <li>1 questionnaire survey, with 198 questionnaires returned</li> <li>197 suppliers signed the Sustainability Policy, with 100% coverage</li> </ul>
<b>Neighboring Communities</b> We fulfilled our corporate social responsibilities in neighboring communities at our business locations to increase our positive social impact and work with stakeholders to build a co-prosperous homeland.	Occupational Safety and Health Energy Management Product Safety and Transparency Operating Performance GHG Management	Construction and Engineering Dept. Legal Affairs Office Electronic Commerce Dept.	[Regular] Directors/Supervisors and General Meetings of the "Taipei Eastern District" [Irregular] Phone, E-mail, Letter, On-site Inspection, Various Meetings	<ul style="list-style-type: none"> <li>Leading the Taipei Eastern District Development Association for 4 consecutive years</li> <li>The 14th Tianmu Halloween event with 5,000 participants</li> <li>Hsinchu Store's Sports Month reached 170,000 people</li> </ul>
<b>Media</b> The media acquired accurate and the latest information from the Company which was helpful for us to communicate with stakeholders, reduce operational risks, and shape the Company's image.	Green Products and Services Occupational Safety and Health Employee Remuneration and Welfare Sustainable Supplier Selection and Consumption	Media and PR Dept. Digital Marketing Section Sustainable Development Office	[Regular] Press conferences and dinner parties held on holidays and specific dates [Irregular] Phone, E-mail, Letter, Various Interviews, Self-media	<ul style="list-style-type: none"> <li>9 press conferences</li> <li>87 press releases</li> <li>國際倡議貼文觸及 15 萬人次</li> </ul>

# 1 Sound Operation Power

Far Eastern SOGO has always been a department store trusted by consumers to lead the way in fashion in Taiwan for 35 years. In addition, the Company advances with the times and continues to uphold its friendly and positive attitude along with its adherence to sustainable operations, and agile and innovative principles, in order to optimize the purchase experience at the shopping center while becoming a "Retail Benchmark Enterprise". While seeking such business performance, the Company actively fulfills corporate social responsibility and has established a leading position in the department retail industry and an ESG leading brand image.

## Corresponding SDGs



### ► Response to Sustainability Topic

- Corporate Governance
- Operating Performance
- Legal Compliance
- Information Security
- Sustainable Supplier Selection and Consumption

### ► Primary Stakeholders

- Shareholder/Investor
- Employee
- Customer
- Media
- Lessees (Counters)
- Supplier/Contractor

Growth in net profit, EPS and return on shareholders' equity for five consecutive years

EPS growth rate  
\$ **1.69** **20.7%**

Post-tax profit at a growth rate of

**20.5%**

Implemented supplier sustainability survey for the first time

Response rate

**86%**

SOGO Sustain Good Things Are Easy to Choose

One-stop shop of green service reached

**1.15 million**  
people

# 1.Sound Operation Power

## 1.0 Strategic Results and Planning

Since its foundation on November 11, 1987 Far Eastern SOGO has been leading the trends and remained the most trustworthy department store brand for consumers in Taiwan,. Following its 35th anniversary, Far Eastern SOGO has kept up with the times to realize the vision of “becoming a benchmark company in the retail industry” with the approach of sustainable management and the spirit of innovation. At the same time, it is endeavoring to build an image as the top leading department store and the leading brand in ESG.

Material Issue		Corporate Governance	Operating Performance	Legal Compliance	Information Security	Sustainable Supplier Selection and Consumption
Impact		Far Eastern SOGO assessed the diversity of internal directors and senior managers, and assessed the integrity and legal trading practices of its business counterparties/suppliers.	Far Eastern SOGO's financial performance, the financial impact of climate change, remuneration and benefits, and financial assistance from the government.	Significant fines and non-monetary penalties imposed on Far Eastern SOGO for violations of environmental, social and economic laws or regulations, which may affect the Company's reputation.	The management mechanism and measures established by Far Eastern SOGO to address customer privacy and data security in response to the rise of global information security risks.	In response to the rise of customer awareness of sustainability, we enhanced the proportion of green products and green services to increase our competitiveness and brand image.
Policy and Commitment		Ethical management and sustainable development	Sound operation to strive for the leading position	A benchmark company that complies with environmental, economic and labor laws and regulations	Protecting customer information security and building digital resilience	Actively creating a one-stop green procurement platform and working with stakeholders for sustainable consumption in response to the “Net Zero Green Living” promoted by the government.
GRI Standards		GRI 205: Anti-corruption	GRI 201: Economic Performance	GRI 2-27	GRI 418: Customer Privacy	GRI 204: Procurement Practices
Corresponding SASB indicator		—	Operation Indicator: CG-MR-000.A, CG-MR-000.B	—	Information security: CG-MR-230a.1, CG-MR-230a.2	—
Management Actions	Preventive and Mitigating Actions	Promotion of clean governance and implementation of ethical management	Implementation of internal control under corporate governance through functional committees	Improvement of the approaches to the changing commercial environment; compliance with the latest market supervisory requirements	Strengthening digital resilience, conducting daily maintenance, and preventing data breach	<ul style="list-style-type: none"> <li>Upstream: Promoting sustainable supplier selection and sustainable procurement.</li> <li>Midstream: Enhancing the sustainability awareness of employees and counter personnel, introducing green services, products and equipment, and improving the quality of sustainable services.</li> <li>Downstream: Integrating the self-media of all stores in Taiwan to promote green services. Working with stakeholders to increase the percentage of recycling and the rate of resource reuse.</li> </ul>
	Concrete Action Plans	Implementation of assessment via the internal control and auditing mechanisms	Establishing a Climate Change Committee under the Corporate Sustainability Committee to assess the risks and opportunities presented by climate	Enhancement of the compliance awareness among employees through internal control and educational training	Control measures of the Information Security Committee to improve the information security of the Company	<ul style="list-style-type: none"> <li>Developing a SOGO Sustain sustainable supplier selection and identification system.</li> <li>Promoting green restaurants</li> <li>Implementing the principles of sustainable procurement, including green procurement, social innovation procurement, and renting instead of buying.</li> <li>Increasing the proportion of resource recycling and introducing food waste treatment machines.</li> </ul>

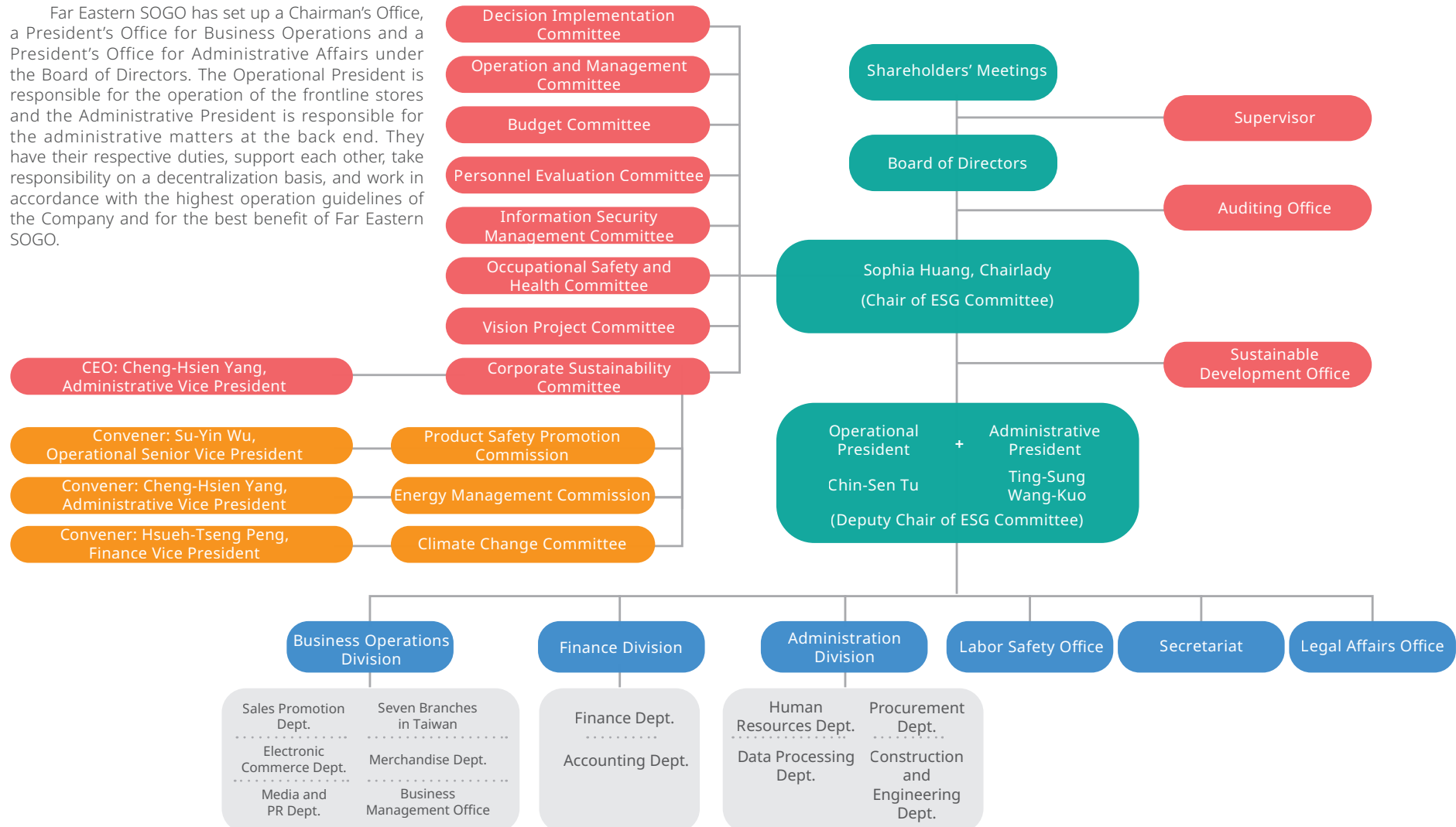


Material Issue		Corporate Governance	Operating Performance	Legal Compliance	Information Security	Sustainable Supplier Selection and Consumption
Outcome Follow-up		Preventing fraud and corruption, continuous tracking, and requiring improvement by a certain deadline	Total Operating Revenue, Pre-tax/Post-tax Net Profit, EPS (post-tax), Return on Shareholders' Equity, EPS	Number of cases where penalties are imposed and their amounts, the percentage of suppliers who have signed the Sustainability Policy	Internal and external audits	<ul style="list-style-type: none"> <li>Percentage of green restaurants throughout Taiwan.</li> <li>Amount of sustainable procurement</li> <li>Percentage of local procurement</li> </ul>
Stakeholder Engagement		We have set up a "Corporate Integrity" section on our ESG website. Whistleblowing to the Auditing Office directly is also possible.	Press release on performance during material periods Regular Board of Directors meetings/shareholders' meetings Internal training	Awareness of laws and regulations Internal training ESG website	Internal training	Self-media: Fan pages, official websites, IG, e-newsletters, DM and other communication channels. <ul style="list-style-type: none"> <li>Organizing a semi-annual SOGO Sustain Good Things Are Easy to Choose event to promote sustainable products and raise sustainability awareness through APP interactions.</li> <li>Using self-media for monthly advocacy of sustainability.</li> <li>Non-periodic small farmer/social innovation fairs in Taiwan.</li> </ul>
Goal Setting	Short Term	<ul style="list-style-type: none"> <li>No significant whistleblowing cases; Zero whistleblowing cases of corruption and bribery</li> <li>Formulating corporate governance-related regulations and directing all employees to follow them</li> <li>Improvement of the intelligence and insight of the Board of Directors; joining external associations and taking internal and external training courses</li> </ul>	<ul style="list-style-type: none"> <li>Development of the features for individual stores</li> <li>Enhancement of e-commerce operations</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of international dissemination, compliance with environmental and social regulations, and establishment of legal compliance principles stricter than laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of information security systems</li> <li>Amending internal information security management regulations to keep up with the times</li> <li>Promoting information security training for all employees</li> <li>Introduction of ISO 27001 information security management system.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to raise customer awareness and satisfaction with SOGO's sustainable consumption through initiatives.</li> <li>Working together to transform brand counters through co-creation of sustainable initiatives.</li> <li>Increasing the proportion of resource recycling, strengthening recycling and reusing, and gradually introducing food waste treatment machines to all stores.</li> <li>Strengthening green marketing, reducing printed paper DMs, and increasing the proportion of e-DMs distributed.</li> </ul>
	Medium to Long Term	<ul style="list-style-type: none"> <li>Attendance of all employees in anti-corruption training</li> <li>Linking the remuneration for directors and professional managers to sustainability performance</li> </ul>	<ul style="list-style-type: none"> <li>Expanding stores to attract customers and increase market share</li> <li>Establishment of strong core business categories</li> <li>Implementation of precision marketing and development of the OMO strategy</li> </ul>	<ul style="list-style-type: none"> <li>Assurance of no significant violations</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in the resilience of critical facilities</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to increase the purchase amount of eco-friendly gifts to NT\$1~2 million per year.</li> <li>Increase the proportion in traceability and transparency of products.</li> </ul>
Annual Highlighted Results		<ul style="list-style-type: none"> <li>The proposed "Code of Ethical Conduct" was approved by the Board of Directors at the end of 2022, and the directors, managers and all employees of the Company are directed to follow it.</li> <li>Large-scale renovation of Zhongxiao Store's supermarket and shopping area and the use of innovative thinking to transform the supermarket after 35 years, contributing to positive growth of our annual sales.</li> <li>For the first time in 25 years, the Kaohsiung Store underwent large-scale renovation, creating a new type of store featuring LOCAL concepts aiming to "reduce revenue and increase profit"</li> <li>We completed amendment of the "Regulations Governing Information Security and Personal Data Protection", which consists of three major parts: the "Regulations Governing Information Security and Personal Data Protection Organization", the "Regulations Governing Information Security" with 41 articles, and the "Regulations Governing Personal Data Protection" with 10 operating procedures.</li> <li>We promoted digital security training for all employees, organizing 17 sessions on information security awareness throughout the year, with a total of 887 attendees, accounting for 70% of all employees.</li> <li>We optimized the Sustainability Policy for suppliers to sign upon their first signature of contract/exchange of contract/request for payment</li> <li>We conducted a sustainability survey of engineering and general service suppliers, with a response rate of 86%</li> <li>We organized 2 SOGO Sustain events to recommend 650 sustainable products, reaching 1.15 million people with DMs and e-newsletters. We also organized a SOGO APP tree planting event with 18,600 participants.</li> <li>96% of the restaurants in our stores have passed the EPA green restaurant certification.</li> <li>Our total green procurement amounted to NT\$35 million, an increase of 38%. Our sustainable procurement, including green procurement, social innovation procurement, and renting instead of buying, amounted to NT\$44.98 million, an increase of 44.74%.</li> <li>66 self-media sustainability initiatives and communications, reaching more than 160,000 people.</li> </ul>				

## 1.1 Corporate Governance

### 1.1.1 Organization Overview

Far Eastern SOGO has set up a Chairman's Office, a President's Office for Business Operations and a President's Office for Administrative Affairs under the Board of Directors. The Operational President is responsible for the operation of the frontline stores and the Administrative President is responsible for the administrative matters at the back end. They have their respective duties, support each other, take responsibility on a decentralization basis, and work in accordance with the highest operation guidelines of the Company and for the best benefit of Far Eastern SOGO.



## 1.1.2 Board of Directors

The Board of Directors is the highest governance unit of the Company. It is comprised of five directors and one supervisor. The Board members are selected with reference to their specialties and management experiences in relevant industries, and are elected and appointed at the shareholders' meeting. One chairman is elected from among the Board members. A Board of Directors meeting is convened by the Chairman, and an extraordinary Board of Directors meeting will be convened separately if there is an extraordinary motion. The Board of Directors held 3 meetings in 2022, with 100% attendance of directors and 67% attendance of supervisors.

The directors and the supervisor have a term of three years and may be reappointed if they are voted in for a second term of office. The general shareholders' meeting was held on June 12, 2020 to reelect directors and supervisors. Two of the current Board members are female (40%). The Chairlady is Sophia Huang, a celebrity in the media world. All the Board members are able to lead Far Eastern SOGO and maintain our leading position in the department store industry with their professional knowledge, insight, judgment, and innovation ability.

The Role of the Board of Directors	
Purpose	All members of the Board of Directors are committed to performing their duties in guiding and assisting the executive departments to move forward steadily in the pursuit of the goals of sustainable development regarding environmental sustainability, social inclusion and corporate governance (ESG).
Vision of Sustainable Development	Keeping up with the times, being friendly with common good, and becoming a benchmark retail company in the provision of a comprehensive and fashionable life experience for the public
ESG Strategy and Policy	The Board members work with the contractors, suppliers, consumers, and other stakeholders to march toward a future of sustainability with the "energy saving and emission reduction", "sustainable consumption", and "circular business model" as the core.
Avoidance of Conflicts of Interest	In order to improve corporate governance, the Board of Directors approved the establishment of the "Code of Ethical Conduct" in 2022, which specifies the guidelines for preventing conflicts of interest within the highest governance bodies.

The Operations of the Board of Directors			
Company	Number of Seats (Including Independent Directors)	Female Director	
		Seat	Percentage
Far Eastern SOGO	5	2	40%

Operation of the Board of Directors in 2022	
Meeting Count	Average Attendance Rate of Directors
3	100%

Important Resolution			
Category		Resolution	
Ordinary Resolution	Date and Session	Proposal	Resolution
	14th term, 9th meeting (2021.3.2)	<ul style="list-style-type: none"> <li>Proposal for annual final accounts in financial statements</li> <li>Proposal for distribution of director and supervisor compensation and earnings</li> <li>Proposal for annual business report</li> </ul>	Approved by all attending directors.
	14th term, 10th meeting (2022.6.30)	<ul style="list-style-type: none"> <li>Proposal for distribution of annual dividends</li> <li>Proposal for signing a lease agreement for the shopping center of Farglory Dome</li> </ul>	Approved by all attending directors.
	14th term, 11th meeting (2022.12.12)	<ol style="list-style-type: none"> <li>Proposal for annual budgets</li> <li>Establishment of the "Code of Ethical Conduct"</li> </ol>	Approved by all attending directors.

## Remuneration Policy for the Chairman and Senior Managers

Remuneration Policy for the Chairman and Senior Managers of Far Eastern SOGO	
Target	Performance Review
Directors and supervisors	According to Article 27 of the Articles of Incorporation, no more than 2% of the Company's annual profit shall be allocated as the remuneration for directors, whose actual percentage and amount of distribution shall be determined by the Board of Directors after considering factors including the Company's operating results and future operating risks, and shall be reported to the shareholders' meeting. In 2022, Far Eastern SOGO paid a total of NT\$3,000 thousand as the remuneration for directors, which accounted for 0.21% of the Company's after-tax net profit.
Managers (President, Vice President, etc.)	The remuneration for managers at or above the level of vice president is based on the Company's operating performance and the standard of peer companies, and is subject to flexible and reasonable adjustment according to performance evaluation and factors related to future operating risks.
Target	Remuneration distributed
Directors/Supervisors	Travel allowances, bonuses, etc.
Managers (President, Vice President, etc.)	<ul style="list-style-type: none"> <li>Fixed monthly salary, bonuses (including special performance bonus, employee remuneration, anniversary bonus and year-end bonus) and manager incentives, as well as monthly pensions (including pensions under the new and old systems) and benefits allocated in accordance with the "Regulations Governing Retirement".</li> <li>Retirement pay, severance pay, compensation and other remuneration for managers in special circumstances.</li> </ul>
Annual total remuneration ratio <sup>1</sup>	Percentage of increase in annual total remuneration ratio <sup>2</sup>
14.90 times	182%

Note:

1. Annual total remuneration ratio = Annual total remuneration of the organization's highest paid individual / Median of the annual total remuneration of other employees

2. Annual total remuneration change ratio = Percentage of increase in the annual total remuneration of the organization's highest paid individual / Percentage of increase in the median of the annual total remuneration of other employees

3. The total remuneration for employees consists of fixed and variable remuneration.

4. The method for determination of the total annual remuneration for employees: In August of the previous year, the budget for salary adjustment in the new year (the level of adjustment and total amount) is prepared and submitted to and approved by the Board of Directors. In the current year, the human resources department will propose a salary adjustment based on the operating performance and budget of the previous year. After discussion and approval by the senior management and the Chairman, the proposal will be submitted to the Chairman of the Group for approval and implementation.

## Diversity and Profiles of the Members of the Board of Directors

Title	Name	Gender	Age			Concurrent Positions in the Company and Other Companies
			50-65	65-75	Above 75	
Director and Chairman of the Far Eastern Group	Douglas Hsu	Male			V	<ul style="list-style-type: none"> <li>Chairman of Far Eastern New Century Corporation</li> <li>Chairman of Asia Cement Corporation</li> <li>Chairman of Oriental Union Chemical Corporation</li> <li>Chairman of Far Eastern Department Stores Co., Ltd.</li> <li>Chairman of Far EastTone Telecommunications Co., Ltd.</li> <li>Chairman of U-Ming Marine Transport Corporation</li> <li>Vice Chairman of Far Eastern International Bank Co., Ltd.</li> </ul>
Chairman	Sophia Huang	Female	V			<ul style="list-style-type: none"> <li>Chairman of Pacific China Holding Limited (BVI)</li> <li>Chairman of Pacific China Holding (HK) Limited</li> <li>Director of Shangri-La's Far Eastern Plaza Hotel</li> <li>Director of Ding Ding Integrated Marketing Service Co., Ltd.</li> <li>Chairman of Pacific SOGO Culture and Education Foundation</li> <li>Chairman of Pacific Chongguang Social Welfare Foundation</li> <li>Member of the International Affairs Committee, Taichung City Government</li> <li>Managing Director of the Retailers Association of Chinese Taipei</li> </ul>
Board member	Mao-Te Huang	Male		V		<ul style="list-style-type: none"> <li>Director and Executive Director of the Far Eastern Memorial Foundation</li> <li>Legal consultant for the Far Eastern Group</li> <li>Director of Pacific Liu Tong Investment Co., Ltd.</li> <li>Director of Yuan Ding Co., Ltd.</li> </ul>
Board member	Shaw Y. Wang	Male			V	<ul style="list-style-type: none"> <li>Director of Far Eastern New Century Corporation</li> <li>Foundation Executive Director of Far Eastern New Century Corporation</li> <li>Executive Director of Far Eastern International Bank Co., Ltd.</li> <li>Chairman of Far Eastern Construction Co., Ltd.</li> <li>Director of Yuan Ze University</li> </ul>
Board member	Chi Ching	Female	V			<ul style="list-style-type: none"> <li>President of Far EastTone Telecommunications Co., Ltd.</li> <li>Chairman and President of Far Eastern Info Service (Holding) Ltd.</li> <li>Chairman of Arcoa Communication Co., Ltd.</li> <li>Chairman of Yuan Cing Co., Ltd.</li> <li>Chairman of Prime EcoPower Co., Ltd.</li> <li>Director and President of New Century InfoComm Tech Co., Ltd.</li> <li>Chairman of Data Express Infotech Co., Ltd.</li> <li>Chairman of Yuanshi Digital Technology Co., Ltd.</li> <li>Chairman of IDEAWORKS Entertainment Co., Ltd.</li> <li>Chairman of Far Eastern Electronic Toll Collection Co., Ltd.</li> <li>Director of Ding Integrated Marketing Service Co., Ltd.</li> </ul>
Supervisor	Ching-Yi Wang	Male			V	<ul style="list-style-type: none"> <li>Director of Yuan Ze University</li> <li>Director of the Cultural and Educational Foundation, The Shanghai Commercial and Savings Bank</li> <li>Former Chairman and Director of the T. N. Soong Foundation</li> <li>Independent Director of SunWay Biotech Co., LTD.</li> </ul>

For more information, please visit the "Board Member" section on the Far Eastern SOGO Website: <https://esg.sogo.com.tw/4-3.php>



## External Organization and Participation

Through participation in external associations and exchanges with the industry, government and academia, Far Eastern SOGO plays the role of a leading opinion leader to lead the department store industry forward and help promote relevant affairs domestically, internationally and across the Taiwan Strait. At the same time, Far Eastern SOGO continues to participate in the “Retailers Association of Chinese Taipei” and the “Taipei Department Store Association” to provide advice to the industry.

Time/ Year	External Association	Position	Supervisor of the Company
1987	Retailers Association of Chinese Taipei	Managing Director	Sophia Huang, Chairlady
		Director	Ting-Sung Wang-Kuo, President
		Managing Supervisor	Chin-Sen Tu, President
1987	Taipei Department Stores Association	Director	Cheng-Yu Huang, Manager
2014	International Affairs Committee, Taichung City Government	Member	Sophia Huang, Chairlady
2017	Center of Corporate Sustainability (CCS)	Director	Sophia Huang, Chairlady
2018	Taiwan Women on Boards Association	Director	Sophia Huang, Chairlady
2020	NCCU World Alumni Association	Director	Sophia Huang, Chairlady
2022	EP100	Member	Far Eastern SOGO
2022	R20 Regions of Climate Action	Member	Far Eastern SOGO

## International Sustainability Initiative Organization EP100 and R20

In response to the domestic and international trend of net zero, Far Eastern SOGO actively participates in international initiative organizations. In 2022, Far Eastern SOGO officially became a member of EP100, the first retail department store in the Asia-Pacific to do so, and it pledged to improve energy productivity by 50.52% by 2028, with 2018 as the base year. In the same year, Far Eastern SOGO also joined the “R20 Regions of Climate Action” supported by the UN, hoping to engage in the exchange of international sustainability trends and forward-looking views to exert influence and fulfill environmental responsibilities together.

**CLIMATE GROUP**  
**EP100**



## Taiwan Women on Boards Association: Promotion of Women's Empowerment

The rise of women's empowerment has driven "Her Economy". Sophia Huang, the Chairlady of Far Eastern SOGO, is a director of the Taiwan Women on Boards Association. She regularly publishes white papers on women's governance and organizes international forums to pass on governance experience and promote women's empowerment. She also facilitated the establishment of the "WOB Academy" to nurture a new generation of outstanding women leaders. In 2022, she was a leadership seminar instructor for the "2nd Elite Women Leader Training Program" of the WOB Academy.

## The Only Department Store Interviewed by the National Renewable Energy Certification Center

In order to promote renewable energy certifications, encourage domestic companies to develop clean energy and demonstrate the government's resolve to develop renewable energy to the international community, the National Renewable Energy Certification Center of the Bureau of Standards, Metrology and Inspection, MOEA produced a video in 2022 as a guide for the APEC sub-forum "Energy and Standards" held in March 2022. Far Eastern SOGO was one of the only two companies interviewed, and was the only department store to present its corporate sustainability initiatives and directions.



## 1.1.3 Internal Control Mechanism

### Functional Committee

Far Eastern SOGO sets up eight committees to ensure sound operation and management of business and enhance the governance power of the Company.

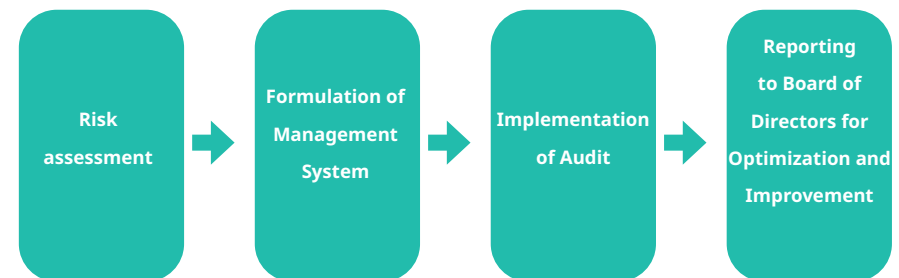
Committee	Date of Foundation	Function
Operation and Management Committee	2002	<ul style="list-style-type: none"> <li>The Committee is responsible for defining the goals of management based on the operating guidelines of the Company and formulating the plans needed for achievement of the goals.</li> <li>The Chairman convenes a meeting of the managerial officers and above. The Chairman of the Far Eastern Group attends the meeting.</li> <li>The meeting is held once every quarter.</li> </ul>
Budget Committee	2012	<ul style="list-style-type: none"> <li>The Committee monitors the budgets needed for the achievement of the operating goals and quantifies the approved goals of the organization and the resource allocations.</li> <li>The Committee takes the responsibility to examine, report, and review the budgets of the current quarter and their implementation results, including the implementation progress of any additional budgets and the planned performance targets.</li> <li>The meeting is held once every quarter.</li> </ul>
Information Security Management Committee	2012	<ul style="list-style-type: none"> <li>The "Personal Data Protection Management Policy and Procedure" established in line with the business characteristics of Far Eastern SOGO is used as basic guidelines for using and processing the personal data of customers and employees and those contained in consignment counter agreements.</li> <li>The Committee is responsible for amendment of the information security management procedure and relevant information.</li> </ul>
Occupational Safety and Health Committee	2012	<ul style="list-style-type: none"> <li>This is the highest decision-making unit of occupational safety and health. It raises proposals for safety and health policies that employer draws up and reviews, coordinates, and gives advice to matters related to occupational safety and health.</li> <li>The Committee is responsible for supervision, management, and follow-up of occupational safety and health matters.</li> <li>The President convenes the meeting once every three months.</li> </ul>

Committee	Date of Foundation	Function
Personnel Evaluation Committee	2014	<ul style="list-style-type: none"> <li>The Committee is responsible for setup and adjustment of the entire organizational structure of the Company.</li> <li>The organization of each unit and the review and amendment of the personnel regulations are the responsibilities of the Committee.</li> <li>Significant rewarding and punishment cases involving managerial officers and above are subject to the review and investigation of the Committee.</li> <li>The Committee assesses the annual performance evaluation and promotion quota of the Company, and reviews layoff cases.</li> <li>Research and discussion of important personnel and welfare policies of the Company are also the duties of the Committee.</li> </ul>
Decision Implementation Committee	2014	<ul style="list-style-type: none"> <li>This is the highest steering unit of the Company responsible for the formulation of operating and strategic plans.</li> <li>Committee members include the Chairman, President, and Vice President or above.</li> <li>Reviewing performance and losses/profits and discussing business strategies at the beginning of each month in light of the current operating conditions, and proposing improvement plans for future business objectives or possible operational problems.</li> <li>A meeting is held every 1 to 2 weeks.</li> </ul>
Corporate Sustainability Committee (ESG Committee)	2015	<ul style="list-style-type: none"> <li>The Committee implements projects with the four facets of corporate governance, corporate committee, social engagement, and environmental protection as the cores and monitors the implementation effectiveness.</li> <li>The executive secretary team reports to the Chairman monthly and is responsible for the compilation of the "Corporate Sustainability Report" every year.</li> <li>The Committee has a subordinate "Merchandise Safety Promotion Commission" responsible for promotion of long-term merchandise safety management projects; the Energy Management Commission is responsible for managing the use of the energy at the headquarters and each business location.</li> <li>In 2020, the "Corporate Social Responsibility Committee" was renamed the "Corporate Sustainability Committee" in response to the current trend, with departmental managers serving as members of the committee to facilitate the promotion of ESG projects.</li> <li>The "CSR Committee", the name of the Corporate Social Responsibility Committee in its abbreviated form, was changed to the "ESG Committee" in 2021 to help all departments of the Company engage in the operation of sustainability with corporate governance, environmental sustainability, and social inclusion as the cores.</li> <li>In 2022, the Climate Change Committee was established under the Corporate Sustainability Committee to assess the risks and opportunities presented by climate with TCFD-quantified impact figures (see the chapter "Sustainable Environment Power").</li> </ul>
Vision Project Committee	2020	<ul style="list-style-type: none"> <li>The purpose of the Committee is to form the vision of the Company and enhance the awareness of our brand among employees by launching brand vision projects.</li> </ul>

Note: Far Eastern SOGO is not a listed company and there are no laws or regulations requiring it to set up audit or compensation committees or appointment of independent directors. For more information, see "Investors": <https://esg.sogo.com.tw/4-3.php>

## Audit Mechanism

An auditor office is set up under the Board of Directors. The appointment and dismissal of the chief auditor shall be subject to the consent of the Board of Directors. Full-time auditors are appointed separately. Far Eastern SOGO establishes risk management strategies and various risk management systems with reference to the internal control and audit requirements to public companies. These strategies and systems are adjusted and optimized on an ongoing basis. The Auditing Office formulates an annual audit plan in accordance with laws and risk assessment results. In addition to conducting audits pursuant to the audit plans, it conducts audit projects in accordance with changed laws and newly identified risks to ensure comprehensive risk management, improve operating performance, and increase the overall benefit for the Company. The results of the audit operations conducted in 2022 have been reported to the Board of Directors. Follow-up actions have been taken to understand the results of the improvements.



## 1.1.4 Ethical Management

### Ethical Management and Corporate Integrity

Based on the principle of ethical management, Far Eastern SOGO operates in accordance with internal and external laws and regulations, and establishes new and amended standard operating procedures in accordance with the latest laws and regulations. All external agreements are subject to review of the Legal Affairs Office. We request all employees to have the awareness of business ethics, take ethical responsibilities, and follow applicable laws and regulations when they are doing their duties. All new employees must take training courses on work rules. In addition to legal compliance, we communicate management rules, provide ethical education, and disseminate rights to employees. Explanations are given whenever there are questions. By doing so, we enhance the ethics of employees in the hope that they can demonstrate their humanistic spirit.

Far Eastern SOGO's corporate sustainability website has a section for "Corporate Integrity", where stakeholders can report any improper conduct online. If there are any questions about ethics and integrity, please contact the Auditing Office for consultation. Reported cases are investigated and handled directly by the Auditing Office. In 2022, no major reports were received and submitted to the ESG Committee. In order to improve corporate governance and build a culture of corporate ethical management, the "Code of Ethical Conduct" was approved by the Board of Directors, and the directors, managers and all employees of the Company are directed to follow it to enhance sustainability performance.

Ethical Management	Description	Implementation	Link
Anti-corruption	The Board of Directors requested the legal affairs unit to draw up the "Corporate Integrity Clauses" and incorporate them in relevant agreements as a basis for the ethical and professional conduct of Far Eastern SOGO. In 2022, the "Code of Ethical Conduct" was newly established to provide for fair trading, prevention of conflicts of interest or improper acquisition of personal gains, strict confidentiality of business secrets, and legal compliance.		"Corporate Integrity" Section
Anti-discrimination	We formulate fair, reasonable, and competitive systems regardless of gender, age, race, and religion. We encourage co-existence of multiple cultures. In addition to learning respect for others and management of cultural conflicts, employees can learn more creativity from different cultures and develop a culture unique to SOGO folk.	<ul style="list-style-type: none"> <li>• Employee handbook</li> <li>• eWork APP</li> <li>• Internal meeting</li> <li>• Daily Morning Meeting Report</li> <li>• Internal Letter</li> <li>• Bulletin Board</li> </ul>	"Employee Formation and Rights" Section
Gender Equality	We established the "Gender Equality Regulations" in 2018. Internal rules were amended in line with the laws and regulations of the central government. For example, the most recent amendment of the menstrual leave was conducted in the "Sexual Harassment Prevention Regulations" announced in 2020.  78.7% of the employees took the online courses of education and training on gender equality in 2022.		

## Corporate Integrity Clauses

Party B (Supplier) shall not have improper competitive behavior. Party A (SOGO) may restrain the promotion behavior of Party B if it is found to impede the operation of others and may terminate the Agreement if Party B does not stop such behavior immediately. When fulfilling the obligations of the Agreement, no party shall, directly or indirectly or in any form, offer or try to offer any money or benefit (including but not limited to commission, rebate, or other tangible or intangible benefits) to any staff, employees, agents, representatives, or trustees of the other party or any related parties of the aforementioned persons to influence such staff, agents, or trustees upon their actions related to the Agreement. Any party that becomes aware of any violation of the aforementioned agreements shall inform the other party without delay and provide evidence and documentation in cooperation with judicial organs or other competent authorities for their investigation. The party that sustains any damage as a result may discontinue or revoke the transaction relationship between both parties immediately and claim for damage compensation from the other party. The "related parties" referred to in this Article stand for the staff, agents, or trustees of any party or the spouses, parents, children, sisters and brothers, grandparents, grandchildren, or other close relatives or friends of the aforementioned persons.

## Far Eastern SOGO ESG Website Reporting Violation of Corporate Integrity Online



The screenshot shows a web form titled "舉報" (Report). It includes a login field with a Google login option and a "登入 Google 即可儲存進度・瞭解詳情" button. Below this is a section for reporting, with a "提醒您" (Remind you) box containing a disclaimer about the confidentiality of the report and the company's commitment to investigate. At the bottom, there is a checkbox for "您已了解並同意上述說明之內容" (You have understood and agreed to the above explanation).

## 第六章 離退與解雇

### 6.解雇

(21) 藉職務之便，有圖利自己或他人行為，情節重大者。

(22) 未經公司許可而在本公司以外，從事同類之業務，致影響勞動契約之履行者。

Excerpt from <Employee handbook>



## Legal Compliance

Far Eastern SOGO communicates laws and regulations to employees through the internal “Daily Morning Meeting Report” as well as online bulletin boards. The Legal Affairs Office provides law dissemination courses (customer complaint, personal data, store safety) at business locations on a regular basis to ensure that all the events are organized in compliance with laws and regulations.

The Legal Affairs Office also periodically assesses our primary operations, products, services and other projects. It manages major customer complaints or compliance risk events that are likely to violate laws and regulations, result in penalties or be viewed negatively by the media and public opinion, and it establishes a horizontal communication and contact mechanism with other second lines of defense.

The punishment cases of the Far Eastern SOGO in 2022 are described as follows. The total amount of the fines for the entire year was NT\$225,000. Improvements to a single cases have been completed. We enhanced internal dissemination to avoid recurrence.

## Violations in 2022

Category	Business Location	Law	Laws or Regulations Violated	Improvement Action
Governance	Zhongxiao Store	Building Act	The Company was previously issued a permit of miscellaneous work for the escalator in the B1 elevated area, but failed to apply for a permit of miscellaneous use within the required time limit due to negligence during handover, resulting in invalidation of the permit of miscellaneous work. As a result, the Company was fined NT\$49,000.	An architect has been appointed to handle the relevant procedures, and a permit of miscellaneous work has been obtained. The application for a permit of miscellaneous use is pending and is expected to be completed in Q1 of 2023.
Society	Kaohsiung Store	Labor Standards Act	In four cases, the employees' attendance violated the Labor Standards Act, and we were fined NT\$20,000, NT\$50,000, NT\$50,000 and NT\$50,000, totaling NT\$170,000, the minimum amount for companies with over NT\$100 million of capital. The violations were: attending internal meetings during the leave period, coming to the Company for official business during annual leave, failing to actually punch in and apply for overtime, resulting in no attendance record, and the time between getting off work and punching in on the next day during the anniversary period did not meet the requirement for an 11-hour interval.	The human resources department has strengthened the communication of notices for shift scheduling on various occasions, at the anniversary pre-meeting and daily morning briefings, and in the eWork announcements. It has asked the departmental managers to pay attention to the following: substitutes may be appointed to attend meetings during leave, the interval between duties must be at least 11 hours, and overtime work during leave can be avoided by shift adjustment.
Environment	Zhongli Store	Waste Disposal Act	When we submitted the waste disposal plan in December 2015, the submission was based on the maximum total amount for the appointment of dedicated personnel in the building at that time. In 2016, the newly amended law stipulated that the appointment of dedicated personnel is required where the total amount exceeds 100 tonnes, and we were fined NT\$6,000 for our failure to appoint dedicated personnel.	In the current case, the approved industrial waste disposal plan referred to in the letter from the EPA was made in 2016, and the 5-year request period had elapsed by the date of the letter. The Legal Affairs Office is in the process of filing an appeal. Additionally, after applying for a change in the water pollution control permit from the EPA in July 2020, we have met the criteria under the Waste Disposal Act and are not required to appoint professional technicians.

## 1.2 Operation Performance

### 1.2.1 About Far Eastern SOGO

#### Far Eastern SOGO - A Great Generation of Fashion

Far Eastern SOGO actively fulfills its corporate social responsibilities while pursuing operating performance. It promotes our future operational policy with the three ESG aspects (Environment, Society and Governance) to reshape our corporate vision: "Keeping up with the times, being friendly with common good, and becoming a benchmark retail company in the provision of a comprehensive and fashionable life experience for the public". Our vision is the commitment to "keeping up with the times, being friendly with common good, and becoming a benchmark in the provision of a comprehensive fashionable life experience for the public".

We are dedicated to providing fine and elaborate services of Japanese style to meet the demands of customers with a full range of products. When entering the Far Eastern SOGO 4.0 Generation, we are trying our best to realize happiness and fashion integrated with digitized applications to provide finely improved digital services. More Information: <https://esg.sogo.com.tw/4-1.php>

#### Basic Information of Far Eastern SOGO

Company Name	Pacific SOGO Department Stores Co., Ltd.
Date of Foundation	1987
Paid-in Capital	NT\$8,280,000,000
Location of headquarters	No.45, Section 4, Zhongxiao East Road, Da'an District, Taipei City
Products and Services	Department Store
Number of Employees	1,315 employees in 2022.
Company Type	Non-listed company.
Business location	Taiwan (seven business premises; also the important business locations of the Company)

#### Business Locations and Features

Far Eastern SOGO has a business territory with seven stores in Taipei City, Zhongli City, Hsinchu City, and Kaohsiung City. We are dedicated to understanding the requirements of local customers and the stores create their individual features for the predefined target customers in the hopes to present the best service quality and provide products and services satisfactory to customers.

Year 1987

#### Taipei Zhongxiao Store

##### Fashionable Flagship Store in Eastern Taipei and Mazu Temple of Beauty

The American style and Japanese aesthetics create the "simple and heartwarming" features. The store sells the latest and most fashionable products to all customers and optimizes their consumption journey by offering experience of digital technology in retail. It is a fashionable flagship store in this area.



#### 2022 Business Overview

- The first large-scale facelift of the exterior wall and installation of digital video panels to strengthen digital marketing.
- Large-scale renovation of the supermarket and shopping area and the use of innovative thinking for transformation, contributing to positive growth of our annual sales. In response to customers' concern about product safety and health after the pandemic, we introduced the first UV-C trolley sterilization chamber in Taiwan.
- For the first time, the supermarket imported flowers for sale to enhance the sense of ritual in life. It also cooperated with local young farmers and small farmers in Taiwan to provide consumers with "farm to table" freshness and deliciousness.
- 8 skincare rooms were built with tens of millions of NT\$ to provide skincare treatments with top brands, and users have their own space for enhanced privacy.

Year 1994

#### Taipei Dunhua Store

##### The Low-Profile and Luxurious Store for Socialites

- The low-profile luxurious style makes the Store the origin of the fashion in Eastern Taipei with local customers as the focus.
- The store's high-quality services are highly recognized by our main customers.
- The store focuses on premium care products/skincare salon spaces, and provides a first-class experience environment.
- The store builds an image of a premium restaurant among department stores in Eastern Taipei, sharing elegance and deliciousness.



#### 2022 Business Overview

- Laying the ghost of COVID-19 to rest, the store's restaurants regained energy, and the main customers were coming back for consumption.

Year 1996

## Kaohsiung Store

The Attentive and Safety Premises of Elaborate Fashion, Art, and Culture in Southern Taiwan

The Store builds the "SOGO Palace of Aesthetics" to support the development of local artistic and cultural innovations and art performances by organizing events on a regular basis.



### 2022 Business Overview

- The store underwent the first large-scale renovation in 25 years to strengthen management of the local shopping district and friendly coexistence to create a regional department store that is deeply rooted in the community and provides comprehensive services.
- Before the Lunar New Year, the store fulfilled its corporate social responsibility by caring for disadvantaged people in the community and inviting parents and children from the Northern Kaohsiung Children's Center to enjoy a charity dinner for a warm Lunar New Year.
- To prevent incidents like that of Cheng Chung Cheng Building, the store donated 1,000 in-house fire alarms to the Kaohsiung City Fire Department for requested installation for disadvantaged groups (low-income households, elderly people living alone, and people with disabilities) and households at high risk of fire. The store also organized a parent-child event "Little Heroes of Disaster Prevention" to promote disaster and fire prevention skills and provide more guarantee for home safety.
- The store organized small farmers' fairs and the Kaohsiung Shopping fair to support local small farmers and promote tourism in Kaohsiung through concrete actions.

Year 1998

## Taoyuan Zhongli Store

NEW FAMILY · NEW LIFE Department Store

Located in the core section of Southern Taoyuan, the store leads regional fashion and trends and cooperates with the local government in promoting pandemic prevention and citizen policies, while its volunteer club has spared no effort to participate in social charity.



### 2022 Business Overview

- The store planned for negotiations on new lease and continued to introduce new brands to create a safe and comfortable shopping space.

Year 2006

## Taipei Fuxing Store

The Leading Position in the Premium Fine and Fashionable Products and the Only Department Store That Has Five World-Class Luxurious Brands in Taiwan

- Bringing together top global brands, it is the only department store in Taiwan where the Italian luxury brand GUCCI and the "four leading brands in France" of LOUIS VUITTON, CARTIER, CHANEL and HERMES are all available, making it the best luxury department store in Taiwan.
- The premium supermarket CitySuper on B3 offers a full range of cooked foods and gifts from famous domestic and foreign food suppliers. It is known as the "Kitchen in Eastern Taipei".



### 2022 Business Overview

- Its revenue hit a historic high (NT\$17.096 billion), making it the Far East SOGO store with the best performance.
- Targeting the high-end customers, the store worked with 10 international brands to demonstrate sustainable fashion.
- The store hosted the largest social innovation fair at a department store in Taiwan to show the power of channels and promote sustainable consumption, winning the "Special Prize" under the Buying Power reward mechanism for procurement of social innovation products and services.

Year 2009

## Tianmu Store

Demonstration Store for Green Department Store

- It is the first department store that acquired the carbon label in Taiwan and the first store that the Environmental Protection Administration incorporates green procurement under the service-based carbon label.
- The Store works with the Department of Economic Development, Taipei City Government, and the Beitou Farmers' Association to promote seasonal flowers of local farmers in nearby locations.
- The Store integrates the marketplaces of creative handmade products and promotes communication between local people and shop owners.



### 2022 Business Overview

- The fragrance maintenance area on 1F was expanded with the introduction of SABON and JO MALONE. The golf brand HONMA was newly introduced on 4F, and a trial room was set up at the counter. The introduction of quality brands boosted customer flow and sales.
- To fulfill its social responsibilities, the store organized 24 art and beauty exhibitions at the performance hall during the year, with schools and clubs invited to attend them. The store cooperated with social welfare organizations to collect tens of thousands of invoices and gifts for disadvantaged children. The store organized a blood donation bazaar with bloggers to mitigate blood shortage, with 935 bags of blood donated.
- The store participated in the Tianmu Halloween event to create common prosperity for the shopping district.

Year 2012

## Hsinchu Store

### The First Choice for Friendliness for Parents and Children and Social Co-Prosperity

- A brand new retail pattern is created by combining a department store with a shopping center and building close ties with the life of the citizens.
- Combining ESG issues, the store organizes more than 300 parent-child events annually to create the most friendly space in a department store.
- The indoor premium performance hall is open and linked to the volunteer lectures of the city government to extend the corporate image of co-prosperity and sharing.
- The Store provides the most complete shopping channel of brand sports devices in Hsinchu.



## 2022 Business Overview

- Its annual revenue reached a new high of nearly NT\$6 billion, making it the leading department store in the Greater Hsinchu region in terms of sales per unit area.
- The store built a new ThanQ CLUB game center on 5F, where experience events exclusive for members were held every week.
- It is the first green department store in Hsinchu to install solar panels, generating over 1.6 million kWh of electricity in 3 years and reducing an amount of carbon equivalent to carbon absorbed by 5 Hsinchu Parks. TVBS made a special report in this regard.
- The women's shoes area on 1F was renovated to create a bright and comfortable space. LED energy-saving lighting is used in the whole store to save electricity and maintain environmental sustainability.

## 1.2.2 Operating Performance

Our total revenue in 2022 was NT\$45.01 billion and the net profit before and after tax, EPS (post-tax), and ROE have grown for five consecutive years. The EPS was \$1.69 with a growth rate of 9.37%. The post-tax earnings grew by 20.5%.

The financial status of the Company is reviewed mainly according to the daily performance report. The head of the department checks the revenue on the current day and takes follow-up actions to examine the difference from the planned target on a regular basis. Far Eastern SOGO is an investee company of the Far Eastern Department Stores Co., Ltd. Therefore, the material information on the operating performance, profit targets, equity distribution and affiliated companies will be consolidated with the information of the parent company, Far Eastern Department Stores Co., Ltd. (2903-TW), and disclosed in the annual report and at investor conferences.

Unit: NT\$ thousand; EPS: NT\$

	2019	2020	2021	2022
Operating Revenue (IFRS) Gross Method	42,861,166	41,841,986	41,199,368	45,013,913
Pre-tax profits	946,686	1,209,108	1,459,163	1,824,575
After-tax Profits	485,212	1,060,261	1,160,502	1,398,046
EPS (after tax)	0.59	1.28	1.40	1.69
Return on equity (%)	4.42	9.36	9.76	11.43
Capital	8,280,000	8,280,000	8,280,000	8,280,000

For more information, please visit the MOPS (2903) <http://mops.twse.com.tw/mops/web/t146sb05>

Unit: NT\$ thousand

	2019	2020	2021	2022
Operating Revenue (IFRS) Gross Method (A)	42,861,166	41,841,986	41,199,368	45,013,913
Operating cost (B)	39,081,760	38,317,983	37,685,751	41,078,942
Employee Compensation and Welfare <sup>1</sup> (C)	1,261,241	1,248,956	1,256,000	1,343,106
Payments to investors <sup>2</sup> (D)	165,600	910,800	1,001,880	1,043,280
Payments to the government <sup>3</sup> (E)	886,572	847,109	826,072	850,119
Donation (F)	13,916	12,342	13,615	12,578
Retained economic value (G) = (A-B-C-D-E-F)	1,452,077	504,796	416,050	685,888
Total financial assistance from the government <sup>4</sup>	7,790	197,377	168,424	94,397

Note: 1. Including non-normal salaries for employees and other employee benefits.

2. Total amount of dividends distributed.

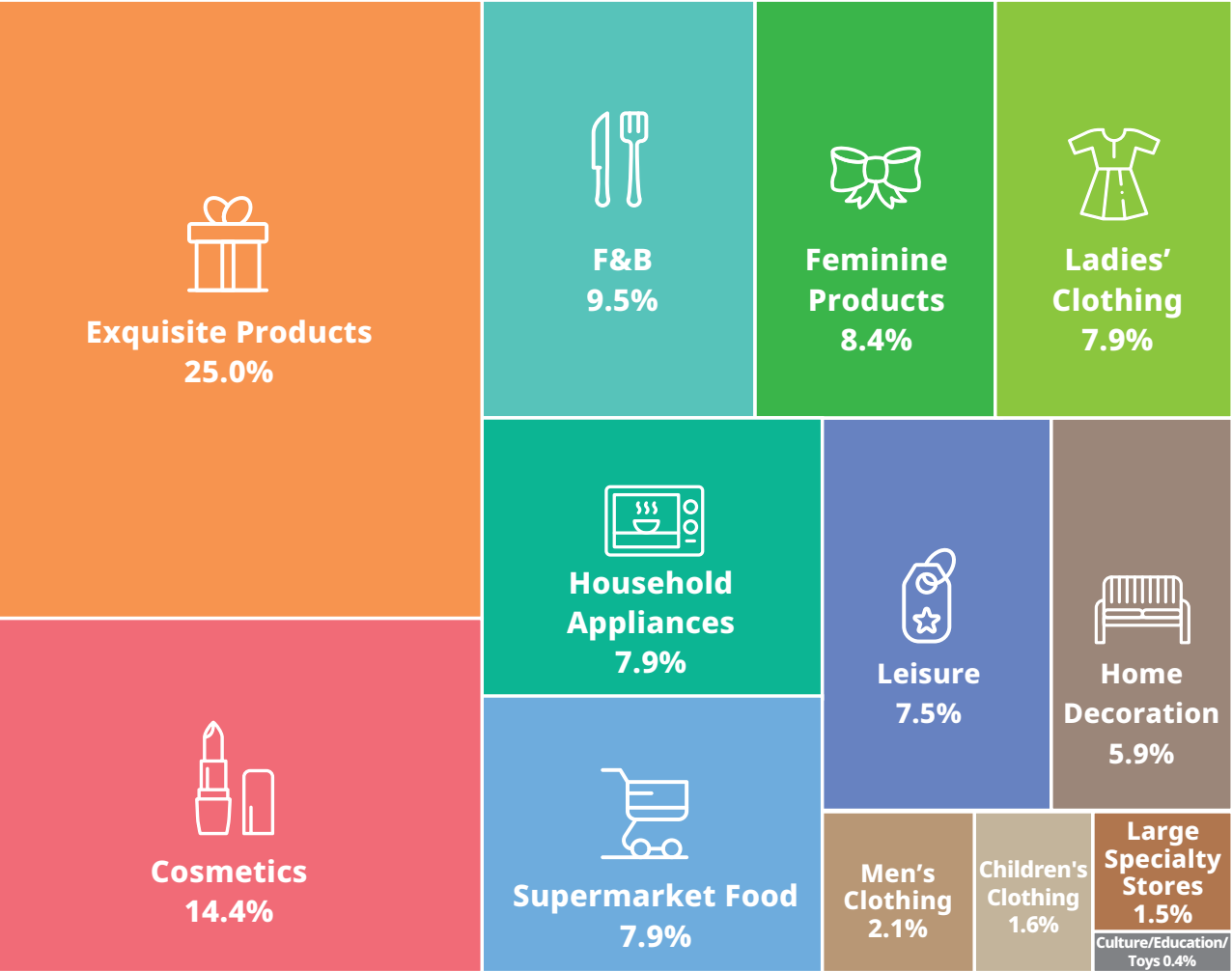
3. Including taxes and fines.

4. Including special subsidies for energy saving, COVID-19 grants (including COVID-19 relief grant, COVID-19 rent grant and COVID-19 waiver grant), electricity bill reduction programs, and credits under the Statute for Industrial Innovation. COVID-related grants are available from 2020 to 2023, with higher amounts in 2020 to 2021.



Product Categories and Their Percentages in Revenue

Far Eastern SOGO sells a wide range of products. In 2022, luxuries, cosmetics and food and beverage were the main sources of revenue, accounting for 48.9% of the total revenue. With closed national borders and a booming domestic consumer market, the sales of food and beverages and luxuries grew by 22.3% and 18.4% respectively compared to 2021. Educational toys were a lagging indicator, with a 4.5% decline.



1.2.3 Digital Development

Shopping habits and consumption patterns have changed due to the impact of the pandemic in recent years, and these changes have accentuated the importance of digital transformation to an organization. Far Eastern SOGO deems this crisis an opportunity of digitalization. We start from two strategies of “optimization of digital governance” and “enhancement of digital experience” and conduct data analysis using the CRM (Customer Relationship Management) tool to find the balance between the protection of the stakeholders’ digital privacy, improvement of the shopping quality, and management of the consumption journey.

Since the introduction of the Far Eastern SOGO APP to the market, we have developed an OMO strategy and provided instant shopping services of high quality and sustainability. As of the end of 2022, the membership grew to over 1.16 million, a 28.03% increase from 2021.



Two Strategies	Internal	External
	Optimization of Digital Governance	Enhancement of Digital Experience
Purpose	To develop future governance policies and market strategies by implementing digital transformation.	To build a pleasant digital experience environment and optimize customer's journey in an era in which every consumer has a mobile phone.
Action Plan	<p><b>[Real-Time Digital Communication, Implementation of Precision Marketing]</b></p> <ul style="list-style-type: none"> <li>We have established a customer data platform (CDP), developed data tagging, and used at least 80 types of tags to dig deeper into the data and gain insight into customer behavior and preferences, so that we can divide customers into groups and segments to achieve precision marketing to meet consumer needs, while saving 90% of employees' operating time.</li> <li>Supplier information platform: Integrating the information of brand suppliers as a database for investment and crisis/public opinion management.</li> </ul> <p><b>[Enhancement of System Resilience]</b></p> <ul style="list-style-type: none"> <li>Information security as a mandatory course for all employees.</li> <li>We received the certification of Mobile Application Basic Security for SOGO APP.</li> <li>To strengthen information security and prevent hackers, we regularly conduct system vulnerability scanning and disaster preparedness exercises, encrypt all personal information, and apply for Information Security Mark certification.</li> </ul>	<p><b>[Upgrade of Shopping Experiences]</b></p> <p>In 2020, Far Eastern SOGO upgraded its APP and POS machines to change the limitation of redeeming physical invoices for benefits. With the APP, you can redeem for electronic gifts such as HAPPY GO points, parking discount, and electronic coupons/vouchers/shopping gifts.</p> <ul style="list-style-type: none"> <li>In response to the consumer pattern of carrying mobile phones, the SOGO APP has been enhanced for segment marketing, to increase the number of digital giveaway events and the amount of redeemed digital vouchers, and for energy saving and carbon reduction.</li> </ul> <p><b>[e-Payment]</b></p> <ul style="list-style-type: none"> <li>Far Eastern SOGO is the first department store in Taiwan to issue electronic gift vouchers. The Far Eastern SOGO APP reduces the environmental costs of traditional gift vouchers by issuing electronic gift vouchers and encouraging their transfer and use.</li> <li>It supports 12 types of electronic payment methods to simplify the payment process for customers, four of which are supported by the SOGO APP.</li> </ul>
Result in 2022	<ol style="list-style-type: none"> <li>70% of our employees attended courses on information security/the Personal Data Protection Act.</li> <li>We received the certification of Mobile Application Basic Security (MAS Mark) for SOGO APP.</li> </ol>	<ul style="list-style-type: none"> <li>The amount of digital vouchers redeemed saw an annual increase of 3.5%, with a total of 1.34314 billion vouchers of equivalent values redeemed.</li> <li>The number of APP digital giveaway events saw an annual increase of 18.7%, with a total of 3,340 digital giveaway events held throughout the year.</li> </ul>

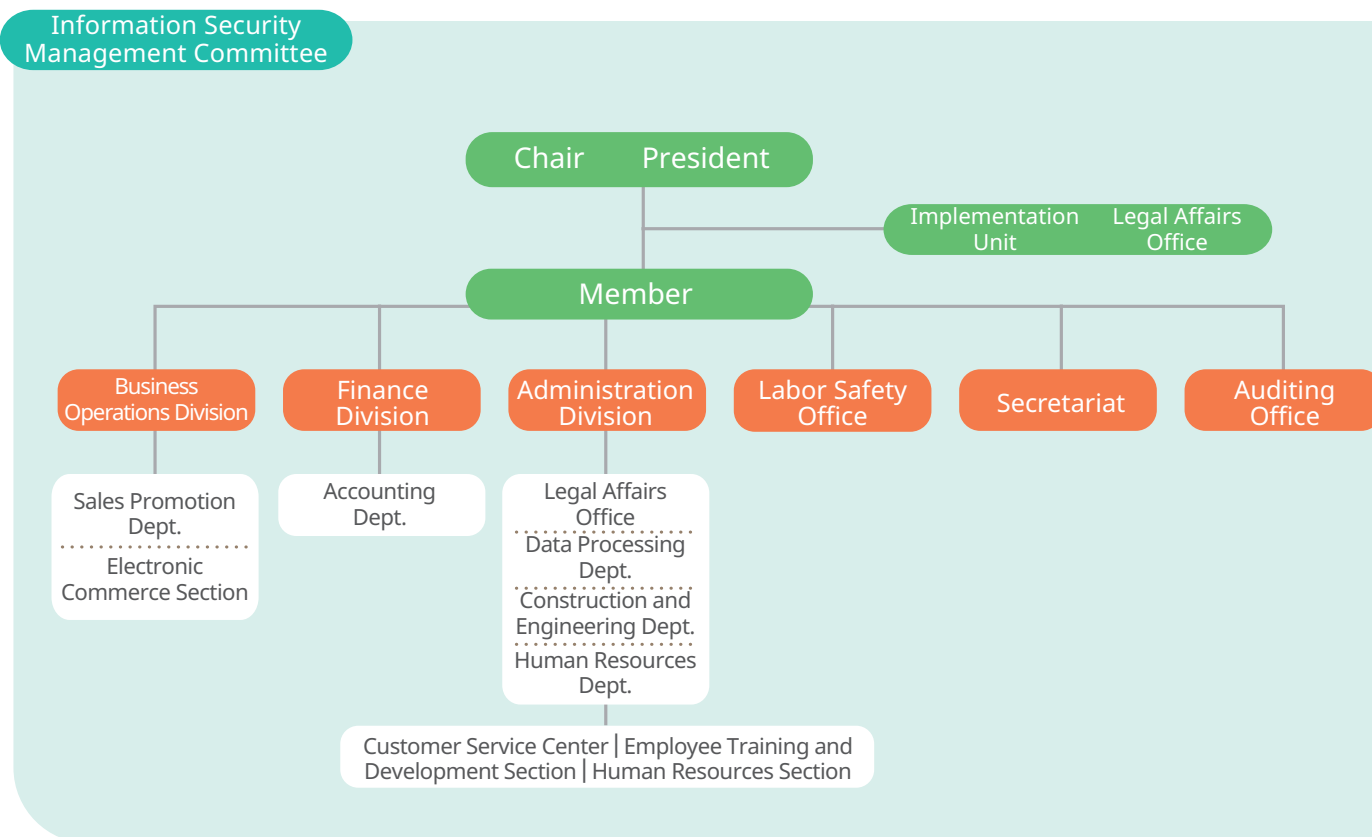
E-payment Instrument	Apple Pay	Line Pay	Alipay
	Samsung Pay	HAPPY GO Pay *	EasyCard
	Google Pay	EC Pay	WeChat Pay
e-Gift Voucher	e-Gift/Product Voucher *	Ticket Xpress *	Give Voucher *

Note: \*means supported by the SOGO APP.

## 1.3 Information Security Protection

### 1.3.1 Information Security Management Committee

In view of the large amount of personal information accessed by the department store industry, Far Eastern SOGO adheres to legal requirements to protect the personal data of customers and employees as well as their property privacy, and has established the "Information Security Management Committee" with the President as its chair and the relevant business units in possession of personal data as its members.



The Information Security Management Committee checks the personal data used by all departments from time to time, encrypts all personal data, strictly controls and audits access rights, and regularly conducts system vulnerability scanning and disaster preparedness exercises for information systems. We have completed personal data checks, established personal data collection procedures, revised the terms for personal data in counter contracts, organized personal data training for all employees, and changed the methods of marketing on special days. For the sake of caution, Far Eastern SOGO establishes the "Information Security Event Reporting System" and requires that the department where personal data problems occur or are identified is obligated to report them to the Information Security Management Committee. The Legal Affairs Office is responsible for execution.

In April 2022, the Information Security Management Committee of Far Eastern SOGO completed amendment of the "Regulations Governing Information Security and Personal Data Protection", which consists of three major parts: the "Regulations Governing Information Security and Personal Data Protection Organization", the "Regulations Governing Information Security" with 41 articles, and the "Regulations Governing Personal Data Protection" with 10 operating procedures.

Strategy		Action Plan	Result in 2022
External	Build a Safe Shopping Environment	<ul style="list-style-type: none"> <li>We have adopted the one-counter-one-machine method. Customers can complete the payment procedures at the counter to save time and avoid leakage of private data when the card is out of sight.</li> <li>The membership card is digitized and linked with the SOGO APP to optimize consumer experience and mitigate the concern about loss of the physical card.</li> <li>We have strengthened cloud security protection.</li> <li>Any concerns or requests of the customer about personal data may be dealt with through the customer complaint channel.</li> </ul>	All cloud systems of Far Eastern SOGO are protected by the AWS cloud security protection mechanism.
Internal	Establish the Foundation for Business Operation and Governance	<ul style="list-style-type: none"> <li>We have established the "Personal Data Protection and Management Policy". Any concern about or leakage of personal data is dealt with by the corresponding responsible department and the Information Security Management Committee.</li> <li>We have dispatched certain employees to obtain the certificate of "TPIPAS Personal Data Manager" to fully enhance our information security management capabilities.</li> <li>We have enhanced the information security test, introduced an information security management system, and promoted information security courses for all employees.</li> </ul>	<ul style="list-style-type: none"> <li>We dispatched certain employees to attend the training course for TPIPAS (Taiwan Personal Information Protection and Administration System) managers. They passed the examination and obtained the certificate of "TPIPAS Personal Data Manager".</li> <li>21 information security awareness sessions were held throughout the year, with a total of 887 attendees, accounting for 70% of all employees (we will continue to hold such sessions in 2023 and set a KPI of 90% attendance by all employees).</li> <li>The SOGO APP was audited by external auditors and received the MAS mark.</li> </ul>

### 1.3.2 Information Security Risk Management

To ensure the implementation, effective operation, supervision, and management of the Company's information security management system, we conduct continuous improvement in the PDCA Cycle process to protect the confidentiality, completeness, and availability of our important information systems.



To strengthen personnel awareness, prevent data leakage and ensure daily maintenance, Far Eastern SOGO identifies possible risks through information security audits, and defines the audit objectives to be achieved through information security audits.

Semi-annual Internal Audit on Information Security by the Auditing Office	External Audit
<p>1. In early 2022, the Auditing Office conducted information security management audits on samples of 55 information systems of the Company, targeting the users and management and maintenance departments, including the Data Processing Department of the Head Office (Software Management Section/Website Maintenance Section), Human Resources Department, Digital Channel Department and Finance Department (Gift Voucher Section), with the aim of verifying that the information systems and related software and hardware are properly used, preserved and maintained. An audit report was issued in February 2022. During the auditing process, some issues requiring attention and improvement were found, and we simultaneously asked the relevant departments to make improvement.</p> <p>2. In the second half of the year, we audited the Data Processing Department's control operation requirements for system development and program modification and found that some parts required attention and improvement. We simultaneously asked the relevant departments and personnel to make improvement.</p>	<p>3. The SOGO APP was initially tested through the "Mobile Application Basic Information Security Test" conducted by "Information Security Service Digital United" from December 2021 to January 2022, and passed a retest from February to March 2022. The iOS and Android systems were certified with the "Mobile Application Basic Security" (MAS Mark L3), and the expiration date of the certification was May 2023.</p> <p>4. We have engaged an accounting firm to conduct computer audits and information security audits on a biennial basis. The last audit was conducted in March 2021 by the external auditor Deloitte Taiwan.</p>

Short-term Goal: Introduction of ISO 27001 information security management verification

### 1.3.3 Protection of Personal Data

Far Eastern SOGO saves customer data on the HAPPY GO points platform - Ding Ding Integrated Marketing Service Co., Ltd. It has obtained the ISO 27001(ISMS) certification, adhered to the requirements of Taiwan Personal Information Protection and Administration System (TPIPAS), and received the DP Mark (Data Privacy Protection Mark). The data of all customers has been strictly encrypted and protected.

Far Eastern SOGO only retains the files corresponding to membership numbers, and we are unable to acquire any data of our members or check their identities through any method. In accordance with the "Regulations Governing Personal Data Protection"

established by Far Eastern SOGO, we have established the processes for collection, processing and use of the personal data of customers as well as file security protection to ensure protection and control of customer data during the process of card application. In 2022, there were no complaints about customer privacy or loss of customer data.

We have engaged "Ding Ding Integrated Marketing Service Co., Ltd." to conduct a customer satisfaction survey every year, targeting owners of the HAPPY GO card. The survey takes place only after the willingness of an interviewee is confirmed. The opinions of an interviewee are protected, and no personal opinions or data will be presented individually.

#### Management of Key Personal Data

Item	Management Method	Management Unit
Charge Slip	The consignment counter lessee gives it to the cashier every day before closing the store. Charge slips are retained in the warehouse or vaults for one year and shall be destroyed after the retention period.	Cashier Section
Name List of Participants	It shall be destroyed after the activity.	Sales Promotion Dept.
Personal data related to exchange of gifts.	It shall be destroyed after the activity.	Sales Promotion Dept.
Personal Data of Employees	<p>1. Access permissions shall be set in the system containing the personal data of employees.</p> <p>2. The personal data of employees who have terminated the employment agreement shall be archived in accordance with laws and regulations. They shall be destroyed after a five-year retention period.</p>	Human Resources Dept.
Customer's Stock Transfer Data	They shall be destroyed after a one-year retention period.	Individual Sales Departments
Petition Data	<p>1.The internal paper-based petition data shall be destroyed one week after the case is closed.</p> <p>2.A file of electronic petition data shall be created using the form in the system. They shall be archived after the case is closed and access permissions shall be set</p>	Customer Service Section
Customer Rental Service	The data provided for a rental shall be destroyed on the current day after the rented object is returned.	Customer Service Section
Form of Lost Property	It shall be destroyed after a two-year retention period.	Customer Service Section



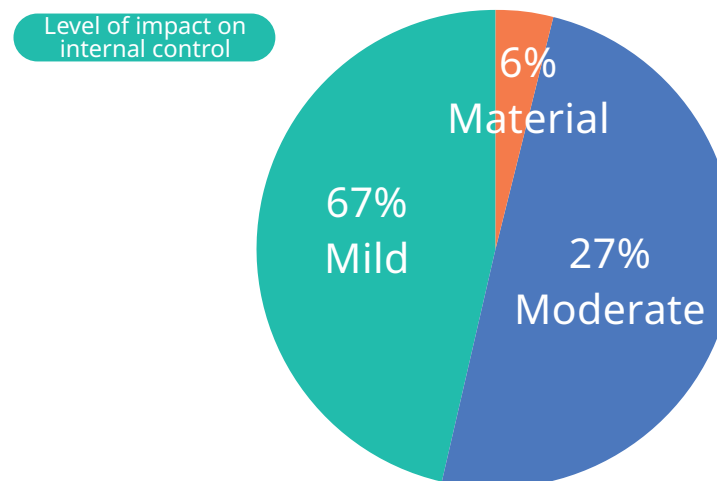
## 1.4 Risk Control

### 1.4.1 Risk Management

Under the influence of globalization, economic and trade issues around the world are closely linked, while the issues of global climate change and product safety have attracted great attention. With the advent of the IoT and the rise of e-commerce and new consumption models, the risks and drastic changes in the external environment have posed huge challenges to the department store and retail industry, and COVID-19 has changed the face of the retail industry.

Far Eastern SOGO measures business risks and actively develops response measures by establishing internal control mechanisms and ensuring ethical management to prevent and deal with threats and opportunities arising from various risks in a timely manner. At the same time, the functional committees hold regular meetings to ensure the effectiveness of relevant risk management strategies. Far Eastern SOGO has conducted an evaluation of its internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Financial Supervisory Commission. The results of the internal audit for 2022 are as follows: There were no material deficiencies in internal control, and 57% of the deficiencies were improper documentation process and failure to comply with regulations.

### 2022 Audit Findings



### Summary of 2022 Internal Control Deficiencies

Unit: Number of audit deficiencies

No.	Internal control cycle	Deficiencies in internal control planning	Misrepresentation of statements	Impact on finance/goodwill	Improper documentation/ process	Failure to comply with regulations	Inadequate security	Inadequate automation	Total
1	Sales and payment	14	5	9	17	11	12	-	67
2	Procurement and payment	1	-	5	6	32	9	-	54
3	Payroll and personnel	-	-	-	8	-	-	2	10
4	Information Security	-	-	-	1	-	-	-	1
5	Fixed assets	-	-	-	-	-	-	-	-
6	Investment activities	-	-	-	-	-	-	-	-
7	Legal Compliance	-	-	-	-	-	-	-	-
Total		15	5	14	32	43	21	2	132

Far Eastern SOGO's highest decision-making body is the "Decision Implementation Committee". Consisting of the managers of the operating, sales promotion, administrative and financial departments, the committee regularly sets guidelines for the Company's operation, establishes projects as necessary, and regularly tracks the results. In addition, the Auditing Office conducts internal and external risk assessments and controls related risks as follow:

Risk Type	External Environmental and Risk	Response Measures
Operational Risk	Force majeure and other disasters occur, and the operation may be interrupted as a result	<ul style="list-style-type: none"> <li>Established Emergencies Handling Regulations to ensure effective and systematic management of emergencies in levels.</li> <li>Enhanced education and training of employees and routing drills to improve the emergency response ability.</li> <li>Implemented inventory management properly and reviewed the supply process together with suppliers and lessees (consignment counters) on a regular basis to ensure an uninterrupted supply chain.</li> <li>Ensured smooth shopping channels via online sales outlets.</li> <li>Changed the transaction methods at physical stores.</li> <li>Testing whether all emergency communication equipment remains open.</li> </ul>
	The retail industry is facing the facts that e-commerce patterns and virtual channels have emerged rapidly and consumer behavior changes very quickly. The spaces that department stores can use for opening and deploying more stores have become more saturated. A new competition era is coming with more competitors.	<ul style="list-style-type: none"> <li>Conducted big data analysis to understand consumer behavior and have a deeper insight into the preferences and habits of customers in their consumption.</li> <li>Implemented floor adjustment and merchandise configuration in an integrated manner and improved service quality and shopping experience.</li> <li>Integrated the advantages of physical stores and virtual channels to build a brand new virtually integrated channel and develop an online ordering and in-store pickup mechanism.</li> <li>Interacted with consumers through the five-sense experience and transformed shopping into "experiencing".</li> </ul>
	Department stores have the demand for a business space with creative features and attractive highlights in stores, but the time and budget may not be controlled well and the operating cost increases as a result.	<ul style="list-style-type: none"> <li>Acceptance management for the renovation project of each store.</li> <li>Reducing the risk of loss of operating assets by taking stock of fixed assets in each department.</li> </ul>
	We offered more digital giveaway events to prevent fraud and avoid loss to the Company.	<ul style="list-style-type: none"> <li>Checking the correctness of the redemption data of the giveaway system.</li> </ul>
Financial Risk	The global economy grows slowly, and the medium-term and long-term prediction becomes conservative. The adverse prosperity and fiercer competition lead to a restriction on the growth of the operating revenue. How to increase income and decrease expenditure has become crucial to the profitability.	<ul style="list-style-type: none"> <li>Enhanced project control and follow-up on the progress of the implementation.</li> <li>Controlled the capital expenditure and cost properly and reduced unnecessary waste.</li> <li>Implemented a financial and accounting cycle audit pursuant to laws and regulations, including loans to others, endorsements, guarantees, and acquisition and disposal of assets.</li> </ul>
Human Resources Risk	The employees of the department store industry are busy and sustain great stress. It is not easy to retain outstanding employees and the gap in the professional capability may occur easily as a result.	<ul style="list-style-type: none"> <li>Conducted a satisfaction survey among new employees every year and made analysis of the willingness to remain in office, work performance, and level of attention to the demands of the job.</li> <li>Set the priority to training and retaining talents, improving the engagement of employees, and implementing the employee education and training mechanism.</li> <li>Optimizing the rights and welfare of employees, and enhancing the communication channels and participation mechanism for employees.</li> <li>Built happy workplaces and provided employees with a healthy life guide.</li> <li>Randomly checking the reasonableness of employees' attendance, overtime work and leave applications to comply with the law and the principle of fairness.</li> <li>Establishing a code of ethical conduct like other TWSE/TPEx-listed companies, and guiding directors, supervisors, managers and employees to comply with the code of ethical conduct to strengthen corporate governance.</li> </ul>

Risk Type	External Environmental and Risk	Response Measures
Supply Chain Risk	The issue of product safety is becoming more and more important to the government and customers, and there are many laws and regulations in this regard. As a leader in the operation and sustainability of the department store industry in Taiwan, Far Eastern SOGO will be subject to more stringent scrutiny.	<ul style="list-style-type: none"> <li>• Strictly implementing the supply chain management mechanism, strengthening the integration with external evaluations, and engaging in supply chain management according to objective standards.</li> <li>• Checking private products for expiry, damaged packaging or inconsistent labeling.</li> <li>• Engaging in purchase price negotiation and cooperation and sign-offs for acceptance to ensure compliance with relevant requirements, and to provide consumers with a safe shopping environment and quality gifts.</li> </ul>
	Remarkable annual operating revenue may lead to fraud in the transaction between the consignment counter lessees.	<ul style="list-style-type: none"> <li>• Established a corruption and fraud prevention and reporting mechanism.</li> <li>• Conducted dissemination to the employees to avoid improper behavior.</li> </ul>
Information Security Risk	In the era of multiple information applications, the personal privacy of customers and the safety of data in transactions may be involved at the marketing, shopping, and checkout stage. They must be controlled accordingly.	<ul style="list-style-type: none"> <li>• Built a complete information security management mechanism and enhanced the protection of personal data.</li> <li>• Enhanced the control of the shopping, transaction, payment processes and protect the personal transaction information of customers.</li> <li>• Enhanced the awareness education of the employees and consignment counter lessees and fulfill the reminding and alerting obligations.</li> <li>• Checking the appropriateness of system development and program modification.</li> </ul>
	In an era of digital transformation, online activities are increasing, and it is becoming mainstream to maintain daily business through real-time software or cloud collaboration applications, while the software or systems used by personnel may endanger company secrets and customers' personal data.	<ul style="list-style-type: none"> <li>• Installed anti-virus software on computer equipment and updated it from time to time to avoid invasion of viruses or malicious software.</li> <li>• Arranged education, training, and dissemination related to information security and digital defense on a regular basis.</li> <li>• Enhanced the system to block spam and viruses.</li> <li>• Built digital empathy and give positive assistance to employees who need digital applications.</li> <li>• Checked the personal data in which individual departments were involved to verify their legality and the effectiveness of the data protection and enhanced personal data protection.</li> </ul>
Environmental Disaster Risk	More attention has been paid to environmental protection and energy/resource management globally. The competent authority may subject the energy/resource consumption and greenhouse gas emissions of the retail industry to control or implement such control by raising the cost of use.	<ul style="list-style-type: none"> <li>• Enhanced the energy management system and improved energy efficiency.</li> <li>• Implemented automated environmental control systems continuously and reduced the usage of energy and resources.</li> <li>• Strove for subsidies from the government to install energy-saving equipment as a substitute.</li> <li>• Conducting quantitative assessment of financial impacts associated with climate risks.</li> <li>• Checking the GHG inventory activities of each store.</li> </ul>
Legal Compliance Risk	Any non-compliance with laws and regulations may lead to punishment imposed by the competent or regulatory authority and the revenue and goodwill of the Company may be affected as a result.	<ul style="list-style-type: none"> <li>• Conducted the annual audit plan</li> <li>• Loaning of funds, providing endorsements and guarantees, acquisition and disposal of assets and supervision of subsidiaries in accordance with relevant law and regulations.</li> </ul>
Pandemic Risk	Many restrictive measures are taken domestically and internationally to cope with COVID-19. The infectiousness and uncertainty of the pandemic may affect the business and the revenue may drop as a result.	<ul style="list-style-type: none"> <li>• Launched the "Pandemic Command Center" system and establish the pandemic prevention guide when the first confirmed case occurred in Taiwan.</li> <li>• Established the pandemic prevention guide pursuant to the regulations of the Taiwan Centers for Disease Control in and took countermeasures immediately.</li> </ul>

## 1.4.2 Handling of Emergencies

Pursuant to the “Far Eastern Group Emergencies Handling Regulations”, Far Eastern SOGO has appointed a chief duty officer, who is a manager at or above the level of assistant vice president, and who receives emergency reports from one to two duty officers daily. In case of natural disasters, energy shortages, industrial safety accidents, environmental protection or demonstration accidents, labor disputes, criminal cases, legally notifiable pandemics, operational interruptions or other major crises, reports will be sent to the Group within 30 minutes and registered on the online crisis reporting system, with the submission of regular reports on the subsequent development.

When an emergency occurs, Far Eastern SOGO will launch the response command system and form a command center with the President as the commander in chief. He/she shall report to the Chairman, map out strategies, and mobilize sufficient labor and resources as quickly as possible to prevent the emergency from affecting the business or goodwill of the Company.

### Special Crises in 2022

#### At the beginning of the year, CTWANT falsely reported that 200 employees were laid off

Without verification, CTWANT made a false report that the Company would “lay off more than 200 employees throughout Taiwan”. In addition to taking legal action to defend our rights, we also issued a press release to set the record straight.

At that time, the Kaohsiung Store was undergoing a business transformation, where the business models of some floors were adjusted, and 28 employees were laid off for streamlining in accordance with the procedures stipulated in the Labor Standards Act on terms more favorable than those provided by the law. There are many precedents of similar downsizing in the retail industry. CTWANT disregarded the journalism principle of verification and used false information to mislead readers, which is a clear violation of the law.

Later, the Kaohsiung Store spent NT\$200 million on large-scale renovation, transforming to a store type that was not previously available in Far Eastern SOGO but necessary in the Sanduo Shopping District, and was officially opened at the end of October. It took more than two years for the renovation, and the biggest breakthrough was to reduce the operating area by 50%, concentrating the department store floors to seven floors to improve the quality services, while other living functions were moved to 8F and above for lease, in order to strive for “revenue reduction and profit increase”.

Summary of Crisis	The media falsely reported that Far Eastern SOGO laid off 200 employees throughout Taiwan, but the fact was that due to business transformation, the Kaohsiung Store laid off 28 employees for streamlining in accordance with legal procedures on terms more favorable than those provided by relevant regulations.
Response by Far Eastern SOGO	We took legal action to defend our rights and issued a press release to set the record straight.
Optimizing Measures	Strengthening internal communication and promoting employee care measures.

#### A vendor participating in the Japanese Festival Special Fair was confirmed with COVID

The Zhongxiao Store was originally scheduled to hold a 12-day “Japanese Festival Special Fair” from the end of March to the beginning of April 2022. When we first learned that a participating vendor was infected with COVID, we immediately asked the vendor to stay home for isolation and requested its counter to withdraw from the fair on the following day to minimize contact with people during the holidays. After receiving a notification from the Department of Health, we immediately requested the contacts to undergo a rapid test and notified the Department of Health to conduct PCR confirmation for those with positive rapid test results. In accordance with the direction of the Department of Health, the event hall was disinfected and quarantined for three days, and the personnel of the participating vendors were identified and isolated at home. The pandemic prevention requirements and business hours were in accordance with government regulations. In addition, Far Eastern SOGO voluntarily raised the pandemic prevention standards by closing the entire store for one day for cleaning and disinfection.

#### A floor manager who collected coupons by fraud was fired and sued, and there was no personal data leakage or affected consumer

During the giveaway events held on the anniversary and major days from April 2020 to November 2021, a floor manager took advantage of the time gap between an invoice and the giveaway system to tamper with the invoice’s internal code and upload it to the back end to create false spending records, fraudulently claiming products and vouchers worth nearly NT\$3.9 million. Our Data Processing Department discovered a large number of irregular fake purchases and immediately began an investigation, after which the floor manager was fired and sued. In this case, there was no personal data leakage or affected consumer.

## 1.5 Supply Chain Management

In order to build a safe and trustworthy shopping environment, Far Eastern SOGO engages in local procurement and requires the signing of the "Sustainability Policy" to implement supply chain management.

Since 2017, Far Eastern SOGO has been promoting a New Era of Tableware to ban disposable and melamine tableware, starting a trend of sustainable eating in department stores. Since then, Far Eastern SOGO has been promoting environmental protection and food safety campaigns with its counters and suppliers, including traceless dining and a total ban on plastic straws, and has become the first in the department store and retail industry in Taiwan to not actively provide free and disposable tableware. In response to SDG12 "Responsible Consumption and Production", we launched the "SOGO Sustain · Good Things Are Easy to Choose" sustainable supplier selection and identification system in 2021 to advise counters on how to respond to the trend of sustainable consumption. In 2022, we established a complete Sustainability Policy and conducted a supplier sustainability survey, hoping to strengthen the resilience of our supply chain and work together toward sustainable transformation.

Far Eastern SOGO is the first department store in Taiwan to hold a large-scale small farmers' fair and a social innovation fair. In order to build the last mile for small farmers and social enterprises to enter department stores, we maintain a strict counseling mechanism: First, we communicate with and give advice to social innovation or agricultural and social enterprises that are capable of organizing a fair for more than 6 months through contacting and selecting suppliers. We use the marketing and self-media resources of the department store to help expose the event. After the event ends, an evaluation of its benefits is conducted, and information of the revenue, number of purchases and customer feedback are provided to the collaborating vendors. We hope to use our expertise in channels to empower socially and environmentally friendly brands and social enterprises, and to strengthen the sustainability influence of our channels through the creation of an ecosystem.

### History of Supply Chain Management

Year	2016	2017	2019	2021	2022
Action	<ul style="list-style-type: none"> <li>We established the "Supplier Integrity Clauses" and request suppliers to do business honestly.</li> <li>Suppliers signed the "CSR Clauses" and "Supplier's Declaration of Corporate Social Responsibility Commitments".</li> </ul>	To promote SOGO's New Era of Tableware, we worked with food and beverage counters to build the first department store in Taiwan to "ban all types of melamine and disposable tableware".	The "Supplier's Declaration of Corporate Social Responsibility Commitments" and "Supplier Integrity Clauses" were signed when entering into an agreement with a supplier to enhance supply chain management.	<ul style="list-style-type: none"> <li>We promoted the SOGO Sustain sustainable supplier selection and identification system.</li> <li>We encouraged food and beverage counters to apply for the "Green Restaurant" certification from the Environmental Protection Administration.</li> </ul>	<ul style="list-style-type: none"> <li>We established a Sustainability Policy with 9 articles to strengthen suppliers' awareness of social and environmental sustainability.</li> <li>We conducted a supplier sustainability survey to enhance the resilience of our suppliers.</li> </ul>
Type	Supply Chain Management	Green Supplier Selection	Supply Chain Management	Green Supplier Selection	Supply Chain Management

For more information, see the section of "Sustainability Policy": <https://esg.sogo.com.tw/4-8-2.php>

### Supply Chain Management Strategy

Aspect	Purpose	Result in 2022	Future Goal
Local Procurement	As a retailer, Far Eastern SOGO demonstrates the power of the channel in the encouragement of consumers to buy local products. We encourage local industries to make further development and realize carbon reduction in supply.	<ul style="list-style-type: none"> <li>Far Eastern SOGO's key operations are all located in Taiwan. In 2022, 100% of our general services were procured from local suppliers in Taiwan.</li> </ul>	<ul style="list-style-type: none"> <li>Start of the Net Zero Alliance.</li> <li>→ All restaurants in our stores are expected to pass the EPA green restaurant certification at an achievement rate of 100%.</li> </ul>
Enhancement of Sustainable Supplier Selection	Assist consignment counter lessees with introduction of sustainable products and highlight the differences in products and services from competitors.	<ul style="list-style-type: none"> <li>In response to SDG12 "Responsible Consumption and Production", we continue to strengthen the recommendation of SOGO Sustain sustainable products by our counters. We recommended 650 strictly selected products the year, reaching a total of 1.15 million people with DMs and e-newsletters.</li> <li>We held 29 fairs throughout the year in cooperation with the government, social innovation teams and small farmers. The small farmers' fairs held at the Zhongxiao Store saw more than 48,000 purchases for the year, with a 32.4% increase in sales and a 21% increase in the average unit price.</li> </ul>	<ul style="list-style-type: none"> <li>→ Work with the supply chain and lessees to take the "One-Counter-One-Green Action" and realize the circular economy.</li> <li>Promotion of the Circular Business Model</li> <li>→ Establish supplier human rights management policies to ensure the ESG facets of the supply chain meet the sustainability management requirements.</li> </ul>
Enhancement of Supplier's Resilience	Reduce negative impact and conduct supplier sustainability management.	<ul style="list-style-type: none"> <li>We established a complete Sustainability Policy and required all suppliers to sign it.</li> <li>We conducted a sustainability supply chain survey and sent out questionnaires to identify the materiality and impact of suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>→ Initiating supplier ESG surveys and counseling by grade.</li> </ul>



## 1.5.1 Supplier Regulations

Far Eastern SOGO has two main types of partners: lessees and suppliers. In order to ensure our partners fulfill the spirit of sustainability, Far Eastern SOGO has been the first department store to require the signing of the "CSR Policy" and "CSR Commitments for Suppliers" since 2016. In 2019, we further raised the bar by requiring the signing of the "CSR Policy" in the standard contracts for suppliers and lessees. In 2022, we optimized it into the "Sustainability Policy", signed by 100% of our lessees and suppliers. For the suppliers with lower amounts of procurement, they are required to agree to Far Eastern SOGO's Sustainability Policy in the supplier information form when requesting for payment. In 2023, we will urge the banks dealing with Far Eastern SOGO to include relevant sustainability policies in loan or guarantee contracts.

For more information, see the section of "Supply Chain Management": <https://esg.sogo.com.tw/4-8-1.php>

### Signatories of the Sustainability Policy

Vendor	Lessee (including merchandise consignment counter, supermarket, and F&B consignment counter)	Suppliers for General Affairs	Suppliers for Engineering Projects
Administration Department	Related Units/Merchandise Department at Each Business Location	Procurement Dept.	Procurement Dept.
Status of Signature	Signature is required at the time of initial contract or periodic contract exchange.	For procurement amounting to at least NT\$500,000, a contract must be signed.	For procurement amounting to at least NT\$1,000,000, a contract must be signed.
Number of Contracts Completed in 2022	2,667	194	50
Coverage	100%	100%	100%

For more information, see the section of "Supply Chain Management": <https://esg.sogo.com.tw/4-8-1.php>

Far Eastern SOGO requires all suppliers to comply with the sustainability policy in their contracts to ensure product safety, labor rights and environmental protection and sustainability. It has a comprehensive acceptance process to require suppliers to fulfill their contracts. The Auditing Office conducts regular audits on suppliers, including written reviews, or on-site inspections in person.

### Supplier Acceptance

	Procurement and Engineering	General Services
Accepting Department	Construction and Engineering Department.; notify other attendees to participate in the acceptance.	General Affairs Section; notify other attendees to participate in the acceptance.
Auditor's participation in acceptance.	Auditor's participation in acceptance in a case of procurement amount greater than NT\$500,000.	
Treatment of Non-compliance with Specifications	Where any supplier cannot deliver goods or perform the agreement on schedule and in accordance with the agreement, the Procurement Department holds the "Supplier Quality Meeting" to claim compensation for a breach of the agreement.	

For more information, see the section of "Supply Chain Management": <https://esg.sogo.com.tw/4-8-1.php>

### Circular Business Model and Enhancement of Supplier's Resilience

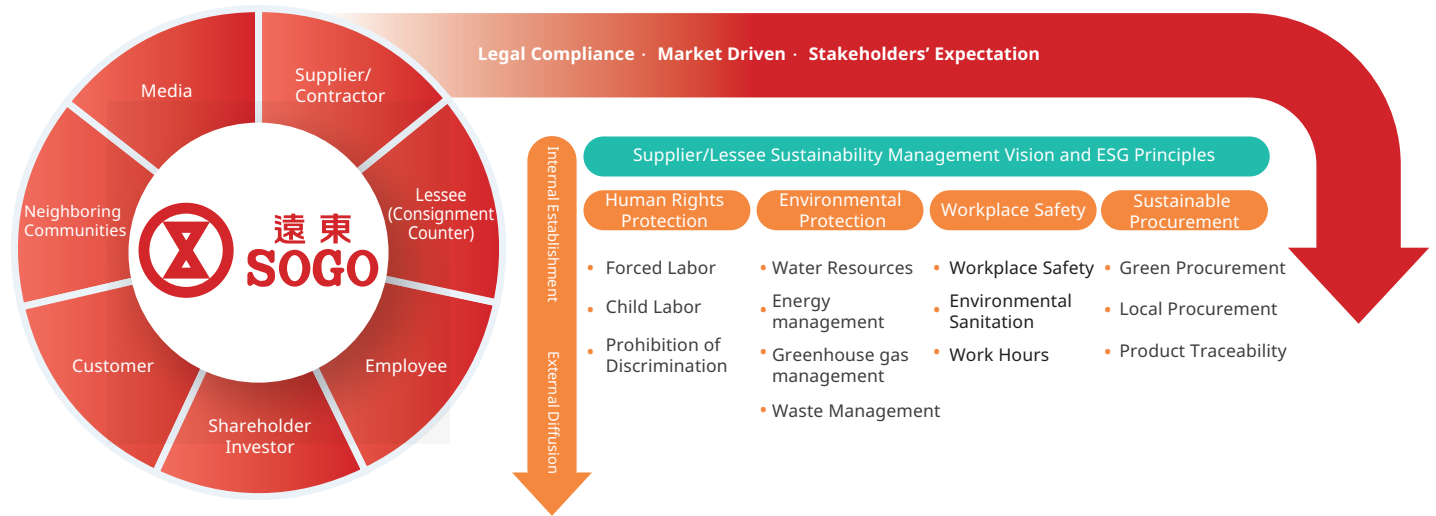
In October 2022, we conducted a survey on the sustainability actions of 230 suppliers (98 for engineering and 132 for general services) and collected 198 questionnaires (86% return rate).

#### The survey found the following:

- Suppliers with a transaction amount of at least NT\$5 million (48 suppliers) accounted for 24.2%, and half of them replied that they have not taken any ESG/CSR actions (25 suppliers, accounting for 52.08%).
- 5.05% were TWSE/TPEx-listed companies, and only 1.52% were companies with at least NT\$2 billion of capital.
- Only 8.08% have established an ESG committee or a dedicated department, and only 4.04% have issued an ESG report with third-party assurance.
- 122 suppliers (61.62%) have not taken any CSR or ESG actions.
- 38.38% believed their companies have taken ESG or CSR actions, but only 6 out of 198 companies have received an award or mark (3.03%).

According to the result of the survey, Far Eastern SOGO is indeed a model of sustainability for suppliers, and it will continue to strengthen its supply chain management policies, provide advice and connect the upstream and downstream value chains to promote a net-zero alliance and move toward sustainable transformation. We will provide advice to contractors and suppliers to ensure that human rights, the environment, workplace safety and sustainable procurement are in line with ESG principles.

## Circular Business Model and Enhancement of Supplier Resilience



## 1.5.2 Management and Audit

Far Eastern SOGO has different vendors, and the management mechanism is designed depending on the property of the vendor to ensure field management and inspection as well as provision of safe products for customers. On-site inspection is conducted irregularly on the vendors of high risk. Far Eastern SOGO selects new vendors very carefully. Outstanding vendors are selected through collection of data, interviews, and scoring. The candidates who have a higher assessment score will have the collaboration opportunity. The unit needing the vendor shall complete the "Assessment Form" for the target supplier. This form will be used as one of the supplier evaluations. Qualified vendors will be promoted to suppliers in the coming years; suppliers that remain unqualified after guidance will not be appointed.

Type	Management and Assessment Mechanism			
Merchandise and Supermarket	<ul style="list-style-type: none"> <li>Counter Setup and Withdrawal Procedure</li> <li>Procurement Management Regulations of Self-operated Products</li> <li>Merchandise Procurement and Payment Procedure</li> <li>Purchase Request, Procurement, Acceptance, and Payment Procedure</li> </ul>	<ul style="list-style-type: none"> <li>Label Management Regulations</li> <li>Sales and Payment Collection Procedure</li> <li>Inventory Management Procedure</li> <li>Finished Products Recall and Handling SOP</li> </ul>	<ul style="list-style-type: none"> <li>Regulations on Return and Exchange of Cosmetics</li> <li>Inspection of Price Labels</li> <li>Inspection of Expiring Goods</li> </ul>	<ul style="list-style-type: none"> <li>Inspection of Cosmetics Permit</li> <li>Inspection of Shopping Gifts (You may refer to the chapter of "Assured Service Power")</li> </ul>
F&B Consignment Counter	<ul style="list-style-type: none"> <li>Inspection of Environment and Sanitation:</li> <li>Daily self-inspection of consignment counters.</li> <li>Weekly inspection by the Food Court and Restaurants Section.</li> <li>Monthly rating; granting "Outstanding Award".</li> </ul>		<ul style="list-style-type: none"> <li>Related Testing:</li> <li>Counter ice cube testing.</li> <li>Drinking water testing.</li> <li>Testing of utensils for the Chinese New Year dishes.</li> </ul>	
Supplier (general affairs, engineering projects)	<ul style="list-style-type: none"> <li>Subject to Purchase Request, Procurement, Acceptance, and Payment Management Regulations</li> <li>Supplier quality improvement meeting held if necessary.</li> <li>For the procurement project that can demonstrate the synergy of the Group and is implemented by the joint procurement center of the Group, the suppliers shall be required to sign the procurement agreement. In addition to the independence and cost analysis, compliance with the Labor Standards Act, other laws and regulations of the government, and occupational ethics shall be incorporated.</li> <li>Increase of the annual procurement amount of green products in percentage as a basis for the procurement from suppliers.</li> </ul>			

For more information, see the section of "Supply Chain Management": <https://esg.sogo.com.tw/4-8-1.php>

# 2 Sustainable Environment Power

Far Eastern SOGO actively implements environmental protection concepts in daily operation, identifies climate change risks and opportunities, executes energy management and establishes energy saving measures, creates green operational culture, and performs supplier selection among upstream boutiques and suppliers according to specific action plans proposed by stakeholders, and performs sustainable procurement, along with the construction of a one-stop shop green consumption platform for customers and the promotion of green marketing, in order to promote environmental education with the channel power and to lead the sustainable consumption awareness. In addition, Far Eastern SOGO is actively involved in global sustainability and aims to lead the industry transformation in Taiwan with its green department store experience, thereby establishing a retail net-zero alliance.

## Corresponding SDGs



### ► Response to Sustainability Topic

- Energy Management
- Green Products and Services
- Climate Strategies and Actions
- GHG Management

### ► Primary Stakeholders

- Customer
- Employee
- Lessees (Counters)
- Supplier/Contractor

First member in Asia-Pacific department retailing industry

**Enrolled in international sustainability initiative organization EP100**

Received the Silver Medal of

**National Enterprises Environmental Protection Award**

for 4 consecutive years

First company in the department retailing industry to receive the aforementioned recognitions nationwide

Increased energy efficiency

Power consumption revenue increased by

**6.97%**

Issued electronic gift vouchers over the past 8 years

**\$6.425**  
billion

Replaced paper gift vouchers equivalent to

**6.5**  
Jade Mountains

First department store to include "Service Carbon Label" in green procurement

Tianmu Store with

**30%**

of invoice amount for declaration of green procurement

## 2. Sustainable Environment Power

### 2.0 Strategic Results and Planning

Faced with the issues of environmental sustainability, Far Eastern SOGO actively practices the ideas of environmental protection and implements energy management and energy-saving measures in its daily operations to build a culture of green operation, and proposes specific action plans according to each type of stakeholders. Moreover, Far Eastern SOGO engages in sustainable supplier selection and sustainable procurement for upstream counters and suppliers, creates a one-stop green procurement platform for customers, and launches green marketing to promote environmental education through the strength of its channels and lead the awareness of sustainable consumption.

Material Issue		Energy Management	Green Products and Services	Climate Strategies and Actions	GHG Management
Impact		Managing total energy consumption can reduce costs and environmental liabilities, achieve corporate sustainability goals for international initiatives, and improve corporate competitiveness.	In response to the rise of customer awareness of sustainability, we enhanced the proportion of green products and green services to increase our competitiveness and brand image.	Explaining the retail sector's investments and actions related to net-zero carbon emissions is helpful for internal carbon reduction targets and external communication. Physical and transformational climate risks will increase the Company's operating costs.	Scope 3 GHG emissions (e.g., carbon emissions from travel and commuting) are the highest in the retail sector, and are subject to international trends and frameworks and attract attention. Therefore, actions are needed for carbon reduction.
Policy and Commitment		In response to and in line with the international trend of energy management, we have voluntarily joined EP100 and set targets for energy efficiency improvement to achieve energy conservation and emission reduction.	Actively creating a one-stop green procurement platform and working with stakeholders for sustainable consumption in response to the "Net Zero Green Living" promoted by the government.	In response to the 2050 net-zero target of the government in Taiwan, we have voluntarily introduced the international framework of TCFD climate-related financial disclosures earlier than the relevant law and regulations, conducted GHG inventories on our own, and strengthened climate risk management.	
GRI Standards		GRI 302: Energy	GRI 204: Procurement Practices	GRI 305: Emissions	
Corresponding SASB indicator		Energy Management in Retail and Distribution (CG-MR-130a.1)	-	-	
Management Actions		<ul style="list-style-type: none"> <li>We are committed to improving the efficiency of energy production, developing renewable energy and pursuing net zero.</li> <li>Strengthening supervision, monitoring electricity consumption and optimizing energy-efficient equipment through the Energy Management Commission and engineering meetings throughout Taiwan.</li> <li>Management of water resources to improve the efficiency of water use.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream: Promoting sustainable supplier selection and sustainable procurement.</li> <li>Midstream: Enhancing the sustainability awareness of employees and counter personnel, introducing green services, products and equipment, and improving the quality of sustainable services.</li> <li>Downstream: Integrating the self-media of all stores in Taiwan to promote green services.</li> <li>Working with stakeholders to increase the percentage of recycling and the rate of resource reuse.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing the Climate Change Committee to address the impacts and business opportunities brought about by climate change.</li> <li>Undertaking green time deposits.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing GHG emission hotspots and planning carbon reduction strategies.</li> </ul>

Material Issue		Energy Management	Green Products and Services	Climate Strategies and Actions	GHG Management
Management Actions	Concrete Action Plans	<ul style="list-style-type: none"> <li>Joining the international initiative EP100 to improve the efficiency of electricity consumption through an intelligent environmental monitoring system, and continuing to replace high-efficiency electricity-consuming equipment.</li> <li>Actively planning for energy generation and building solar power project sites.</li> <li>Using rainwater recycling systems and replacing water-saving equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Developing a SOGO Sustain sustainable supplier selection and identification system.</li> <li>Promoting green restaurants</li> <li>Implementing the principles of sustainable procurement, including green procurement, social innovation procurement, and renting instead of buying.</li> <li>Increasing the proportion of resource recycling and introducing food waste treatment machines.</li> </ul>	<ul style="list-style-type: none"> <li>We established the Climate Change Committee and the Sustainable Development Office to implement the sustainability strategy, making us the first department store to do so.</li> </ul>	<ul style="list-style-type: none"> <li>All stores gradually introduce GHG inventory.</li> </ul>
	Outcome Follow-up	<ul style="list-style-type: none"> <li>kWh of electricity consumed.</li> <li>Revenue generated per kWh of electricity consumed.</li> <li>kWh of electricity generated by renewable energy, and its percentage in total electricity consumed.</li> <li>m3 of water used.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of green restaurants throughout Taiwan.</li> <li>Percentage of green procurement.</li> <li>Amount of other sustainable procurement (including social innovation procurement and renting instead of buying).</li> </ul>	<ul style="list-style-type: none"> <li>Climate governance practices.</li> </ul>	<ul style="list-style-type: none"> <li>The Zhongxiao Store, Fuxing Store and Tianmu Store completed the ISO 14064-1:2018 greenhouse gas inventory.</li> </ul>
	Stakeholder Engagement	<ul style="list-style-type: none"> <li>Sub-committee meetings of the Energy Management Commission.</li> <li>Regular submission of EP100 reports annually.</li> </ul>	Self-media: Fan pages, official websites, IG, e-newsletters, DM and other communication channels.	<ul style="list-style-type: none"> <li>Regular reports to the Board of Directors.</li> <li>Annual sustainability reports.</li> <li>Sustainability training courses.</li> </ul>	
	Communication Mechanism	<ul style="list-style-type: none"> <li>Throughout the year, we held 12 engineering meetings of all stores throughout Taiwan, and we regularly tracked the energy usage of each store on a monthly basis.</li> <li>We communicated with EP100's headquarters from time to time (communication regarding our application, contact after joining EP100).</li> </ul>	<ul style="list-style-type: none"> <li>Organizing a semi-annual SOGO Sustain Good Things Are Easy to Choos event to promote sustainable products and raise sustainability awareness through APP interactions.</li> <li>Using self-media for monthly advocacy of sustainability.</li> <li>Non-periodic small farmer/social innovation fairs in Taiwan.</li> </ul>	<ul style="list-style-type: none"> <li>We held 3 sub-committee meetings of the Climate Change Committee.</li> <li>We organized 1 training course on the issues of TCFD climate governance.</li> <li>We organized 10 sustainability training sessions.</li> </ul>	
Goal Setting	Communication Frequency in 2022				
	Short-term goals	<ul style="list-style-type: none"> <li>Growth of the revenue generated per kWh of electricity consumed.</li> <li>Launching the second phase of the solar power project of the Hsinchu Store.</li> <li>Completion of the application by the Tianmu Store for a renewable energy certificate.</li> <li>Water saving target: Reduction of the indicator of [water consumption per unit visitor and employee (liters/person*day)] by 1% per year as the water saving target.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to raise customer awareness and satisfaction with SOGO's sustainable consumption through initiatives.</li> <li>Working together to transform brand counters through co-creation of sustainable initiatives.</li> <li>Increasing the proportion of resource recycling, strengthening recycling and reusing, and gradually introducing food waste treatment machines to all stores.</li> <li>Strengthening green marketing, reducing printed paper DMs, and increasing the proportion of e-DMs distributed.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing the level of TCFD climate risk disclosure year by year, with the aim to become a TCFD Supporter by 2023.</li> <li>Completion of GHG inventory by all stores in Taiwan.</li> <li>In 2023, we plan to initiate applications for the "carbon footprint" of all stores.</li> </ul>	



Material Issue	Energy Management	Green Products and Services	Climate Strategies and Actions	GHG Management
Medium - to Long-term Goal Goal Setting	<ul style="list-style-type: none"> <li>Achievement of the EP100 targets, with a commitment to increase energy productivity by 50.52% by 2028, with 2018 as the base year.</li> </ul>	<ul style="list-style-type: none"> <li>» Continuing to increase the purchase amount of eco-friendly gifts to NT\$1~2 million per year.</li> <li>» Increase the proportion in traceability and transparency of products.</li> </ul>	<ul style="list-style-type: none"> <li>» Acquisition of carbon reduction labels by all stores in Taiwan by 2028.</li> <li>» After 2028, one single store will become carbon neutral every two years.</li> <li>» Completion of the carbon neutrality of all 7 stores in Taiwan by 2040.</li> <li>» Net zero in 2050 in response to government policy.</li> </ul>	
Annual Highlighted Results	<ul style="list-style-type: none"> <li>We officially joined the international initiative EP100 (Energy Productivity 100), becoming the first retail department store member in Asia Pacific.</li> <li>We established the Climate Change Committee, and the TCFD completed an assessment and analysis of climate risk and financial links.</li> <li>We are the first department store to undertake green time deposit, the amount of which has increased from NT\$30 million to NT\$200 million.</li> <li>We won the silver or higher level award of the National Enterprise Environmental Protection Award from the Environmental Protection Administration, Executive Yuan for four times.</li> <li>The Tianmu Store won the Premium Award for Low Carbon Products from the Environmental Protection Administration, Executive Yuan for its promotion of low-carbon operations and creation of a green department store, the first time the Environmental Protection Agency gives the first prize for low-carbon products to a department store.</li> <li>The Tianmu Store received the Award of Excellence for Outstanding Performance in Water Conservation from the Water Resources Agency, MOEA for its outstanding achievements in promoting water conservation measures.</li> <li>The second phase of the solar panel construction project of the Hsinchu Store was launched, and the Tianmu Store began to apply for a renewable energy certificate.</li> <li>The water consumption per unit floor area was 8.34, and the water consumption per unit number of visitors and employees was 0.1216, which were both better than the value for water consumption indicators recommended by the Water Resources Agency, MOEA in 2022.</li> <li>We organized 2 SOGO Sustain events to recommend 650 sustainable products, reaching 1.15 million people with DMs and e-newsletters. We also organized a SOGO APP tree planting event with 18,600 participants.</li> <li>96% of the restaurants in our stores have passed the EPA's green restaurant certification, which has also been received by our staff canteens.</li> <li>Our total green procurement amounted to NT\$35 million, an increase of 38.06%, accounting for 5.07% of our procurement in the year. Other sustainable procurement amounted to NT\$9.93 million, an increase of 74.56%.</li> <li>66 self-media sustainability initiatives and communications, reaching more than 160,000 people.</li> <li>The Zhongxiao Store, Fuxing Store and Tianmu Store completed the 2021 GHG inventory and passed the ISO 14064-1:2018 verification.</li> </ul>			

In response to net zero, Far Eastern SOGO has developed three sustainability strategies since 2021 - “energy saving and emission reduction”, “sustainable consumption” and “circular business model” - to build a low-carbon channel operation strategy from the core functions of the department store. In response to the international trend, Far Eastern SOGO was one year ahead of the planned laws and regulations in introducing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in its 2021 Sustainability Report to identify climate risk issues. In 2022, the Climate Change Committee was established to set up a climate governance mechanism and increase the level of risk disclosure year by year. In Q1 of 2023, the Sustainability Office was established under the direct administration of the Chairman, serving as a dedicated department for the promotion of corporate sustainability.

In 2022, Far Eastern SOGO officially became the first member of the international initiative EP100 (Energy Productivity 100) from the department store and retail industry in Asia Pacific. It pledged to achieve a cumulative electricity saving rate of 40.30% and a 50.52% increase in energy productivity (revenue generated per kWh of electricity consumed) by 2028, with 2018 as the base year.







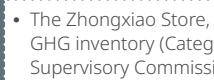
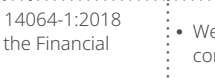
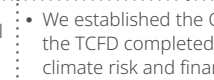
In 2022, the Tianmu Store won the Premium Award for Low Carbon Products from the Environmental Protection Administration, Executive Yuan, a first for department stores in Taiwan. In the same year, the store received the Award of Excellence for Outstanding Performance in Water Conservation from the Water Resources Agency, MOEA. For Far Eastern SOGO, the Tianmu store is not only a model, but also a seed for green operations of department stores across Taiwan. In 2015, the store obtained the first “carbon label” in the department store and retail industry, defining the PCR (establishing the categories and rules for carbon footprint products) for the department store and retail service industry. In 2018, the store received a “carbon reduction label”. In 2021, the store was the first department store retailer to obtain a carbon label extension and receive a “carbon reduction label” for the second time after the Environmental Protection Administration included the “service carbon label”. Government agencies or private companies may apply for green procurement for 30% of the total amount of their procurement from the Tianmu Store during 2021 to 2026, based on the demand of government agencies’ procurement targets, to make green value addition for the organization.

In 2022, Far Eastern SOGO executed the EP100 implementation plan, starting with the GHG inventory of the Zhongxiao Store, Fuxing Store and Tianmu Store in Taipei (Scope 1 to 3). It plans to conduct independent GHG inventories at all locations in Taiwan from 2023, two years ahead of the regulations of the Financial Supervisory Commission (the Financial Supervisory Commission requires that such GHG inventories be completed by subsidiaries in the consolidated financial statements by 2025). The medium-term goal is for all stores in Taiwan to obtain a carbon reduction label by 2028, and for all of them to join the ranks of the Environmental Protection Administration in promoting inclusion of the “service carbon label” in green procurement to continue leading the supply chain to move toward net zero.

## SOGO x EP100

Purposes of the Organization	EP100 is a global sustainability initiative promoted by the Climate Group and the Alliance to Save Energy. EP100 stands for “Energy Productivity 100% improvement”, which means “100% improvement in energy productivity”. Its members are required to declare their commitment to increasing energy efficiency to improve productivity, thereby reducing GHG emissions and creating a clean economic development model.
Membership	More than 120 members worldwide.
Targets of Far Eastern SOGO	In the 10 years from the base year of 2018, Far Eastern SOGO will optimize the overall energy system through AI intelligent control to achieve a cumulative electricity saving rate of 40.30% by 2028 and growth of the revenue generated per kWh of electricity consumed by 50.52%.
Meaning of Being a Model	Joining the EP100 international initiative on its 35th anniversary, Far Eastern SOGO is not only the only domestic department store retailer but also the first in the department store and retail industry in Asia-Pacific to do so. It will submit annual reports to the EP100's headquarters to share the experience of the department store and retail industry in Taiwan in promoting net zero and emission reduction with the international community.
Actions of Far Eastern SOGO After Joining EP100	We checked the current status of the existing ALC energy management system at each store, and we introduced an AI energy management system and promoted energy saving by power motors, so that the entire system is instantly visible on mobile APPs and can be monitored, controlled and printed. To verify electricity consumption, all stores in Taiwan will conduct GHG inventories for Scope 1 to 3 from 2023 and continue to develop renewable energy. Far Eastern SOGO's ultimate goal of carbon reduction is to bring together the upstream, midstream and downstream to lead and engage with suppliers, contractors, customers, employees and consumers to move toward net zero by 2050.

## Milestones of Far Eastern SOGO Sustainability Framework

2015	 <ul style="list-style-type: none"><li>The first department store to obtain a carbon label, defining the PCR of the department store and retail service industry (Tianmu Store).</li></ul>	 <ul style="list-style-type: none"><li>The first department store in Taiwan to issue electronic gift vouchers.</li></ul>		
2016	<ul style="list-style-type: none"><li>A great deal of green procurement starting from paper.</li></ul>			
2017	 <ul style="list-style-type: none"><li>The first department store in Taiwan to pass the ISO 50001 certification (Dunhua Store).</li></ul>	 <ul style="list-style-type: none"><li>The first department store in Taiwan to ban disposable and melamine tableware, two years ahead of the government's policy.</li></ul>		
2018	 <ul style="list-style-type: none"><li>The first department store in Taiwan to receive a carbon reduction label (Tianmu Store).</li></ul>	 <ul style="list-style-type: none"><li>The first department store in Taiwan to conduct GHG inventory (Fuxing Store).</li></ul>	 <ul style="list-style-type: none"><li>The solar power generation project at the Tianmu Store is started again.</li></ul>	 <ul style="list-style-type: none"><li>The Fuxing Store applied for BOE ESCO replacement of water chiller units and has good energy saving effectiveness.</li></ul>
2019	<ul style="list-style-type: none"><li>The Zhongxiao Store, Zhongli Store, and Kaohsiung Store applied for BOE ESCO energy saving subsidies to replace water chiller units and has good energy saving effectiveness.</li></ul>			
2020	 <ul style="list-style-type: none"><li>Dunhua Store ISO 50001 extension.</li><li>Proposal to launch the second solar power generation equipment in Hsinchu.</li></ul>			
2021	 <ul style="list-style-type: none"><li>The first introduction of TCFD and disclosure in the 2021 Sustainability Report.</li></ul>	 <ul style="list-style-type: none"><li>The first department store in Taiwan to receive the carbon reduction label for the second time (Tianmu Store).</li></ul>	 <ul style="list-style-type: none"><li>The first department store to promote a sustainable supplier selection and identification system by launching "SOGO Sustain - Good Things Are Easy to Choose".</li></ul>	
	 <ul style="list-style-type: none"><li>The first department store in Taiwan to advise food counters on application for certification as green restaurants.</li></ul>	 <ul style="list-style-type: none"><li>The Tianmu store is the first department store that the Environmental Protection Administration incorporated for green procurement under the service-based carbon label.</li></ul>	 <ul style="list-style-type: none"><li>We won the silver or higher level award of the "National Enterprise Environmental Protection Award" for three consecutive years, and received the "Honorable Enterprise Environmental Protection Award".</li></ul>	
2022	 <ul style="list-style-type: none"><li>The first department store retailer in Asia Pacific to join EP100.</li></ul>	 <ul style="list-style-type: none"><li>We won the National Enterprises Environmental Protection Award for 4 consecutive years.</li><li>The Tianmu Store won the Premium Award for Low Carbon Products from the Environmental Protection Administration, Executive Yuan, and the Award of Excellence for Outstanding Performance in Water Conservation from the Water Resources Agency, MOEA.</li></ul>	<ul style="list-style-type: none"><li>The first department store to undertake green time deposit.</li></ul>	
	 <ul style="list-style-type: none"><li>The Zhongxiao Store, Fuxing Store and Tianmu Store completed the ISO 14064-1:2018 GHG inventory (Categories 1 to 6), two years ahead of the regulations of the Financial Supervisory Commission.</li></ul>	 <ul style="list-style-type: none"><li>We launched the second phase of the solar panel construction project of the Hsinchu Store.</li></ul>	 <ul style="list-style-type: none"><li>We established the Climate Change Committee, and the TCFD completed an assessment and analysis of climate risk and financial links.</li></ul>	

## 2.1 Green Department Store

Far Eastern SOGO has been dedicated to building a green operational culture and pursuing the goal of sustainability based on the three facets of “integration of energy and resources”, “green marketing” and “environmental education” since receiving the first “carbon label” in the department store industry in 2015. Subsequently, in response to international frameworks, Far Eastern SOGO introduced the TCFD and adjusted its strategy to four aspects: “energy management”, “green marketing”, “green actions” and “climate change adaptation”, to work with stakeholders in moving toward sustainability.

### 2.1.1 Green Marketing

#### SOGO Channel Digital Marketing Integration

To strengthen digital and social media management, Far Eastern SOGO has integrated the Far Eastern SOGO Channel and appointed a dedicated planning team to develop a social media platform to bring digital communication into play. With digital tools, Far Eastern SOGO provides customers with convenient and fast shopping information through the Far Eastern SOGO APP, online shopping mall (iStore), e-payment, big data and e-billboard. All of our stores in Taiwan have gradually digitized their in-store promotion boards in order to reduce the use of paper and related consumables, lessen the impact on the environment, and communicate information more effectively.

	2019	2020	2021	2022
Number of Facebook Followers	230,000	250,000	272,259	276,455
Number of Instagram Followers	16,569	18,965	21,213	22,387
Number of LINE OA Friends	80,462	99,507	119,384	139,628
Number of Youtube Channel Subscribers	-	-	-	396

Note 1: The data above refers to the total numbers for the Zhongxiao Store, Fuxing Store and Dunhua Store.

Note 2: The number of Youtube channel subscribers was newly added in 2022. There were no such records for 2019-2021.

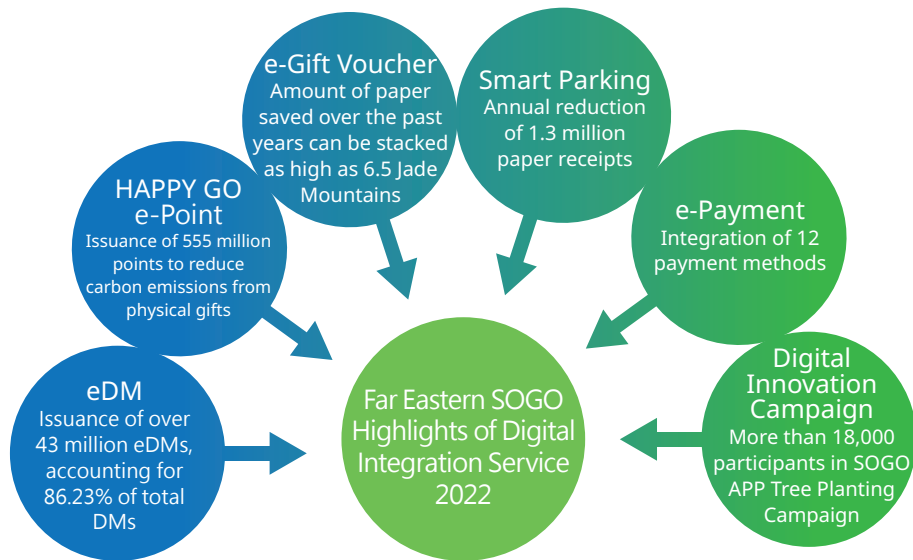
#### SOGO APP Digital Integration Service

The Far Eastern SOGO APP plays an important role in green marketing. It integrates information from all stores, enabling consumers to keep track of real-time promotions on special days in the APP and participate in digital giveaway events. In 2022, over 43 million eDMs were issued, accounting for 86.23% of the total DMs issued, to provide real-time information while significantly reducing the use of paper.

Store in Taiwan	Paper DM	Number of eDM Issued in 2022		Percentage of eDM
		HAPPY GO Members	SOGO Online Members	
Zhongxiao Store	2,605,000 DMs	5,418,000 DMs	4,834,000 DMs	79.74%
Fuxing Store	1,664,000 DMs	3,877,000 DMs	1,812,000 DMs	77.37%
Dunhua Store	295,000 DMs	143,000 DMs	698,000 DMs	74.03%
Tianmu Store	893,000 DMs	4,525,000 DMs	1,225,000 DMs	86.56%
Zhongli Store	737,000 DMs	8,491,000 DMs	1,334,000 DMs	93.02%
Hsinchu Store	308,000 DMs	7,199,000 DMs	1,189,000 DMs	96.46%
Kaohsiung Store	411,000 DMs	2,049,000 DMs	490,000 DMs	86.07%
Total	6,913,000 DMs	31,702,000 DMs	11,582,000 DMs	86.23%



SOGO APP digital integration service reduces paper print, customers' time and labor costs in line with the spirit of mobile sustainability, including: 10 features such as online DM, HAPPY GO e-points, e-gift vouchers, smart parking and mobile payment. The launch of SOGO APP has enabled consumers to save at least 75% of queuing time and has, consequently, increased the conversion rate by 15%. In addition, in order to enhance customer stickiness and participation, Far Eastern SOGO launched a digital sustainability innovation initiative "SOGO APP Tree Planting Event" in 2022, connecting digital services and green marketing activities to strengthen customers' practice of sustainability in their daily lives.



## SOGO APP Digital Sustainability Innovation Project -

### SOGO Invites You to Plant Seeds of Hope

In April and October 2022, "SOGO Sustain · Good Things Are Easy to Choose" was launched to invite SOGO APP members to participate in a tree planting game online and receive a voucher upon completion of a specified task to collect osmanthus saplings or potted plant seeds. Far Eastern SOGO takes advantage of digital mobility to allow customers to participate in sustainability through fun mini-games on the APP. Compared with large-scale physical tree planting, it significantly reduces carbon emissions from transportation and maintenance costs, and the saplings are given to customers for them to directly participate in the growth of plants and assume the commitment for environmental protection in their lives, effectively raising consumers' awareness of sustainability.



## Performance highlights

- More than 18,000 participants.
- A total of 8,500 Taiwanese native osmanthus saplings (April) and herb seeds in decomposable potted plants (October) were given away throughout Taiwan.





Far Eastern SOGO offers HAPPY GO e-points as a gift to reduce carbon emissions during the packaging and delivery of physical gifts. The number of points distributed from 2018 to 2021 grew for four consecutive years. In 2022, the number of visitors to the Zhongxiao Store dropped slightly in due to the rebounding pandemic and the closure of the No. 4 entrance of the MRT Zhongxiao Fuxing Station from January to August as a result of a construction project. Nevertheless, 555 million points were distributed throughout the year, not much different from the previous year.

Statistics on the Issuance of HAPPY GO e-Points				
Year	2019	2020	2021	2022
Number of Points	494 million	548 million	558 million	555 million

Far Eastern SOGO is the first department store in Taiwan to issue e-gift vouchers. In addition to responding to energy saving and carbon reduction and continuing to promote e-payment, Far Eastern SOGO also promotes the full electronic integration of gift/product vouchers, vouchers and coupons into its APP. In 2022, the total e-gift vouchers issued amounted to NT\$2.216 billion, an annual increase of 17.83% and a 6.59% increase in the actual number of e-gift vouchers. A total of NT\$6.425 billion of e-gift vouchers were issued in 8 years, and the paper gift vouchers replaced can be stacked as high as 6.5 Jade Mountains.

Amounts of e-Gift Vouchers Issued in Past Years				
Category	2019	2020	2021	2022
Ticket Xpress	223,996,936	268,063,567	345,396,745	540,988,000
e-Gift/Product Voucher	54,198,311	187,247,255	238,740,204	331,850,000
e-Voucher	43,368,660	881,977,190	1,296,558,225	1,343,143,765
Total	321,563,907	1,337,288,012	1,880,695,174	2,215,981,765

### Three Types of e-Gift Vouchers Issued by Far Eastern SOGO

	Ticket Xpress	e-Gift/Product Voucher	Voucher
Features	A new option is provided for customers to enjoy right after redemption.	Gift vouchers are in the SOGO APP and only a mobile phone is needed for shopping.	There is no need to stand in a queue or find the counter for the prize. SOGO APP provides a one-click function for redemption.
	Contamination from printing and mailing of paper-based gift vouchers is reduced.	Contamination from printing and mailing of paper-based gift vouchers is reduced.	There is no need to take elevators to other floors.
Description	SOGO and Edenred jointly launched the SOGO Ticket Xpress (hereinafter "Ticket Xpress"), a first for the e-gift vouchers of department stores, which provides consumers with more rewarding options. Customers can purchase products by showing the QR code or SMS serial number.	SOGO's own e-gift vouchers are distributed to SOGO's employees and also available on SOGO's giveaway system and the PAY EASY website.	They are distributed in conjunction with in-store promotions such as a NT\$100 rebate for every NT\$1,000 spent. They can be redeemed and used by scanning the QR code of the invoice directly through your mobile phone.

In 2012, the four Far Eastern SOGO stores in Taipei (Zhongxiao, Fuxing, Dunhua and Tianmu Stores) officially stopped using paper parking coupons and replaced them with tokens, and a smart parking system was introduced in 2019 to reduce ticket collection and parking time, optimizing consumer shopping trips and reducing CO2 emissions by over 30 tonnes and paper parking coupons by nearly 1.3 million each year.

## 2.1.2 Green Actions

Far Eastern SOGO integrates the concepts of sustainable consumption and low-carbon life in the routine operation and service process of the organization by combining specialized marketing creativity and the channel platform characteristics of the department store industry. We work with stakeholders to move toward the goal of a green department store by designing a journey of sustainable consumption based on the five aspects of "Sustainable Procurement", "Dining Sustainability", "Product Selection Sustainability", "Action Sustainability" and "Zero-waste Sustainability".

Sustainable Procurement	Dining Sustainability	Product Selection Sustainability	Action Sustainability	Zero-waste Sustainability
Establishment of Green Supply Chain	Leadership in Green Dining	Promotion of Sustainable Consumption	Internalization of Green Life	Promotion of Circular Economy
<ul style="list-style-type: none"> <li>• Sustainable procurement</li> <li>• Social innovation procurement</li> <li>• Renting instead of buying</li> <li>• Local Procurement</li> <li>• Eco-friendly uniform</li> </ul>	<ul style="list-style-type: none"> <li>• Small farmers' fair</li> <li>• Green restaurant</li> </ul>	<ul style="list-style-type: none"> <li>• SOGO Sustain</li> <li>• Counter for green products</li> <li>• Earth Day initiative actions</li> <li>• Sustainable fashion</li> <li>• Social innovation fair</li> </ul>	<ul style="list-style-type: none"> <li>• Cloud invoice</li> <li>• Eco-friendly gift</li> <li>• Environmental Education</li> <li>• Beach cleanup by volunteers</li> <li>• Green office</li> <li>• Green transport</li> <li>• Air quality monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Encouragement to use eco-friendly shopping bags</li> <li>• Supermarket and home delivery packaging with reduced plastics</li> <li>• Use of FSC-certified paper</li> <li>• Use of soy ink for printing</li> <li>• Encouragement to recycle</li> <li>• Introduction of food waste recycling machines</li> </ul>

## Sustainable Procurement

Far Eastern SOGO promotes green department stores from the internal to external aspects. Besides 100% local procurement of general services, the proportion of sustainable procurement has increased year by year in the categories of marketing, events, general services and energy based on the three principles of "green procurement, social innovation procurement and renting instead of buying". For example, our stores are gradually introducing LED lights and equipment with energy-saving labels, and they have begun to fully use FSC-certified paper to reduce resource consumption. In 2022, the amount of green procurement exceeded NT\$35 million, accounting for 5.07% of the total procurement of general services. We have received the award for "Outstanding Performance in Green Procurement" from the Department of Environmental Protection, Taipei City Government for 6 consecutive years.

The products and services of social innovation teams are preferred for gifts and cross-industry cooperation. In 2022, Far Eastern SOGO was awarded the third prize

and special prize under the Buying Power reward mechanism for procurement of social innovation products and services from the Small and Medium Enterprise Administration, MOEA for supporting social innovation teams. Hardware equipment such as office machines, payment machines and managers' official vehicles are rented rather than purchased. Excluding green procurement, the total amount of other sustainable procurement reached NT\$9.93 million, a significant increase of 74.56% compared to 2021.

## Eco-friendly uniform

The uniforms for the female employees and managerial officers of Far Eastern SOGO are tested according to the OEKO-TEX 100 standards and produced using fabric that is not harmful to the health of human beings. In 2022, we ordered a total of 2,882 uniforms. In line with the spirit of circular economy, we purchased recycled fabrics for production of about 450 POLO shirt uniforms for the Sales Promotion Department, Merchandise Management Section and Gift Voucher Section.

Year		2019	2020	2021	2022
Green Procurement	Amount	\$31,956,905	\$30,208,221	\$25,387,484	\$35,048,931
	Percentage	4.91%	3.95%	3.96%	5.07%
Social innovation procurement Renting instead of buying	Amount	\$3,744,635	\$5,963,080	\$5,690,467	\$9,933,143
Local Procurement	Percentage	100%	100%	100%	100%
Award		<ul style="list-style-type: none"> <li>Honored by the Taipei City Government for green procurement.</li> <li>Honored by the Environmental Protection Administration, Executive Yuan for green procurement.</li> </ul>	<ul style="list-style-type: none"> <li>Honored by the Taipei City Government for green procurement.</li> <li>Second prize and special prize under the Buying Power reward mechanism for procurement of social innovation products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Honored by the Taipei City Government for green procurement.</li> </ul>	<ul style="list-style-type: none"> <li>Honored by the Taipei City Government for green procurement.</li> <li>Third prize and special prize under the Buying Power reward mechanism for procurement of social innovation products and services.</li> </ul>
Scope of Sustainable Procurement		1. Paper bags (FSC) 2. Copy paper (FSC) 3. Hygiene products (FSC) 4. Copy machines (environmental label)	1. Paper bags (FSC) 2. Copy paper (FSC) 3. Hygiene products (FSC) 4. Copy machines (environmental label) 5. "Dialogue in the Dark" training (social innovation procurement) 6. "Give-Circle" sustainability event (social innovation procurement)	1. Paper bags (FSC) 2. Copy paper (FSC) 3. Hygiene products (FSC) 4. Copy machines (environmental label)	1. Paper bags (FSC) 2. Copy paper (FSC) 3. Hygiene products (FSC) 4. Computers (environmental label) 5. Copy machines, payment machines and official vehicles (renting instead of buying) 6. Gifts using eco-friendly materials (social innovation procurement) 7. "Dialogue in the Dark" training (social innovation procurement) 8. Uniforms using eco-friendly materials (other)

Note:

1. In 2022, Far Eastern SOGO started to disclose information on three types of sustainable procurement, including green procurement, social innovation procurement and renting instead of buying.
2. The amount of green procurement is the information registered with the Department of Environmental Protection, Taipei City Government. The percentage of green procurement (%) = amount of green procurement (NT\$)/total amount of general services procured (NT\$). The total amount of general services procured is calculated by adding up the amounts in the statements of the Procurement Department on December 20 of each year.
3. The amount of social innovation procurement is the information on the procurement by social innovation organizations registered with the Small and Medium Enterprise Administration, MOEA.
4. Local procurement means that the address of the supplier's company is registered in Taiwan.

## Dining Sustainability

Far Eastern SOGO promotes “sustainable food and agriculture” and has held the largest small farmers’ fair in Taiwan for 5 consecutive years to promote quality local agricultural products and reduce the carbon footprint of food miles. For food counters, Far Eastern SOGO has been providing assistance for brands to obtain the Green Restaurant certification from the Environmental Protection Administration since 2021, and it expanded the scope of assistance to staff canteens for transformation into green restaurants in 2022. Far Eastern SOGO connects channels, food counters, local small farmers and customers to exert the influence of channels to achieve sustainable dining.

### Promotion of Local Ingredients/Agricultural Products: Small Farmers’ Fair as a Feature of Far Eastern SOGO

Far Eastern SOGO has long been concerned about environmental protection and customer health, and has been promoting “Drink Local, Eat Sustainable”, focusing on food miles. Since 2018, the Zhongxiao Store in Taipei has been cooperating with the social innovation company “Season Selection” every year in organizing the small farmers’ fair to promote local, seasonal and low-carbon food and market small farmers’ products through cultural and creative ideas. It has successfully earned the title of “the largest small farmers’ fair at a department store in Taiwan” and developed a sustainable consumer base that grows stronger year by year. In 2022, the Zhongxiao Store held a total of 7 small farmer-related events, with the accumulated number of annual purchases exceeding 48,000 and a 32.4% increase in sales. The average unit price was NT\$590, an increase by 21%, indicating that Far Eastern SOGO has been investing in sustainable food for a long time, with increasingly higher customer satisfaction.

Based on the experience of the Zhongxiao Store, each store has planned a small farmers’ fair according to local characteristics, with 29 related events held throughout Taiwan in 2022. Through the small farmers’ fair, Far Eastern SOGO discovers new quality products for consumers and helps the participating small farmers bridge the last mile from “the place of origin to the shelf”. Interactions between consumers and producers can turn fans of friendly agricultural products and green daily supplies into their long-term supporters and promoters.

The global pandemic is entering its third year. In the face of the changing dietary habits of consumers and the trend of “cooking at home for health” in the post-pandemic era, the small farmers’ fair of Far Eastern SOGO has a new mission: faced with the pandemic, the earth needs everyone to “take action together” to survive. Therefore, Far Eastern SOGO puts more emphasis on the concept of “from the place of origin to the table” in the planning of the small farmers’ fair. In addition to meeting consumers’ needs and promoting local agricultural products, Far Eastern SOGO also organizes workshops and courses to lead consumers to eat healthily and sustainably, and to communicate information regarding education on sustainable food and agriculture and local culture.

### [Joint Supports Across Taiwan] Promotion of Local Ingredients at the Small Farmers’ Fair of Far Eastern SOGO

Project Continuity	Accumulated Number of Sessions in Taiwan	Accumulated Number of Beneficiaries in Taiwan
Zhongxiao Store has held large fairs for 5 consecutive years Related events have been held at other stores in Taiwan	82	1.56 million

In 2022, Far Eastern SOGO Zhongxiao Store cooperated with the Bureau of Soil and Water Conservation of the Council of Agriculture of the Executive Yuan in holding the event “Rural Good Products”, where cooking expert Chi-Fang Tsai demonstrated the use of local ingredients to cook delicious dishes!



In 2022, Far Eastern SOGO's Zhongxiao Store introduced exclusive local products during the summer and winter fairs for small farmers with the theme of “From the Place of Origin to the Table”, where seminars were designed to help consumers understand sustainable food and agriculture and local culture.



### New Era of Tableware 5.0 - Promotion of “Green Restaurant” Together with Food Counters

To support the food cherishing/local food program of the Environmental Protection Administration, Far Eastern SOGO's Zhongxiao Store began to provide assistance to the in-store food counters and promote the Green Restaurant Certification Program at the end of 2020, with all restaurants and coffee shops currently certified as “green restaurants”. In 2022, the scope of assistance was expanded to Far Eastern SOGO's staff canteens (Zhongxiao, Fuxing, Zhongli and Hsinchu Stores) for their sustainable transformation, and 100% of them have been certified as “green restaurants”, serving 8,500 of SOGO's employees and counters. The staff canteen of the Zhongli Store was selected as an outstanding green restaurant in Taoyuan City in 2022.

For the sustainable transformation from food counters to staff canteens, we have implemented three directions for environmental protection:

- (1) Reduction From the Source: We do not provide one-off products actively
- (2) Local Ingredients: We use domestic ingredients first
- (3) Cherishing ordered food: We provide meal size adjustment services.

As of the end of April 2023, 85 of the 89 restaurants of Far Eastern SOGO in Taiwan were certified as green restaurants, i.e., 96% of them are green restaurants, and 100% of the restaurants at the Zhongxiao, Zhongli, Hsin Chu Big City and Kaohsiung Stores were certified as such. The remaining ones are new food counters pending assistance or further official audits, or there are other plans for chain counters.



## Far Eastern SOGO's New Era of Tableware

Far Eastern SOGO has led food counters to jointly advocate "low-carbon food", becoming the first department store in Taiwan to stop using disposable and melamine tableware at all stores in 2017, ushering in a new era of tableware.



1.0	2.0	3.0	4.0	5.0
<p>2017.04</p> <p>8 stores in Taiwan stopped using melamine tableware, ushering in a new era of tableware.</p>	<p>2018</p> <p>We promoted "traceless dining" and advocated a new sustainable life with reduced plastics and zero burden.</p>	<p>2019.05</p> <p>We completely prohibited plastic straws and establishing this practice ahead of the government's policy</p>	<p>2019.09</p> <p>We took the lead in the department store industry not to provide free one-off dining utensils</p>	<p>2020-2022</p> <ul style="list-style-type: none"> <li>We promoted green restaurants, with more than 90% of our restaurants in Taiwan passing the certification.</li> <li>100% of our staff restaurants in Taiwan were certified as green restaurants.</li> </ul>



## Product Selection Sustainability

### SOGO Sustain · Good Things Are Easy to Choose

In 2021, Far Eastern SOGO launched the “SOGO Sustain · Good Things Are Easy to Choose” magazine, which is published in April and October. We select sustainable products that are in line with environmental protection requirements and attempt to solve social problems, so that customers are able to easily make good choices every time they shop. In 2022, the “SOGO Sustain · Good Things Are Easy to Choose” magazine was published in two issues for the stores in Taipei, and each store in Taiwan also has a DM section dedicated to special days, with 650 sustainable products recommended, reaching 1.15 million consumers. In addition, we worked with counter brands and, for the first time, launched the “Used Clothes Recycling Program” jointly with Estée Lauder, a major beauty company, in response to sustainable green living.

The “SOGO Sustain · Good Things Are Easy to Choose” magazine will feature a variety of themes and collect stories of sustainable actions from brands, consumers, suppliers and employees for sustainable consumption will become a part of our daily lives. At the same time, all products sold in the mall with the spirit of sustainability will be labeled with “SOGO Sustain” for identification.

Far Eastern SOGO has set up a section for green products in its stores to promote eco-friendly and energy-saving products and create a shopping area for sustainable consumption. Regarding the home appliances sold at all the stores in Taiwan, products such as air conditioners and washing machines are labeled as “energy-saving” and accompanied by promotional instructions for consumers to choose. The stores also organize promotions from time to time to give customers the best discounts to achieve environmental protection and energy conservation. 34,177 products with energy-saving/ water-saving/green product labels were sold in 2022.

### Sustainable Consumption - “Love for Earth” Actions

For Earth Day in April 2022, Far Eastern SOGO promoted the “Love for Earth” day in conjunction with the publication of the “SOGO Sustain · Good Things Are Easy to Choose” magazine to assist consumers in purchasing eco-friendly products. Through the active integration of online self-media communities and offline physical activities, the ideas of environmental protection and eco-friendly products were promoted to a total of 2.334 million people, a significant increase of 185% compared to 2021 (820,000 people).

Social Media Post	Paper DM	Online eDM	Environmental Protection Event	Sapling as a Gift	Used Clothes Recycling
A total of 7 posts, reaching 1.29 million people (+3,125%).	30,000 DMs	Distributed to 900,000 users (+21.6%).	25 events, with 103,000 participants (+412%).	8,500 saplings (+13 times)	2,000 participants, with a total of 1,164 kg of used clothes recycled.
Environmentally friendly awareness and merchandise were promoted to 2,334,000 participants.					

In 2022, Far Eastern SOGO organized an online tree planting campaign, courses on second-hand clothes knitting and second-hand clothes donations through the APP, calling on consumers to take concrete actions to practice sustainability in their daily lives. Furthermore, Far Eastern SOGO has cooperated with external organizations, such as the National Museum of Marine Science and Technology, NatureWorld Studio, Taipower, Chunghwa Post and the environmental protection departments of county and city governments, in launching events such as biodiversity awareness, eco-tourism, and street theater about the protection of Earth. In addition, Far Eastern SOGO brings together more than 1,000 counter brands to launch environmental protection campaigns and promote issues of sustainable consumption through self-media to expand its influence.

### Sustainable Fashion and Social Innovation Lifestyle Show

Far Eastern SOGO integrates physical events on special days to communicate with consumers about sustainable consumption. As a base for the promotion of sustainable fashion, the Fuxing Store brought together 10 international fashion brands in April 2022 to explain the trend of combining sustainability and fashion with the concept of “Sustainable Fashion Show”. For the first time, Far Eastern SOGO has cooperated with “Buying Power” to organize the largest social innovation lifestyle show in Taiwan to share the solutions of sustainable innovation with consumers and become a good partner that is the most supportive to the social innovation team. In this regard, it won the special prize under the Buying Power reward mechanism for procurement of social innovation products and services from the Small and Medium Enterprise Administration, MOEA in 2022. A total of 827 purchases were made at two events, generating a revenue of NT\$2 million with an average unit price of NT\$2,418.



2022 Social Innovation Lifestyle Show

Action Sustainability

Cloud Invoice

Far Eastern SOGO supports the e-invoice issuance policy of the Ministry of Finance, and it has won the Award for Headquarters at the “Taiwan Business Entity Cloud Invoice Issuance Competition” for two consecutive years. In 2022, cloud Invoice were issued for 53% of all purchases in Taiwan, achieving the Ministry of Finance’s target of cloud invoices accounting for 50% of invoices by 2025 three years ahead of schedule. 9.7 million paper invoices were saved in 2022, which can be stacked as high as two Taipei 101 buildings (the height of Taipei 101 is 509 m), a 31% reduction from 2021. Far Eastern SOGO continues to enhance consumer awareness and aims to increase the percentage of cloud invoices to 55% by 2023.

	2020	2021	2022
Percentage of Cloud Invoices Issued	28%	42%	53%
Number of Paper Invoices Saved	6.29 million	7.40 million	9.7 million
The Paper Saved can be Stacked as High as	1.3 Taipei 101 Buildings	1.5 Taipei 101 Buildings	2 Taipei 101 Buildings

Eco-friendly gift

Far Eastern SOGO provides popular gifts, such as eco-friendly cups, smoldering pots, shopping bags, food storage containers and eco-friendly tableware, to encourage customers to make eco-friendly products a part of their lives, with priority given to items with eco-friendly labels for electrical appliances. As the pandemic eased in 2022, the number of gifts given away by Far Eastern SOGO throughout the year slightly increased to 352,000.

Year	2019	2020	2021	2022
Number of Eco-friendly Gifts Issued	428,000	438,000	327,000	352,000

Beach cleanup by volunteers

Far Eastern SOGO’s volunteer club designated 2021 as the “Year of Beach Cleanup” and adopted an area for beach cleanup with the demand of “cleaner sea”. It visits the beach once each quarter on average to calculate the types, quantity and total weight of marine waste, quantify the results of beach cleanup, and lead colleagues to understand the composition of marine waste and promote reduction from the source.



[Performance highlights]

- In 2022, the Taipei and Hsinchu Store Stores held 3 beach cleanup events with 102 participants.
- From 2018 to 2022 (no such event was held in 2019), a total of 11 beach cleanup events were held over 4 years, with 882 hours invested and more than 2.4 tonnes of waste removed.

## Green office

Far Eastern SOGO supports the “Green Office” policy of the Environmental Protection Administration to promote green living for the public. With the building of the headquarters as the starting point, we are dedicated to promoting the five indicators of “”, “reduction from the source”, “sustainable procurement”, “environmental greening and beautification” and “promotion and advocacy”.

Five Indicators	Action Plan	Quantified Results
saving energy and resources	<ul style="list-style-type: none"> <li>Turning off the lights for one hour during lunch break.</li> <li>Reuse of used paper bags.</li> <li>Promotion for setting computers to power saving mode.</li> </ul>	<ul style="list-style-type: none"> <li>About 120 employees at the head office responded.</li> <li>In 2022, 162 used “good” paper bags were recycled for reuse.</li> </ul>
Reduction From the Source	<ul style="list-style-type: none"> <li>The “Vegan Day” event is held monthly.</li> <li>All staff canteens have been certified as green restaurants by the Environmental Protection Administration.</li> </ul>	<ul style="list-style-type: none"> <li>The event started from the second half of 2022, with 134 participants in 6 sessions, and the reduction of 104 kg of carbon by vegetable lunch boxes.</li> <li>A total of 8,500 of Far Eastern SOGO's employees and counter staff members benefited.</li> </ul>
Sustainable Procurement	<ul style="list-style-type: none"> <li>Implementing the principles of sustainable procurement, including green procurement, social innovation procurement and renting instead of buying, with 100% of general services procured locally.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the percentage of green procurement reached 5.07%.</li> <li>The total amount of other sustainable procurement exceeded NT\$9.93 million, an annual increase of 74.56%.</li> </ul>
Environmental Greening and Beautification	<ul style="list-style-type: none"> <li>Organizing a greening and beautification competition.</li> </ul>	<ul style="list-style-type: none"> <li>In January 2022, in response to the Chinese New Year custom of “out with the old, in with the new”, we held an office greening and beautification competition, with 3 departments winning the group award and 4 employees winning the individual award.</li> </ul>
Promotion and Advocacy	<ul style="list-style-type: none"> <li>Promoting experiential environmental education in conjunction with the Company's clubs or external green events.</li> <li>Organizing the Far Eastern SOGO ESG Best Contribution Award and Innovative Proposal Award.</li> <li>Sustainability quiz for all employees.</li> </ul>	<ul style="list-style-type: none"> <li>We organized 6 environmental education sessions with 100 participants.</li> <li>40 applications for the Far Eastern SOGO ESG Best Contribution Award and Innovative Proposal Award in 2022, 55% of which were in the category of “Environment”.</li> <li>700 participants in the sustainability quiz for all employees, with a participation rate of 55%.</li> </ul>

## Green Transport

In response to the government's net-zero emission targets, Far Eastern SOGO has formulated a green transport plan. Highlights for 2022 include encouraging public transportation, setting up electric vehicle charging stations, home delivery services, and cooperating with logistics companies that have obtained the carbon reduction label.

Most of the stores of Far Eastern SOGO are mostly located in areas with heavy traffic. For the Zhongli Store and Hsinchu Store which are not located in areas with transportation hubs, free shuttle buses are available for commuting employees and customers, mainly between the store and the train station. Compared with driving own cars, taking shuttle buses reduces carbon emissions by approximately 81%, equaling the reduction of about 100 tonnes of carbon per year. In 2022, due to the rise of the Omicron variant in April and the adjustment of the shuttle service of the Zhongli Store that makes shuttle buses only available on special days, the overall number of shuttle bus passengers decreased by 2.7% compared to last year. In the case of the Hsinchu Store, the number grew by 8.7%.

The Numbers of Shuttle Bus Passengers and the Amounts of Carbon Reduction over the Years				
	2019	2020	2021	2022
Zhongli Store (10,000 passengers)	27.7	30.0	9.2	0.8 <sup>2</sup>
Hsinchu Store (10,000 passengers)	133.3	108.5	73.2	79.6
Total (10,000 passengers)	161.1	129.4	82.6	80.4
Amount of carbon reduction (tonne) <sup>1</sup>	156.1	133.8	80.2	78.9

Note:

- Amount of carbon reduction = (total passengers/emission coefficient of car \* round-trip km \* car traveling on a provincial highway at 45 km/h per 4 passengers) - (total passengers/emission coefficient of bus \* round-trip km \* bus traveling on a downtown road at 45 km/h per 40 passengers). The source of emission coefficients is the government's Open Data platform.
- Starting from 2022, the shuttle services of Far Eastern SOGO's Zhongli Store are adjusted to be available only for events on special days. In 2022, the services were available during January 1 to 16 (Chinese New Year) and November 1 to 21 (anniversary).

All official vehicles of Far Eastern SOGO are rented rather than purchased. Currently, there are 11 rented vehicles for senior managers and as trucks, and all vehicles older than 10 years are excluded. One of them is a hybrid vehicle, which can reduce air pollution emissions and improve energy efficiency. When the lease of the official vehicles expires, green vehicles will be gradually introduced.

With the increase of electric vehicle users, Far Eastern SOGO's Fuxing Store introduced four DC quick charging stations (each with two specifications) in 2021, with charging efficiency three times that of home-use ones. Vehicles can be charged at any time by scanning the QR code, and the stations have integrated services of easy payment, customer service hotline, monitoring and troubleshooting. In 2022, 4 and 2 electric vehicle charging stations were set up at the Zhongxiao and Tianmu Stores respectively. Currently, a total of 10 such stations have been introduced by Far Eastern SOGO.

Far Eastern SOGO Green Transport						
Zhongxiao Store	Fuxing Store	Dunhua Store	Tianmu Store	Zhongli Store	Hsinchu Store	Kaohsiung Store
<ul style="list-style-type: none"> <li>The store is close to the MRT Zhongxiao Fuxing Station. Customers are encouraged to take the mass transit system.</li> <li>Charging stations have been set up in the parking areas of the Zhongxiao and Fuxing Stores.</li> <li>Smart Parking</li> </ul>	<ul style="list-style-type: none"> <li>The store is close to the MRT Zhongxiao Fuxing Station. Customers are encouraged to take the mass transit system.</li> <li>Smart Parking</li> </ul>	<ul style="list-style-type: none"> <li>The store is close to the MRT Zhishan Station. Customers are encouraged to take the mass transit system.</li> <li>Charging piles are set up in the parking area.</li> </ul>	<ul style="list-style-type: none"> <li>The store is close to the MRT Zhishan Station. Customers are encouraged to take the mass transit system.</li> <li>Charging piles are set up in the parking area.</li> <li>Smart Parking</li> </ul>	<ul style="list-style-type: none"> <li>Shuttle buses are available for customers to and from the Zhongli Store and the Zhongli Railway Station on special days.</li> </ul>	<ul style="list-style-type: none"> <li>There are shuttle buses to transport customers between the train station (North Station of the Hsinchu Bus) and the Hsinchu Store.</li> <li>Smart Parking</li> </ul>	<ul style="list-style-type: none"> <li>The store is close to the MRT Sanduo Shopping District Station. Customers are encouraged to take the mass transit system.</li> </ul>

In the post-pandemic era, consumers' shopping behavior has changed. In the face of environmental risks and drastic changes, Far Eastern SOGO considers its e-commerce platform as an extension of its sales channels and launched the iStore e-commerce platform, which has seen significant growth in sales. In order to keep track of the carbon footprint generated by the product delivery process, the home delivery services of all stores in Taiwan cooperate with logistics companies that have obtained the "carbon reduction label for product" in monitoring home delivery vehicles through eco-friendly driving systems to effectively control the use of fuel, actively replace old vehicles with new ones and invest in refrigeration equipment, and improve the effectiveness of heat preservation of multi-temperature vehicles through carbon reduction strategies.

Number of Home Deliveries by the Stores of Far Eastern SOGO							
Store	Zhongxiao Store	Fuxing Store and Dunhua Store	Tianmu Store	Zhongli Store	Hsinchu Store	Kaohsiung Store	Total
2022	61,079	18,050	6,061	7,493	2,660	138	95,481
2021	64,108	17,624	4,977	8,865	2,795	76	95,485

## Air Quality Control

Far Eastern SOGO is a designated facility that must comply with the Indoor Air Quality Act. In addition to complying with the law, it conducts monthly combustible gas inspections, biennial indoor air quality tests and other environmental health and safety tests are conducted, with all results indicating the relevant standards are met. Far Eastern SOGO has also installed an "Air Quality Information Board" at its Tianmu and Hsinchu Stores for real-time release of the CO2 concentration on each floor to protect the health of customers and employees.

Item	Inflammable Gas Inspection	Indoor air quality test	Air Conditioner Filter Cleaning	Cooling Tower Cleaning and Sterilization	Major Maintenance of Air Conditioner Units
Frequency	Every month	Every two years	Every month	Every six months	Every year
2022 Test Result	Normal	Normal	Normal	Normal	Normal



## Zero-waste Sustainability

### Supermarket and Home Delivery Packaging with Reduced Plastics

Far Eastern SOGO's own supermarkets are following the policy of the Environmental Protection Agency in reducing plastic trays and boxes and promoting the reduction of packaging for fruits, vegetables and root agricultural products, to achieve the three objectives of "reducing plastic packaging materials", "promoting friendly shopping" and "actively engaging with consumers". In 2022, plastic materials reduced by a total of 1.16 tonnes.

Note: In accordance with the requirements of the Environmental Protection Administration, the reduction method is based on estimation by multiplying the number and weight of products that use alternative containers and products that do not use containers for packaging.

#### Results of Plastic Reduction by Far Eastern SOGO in 2022

Reduction From the Source	Shopping bags	<p><b>Encouraging consumers to use eco-friendly shopping bags:</b></p> <ul style="list-style-type: none"> <li>Fresh Club members who shop at the supermarket with their own bags can receive HAPPY GO points for each purchase of NT\$500. In 2022, a total of 182,000 points were given to 13,000 participants.</li> <li>8,299 eco-friendly shopping bags were given to new members of the Fresh Club of the Zhongxiao Store.</li> <li>During the anniversary of the Zhongxiao Store, supermarket members who spend at least NT\$2,500 on hot-selling fresh foods will receive an ice bag. All 5,000 ice bags were given away.</li> </ul> 
	Packaging at supermarkets	<ul style="list-style-type: none"> <li>For products that need trays, we select partners through a system to increase the recycling rate of plastic trays and reduce the use of multiple trays for the packaging of a single product.</li> <li>"Mesh bags" have been used to replace plastic trays since 2021.</li> <li>Some customers will return undamaged trays to the supermarket after purchase, and the employees of the supermarket will clean and sanitize them for reuse to save the number of trays used.</li> </ul> 
	Home delivery and Others	<ul style="list-style-type: none"> <li>Currently, we mainly reuse in-store packaging materials and cartons for home delivery.</li> <li>To support the "Packaging Recycling and Reduction Program" of the Environmental Protection Administration, we work with "PackAge+", a social innovation company dedicated to solving the problem of disposable packaging in online shopping. In response to the Earth Day in April 2022, supermarkets tried to use "recyclable packaging boxes" for home delivery to reduce carbon emissions by about 1.2 kg and 300 g of disposable packaging materials for online shopping on average. Consumers will receive 35 HAPPY GO points for returning the boxes to designated locations. During the event, we planned to give away 10,500 points, which was equivalent to sustainable reward points worth NT\$1.05 million of products purchased at the store.</li> </ul> 

Year	2018	2019	2020	2021	2022
Amount of Plastic Reduction	1.23 tonnes	1.11 tonnes	1.10 tonnes	1.612 tonnes	1.16 tonnes

### Sustainable Paper (Bags, Toilet Paper, Paper Towels, DMs)

"Paper" is the most common product for every consumer at a department store. All Far Eastern SOGO stores in Taiwan give priority to purchasing products with eco-friendly labels and certifications, so that customers can protect Earth together while purchasing such products.

- Shopping bags and toilet paper:** We only use paper materials that have passed the FSC (Forest Stewardship Council) certification.
- DMs:** We reduce paper DMs and engage in digital marketing. If paper DMs are needed, they are printed with eco-friendly soy ink, which is more eco-friendly than traditional petroleum-based ink. Soy ink is also favorable for recycling of waste paper.
- Toilet Paper:** We use recycled eco-friendly paper pulp to recycle paper materials.

**走進 SOGO**  
開啟一場綠色消費的旅程！

 購物紙袋、衛生紙  
採用FSC國際認證永續紙張

 衛廁擦手紙  
使用再生環保紙漿

 廣告DM  
採用環保大豆油墨印刷

從生活中的小細節，  
為環境永續盡一份心力



### Encouragement to recycle

In recent years, the revenue from cosmetics has accounted for 10% to 20% of the total revenue of Far Eastern SOGO, making it the largest source of its revenue. Therefore, Far Eastern SOGO launches the campaign "Love Yourself, Love the Earth · Recovery of Empty Cosmetic Bottles", where customers can receive 3 HAPPY GO points for each empty cosmetics/fragrance bottle they bring to the counter for recycling. In 2022, 294 counters across Taiwan responded and recycled 186,000 empty bottles, a 28% increase in their quantity, with a total of 558,000 e-points awarded. In addition, all stores encouraged customers to bring waste batteries to Far Eastern SOGO for recycling to receive reward points. The campaign was highly rated.

Year	2019	2020	2021	2022
Number of Empty Bottles Recycled	190,000	184,000	145,000	186,000 Bottles
Reward Points	570,000 points	550,000 points	440,000 points	558,000 points



## 2.2 Climate Change Mitigation and Adaptation

### 2.2.1 Climate Change Management Strategy

Checking the status of the organization and disclosing the overall review of risks is a key step for a company to engage in low-carbon transformation. In a business environment where climate change has become one of the most important issues in global business operations, the perspective on climate risks has gradually expanded from the focus on “negative impacts and prevention” to the consideration of “new business opportunities” arising from such risks.

In order to strengthen the management of climate-related risks and internalize it in the principles of daily management, Far Eastern SOGO introduced the international framework of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2021. Internally, Far Eastern SOGO has been promoting climate change mitigation and adaptation management actions to increase the resilience of its business operations. Externally, Far Eastern SOGO actively plays a leading role in green department stores to drive industrial transformation and explore innovative business opportunities. In 2022, Far Eastern SOGO increased the level of disclosure, and already fully disclosed 4 of the 11 items recommended for disclosure under the four cores of TCFD.

Framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)				
	Governance	Strategy	Risk Management	Metrics and Targets
Management Strategies and Action Plans	<ul style="list-style-type: none"> <li>» Responsible department Led by the Corporate Sustainability Committee with the Chairman and senior management team fulfilling their responsibilities, we regularly review the organization's vision, strategy and long-term goals regarding climate change.</li> <li>» Operation of the organization In 2022, a Climate Change Committee was established under the Corporate Sustainability Committee, and the Finance Department was responsible for promoting specific actions and regularly reporting to the Board of Directors on an annual basis.</li> </ul>	Far Eastern SOGO takes sustainable actions in routine operations and marches toward the goal of a “green department store” with “Sustainable Environment Power” as the core and “green marketing”, “green action”, and “green transport” as the guidelines.	<ul style="list-style-type: none"> <li>» Climate risks are incorporated in the business administration process.</li> <li>» We conduct inter-department collaboration and review climate-related risks and opportunities in the value chain. We will continue assessing the link between climate risk and finance and formulate countermeasures.</li> </ul>	We check material risk issues through identification of the risks in climate change, and establish relevant management approaches and goals, review the progress, and disclose the risks openly and transparently through appropriate channels.
Performance	<ul style="list-style-type: none"> <li>» We held 3 sub-committee meetings of the Climate Change Committee throughout the year.</li> <li>» We organized 1 training course on the issues of TCFD climate governance.</li> <li>» The results of implementation were presented at the ESG senior management strategy meetings in June 2022 and February 2023.</li> </ul>	The relevant departments have completed strategic action plans in response to the identified climate risks.	<ul style="list-style-type: none"> <li>» The estimation of the potential cost of each action plan has been completed.</li> <li>» The Climate Change Committee has completed a financial impact assessment and identified the level of financial impact in connection with each climate risk.</li> </ul>	The strategic action plan has set short-, medium- and long-term goals that will be regularly tracked by the Sustainability Committee.
Corresponding Chapter	<ul style="list-style-type: none"> <li>» 2.2 Climate Change Mitigation and Adaptation p.67</li> </ul>	2.1.1 Green Marketing p.55 2.1.2 Green Actions p.57 2.3 Energy Management p.74	2.2.3 Management of Climate Change Risk and Opportunity Issues p.71	2.1.1 Green Marketing p.55 2.1.2 Green Actions p.57 2.3 Energy Management p.74

## 2.2.2 Identification of Climate Change Risks and Opportunities

Far Eastern SOGO has introduced the international framework TCFD to comprehensively sort and identify operation-related climate risks and opportunities through in-depth interviews, questionnaire surveys, data collection and cross-analysis. In the end, we identified six issues of moderate and high materiality and developed optimized management measures.

### Process for Analysis of Issues of Climate Change Risks

#### STEP 1 Defining the Items and Scope of Analysis

The analysis covers Far Eastern SOGO's operational building and 7 business locations (including the Zhongxiao, Fuxing, Dunhua, Tianmu, Zhongli, Hsin Chu Big City and Kaohsiung Stores).

Item of analysis: To understand the material risks that may cause impact on operations when Far Eastern SOGO faces climate change.

#### STEP 2 Risk Collection and Identification

We collect the issues concerning Far Eastern SOGO's transition and physical risks based on market conditions, the policy direction of Taiwan and international sustainability trends. In addition, we understand Far Eastern SOGO's awareness of climate risks and determine risk issues simultaneously through interviews with senior managers.

#### STEP 3 Comparison of Risk Assessment and Prioritization with Issues

Through questionnaires, we have collected responses from 8 core senior managers (including the Chairman) to identify the "likelihood" and "level of impact" of climate risks, and we have identified 6 issues of material risks based on the outcomes of internal consensus meetings held by senior management.

#### STEP 4 Management Measures

Based on the result of identification, Far Eastern SOGO has responded in two aspects.

"Adaptation": We have conducted a scenario analysis on issues of material climate risks to gain comprehensive understanding of the extent of carbon management by Far Eastern SOGO to establish a long-term strategy.

"Mitigation": We have developed short-term management action plans together with the Corporate Sustainability Committee on issues of material risks, and we have submitted progress reports through the Corporate Sustainability Committee to the Board of Directors.

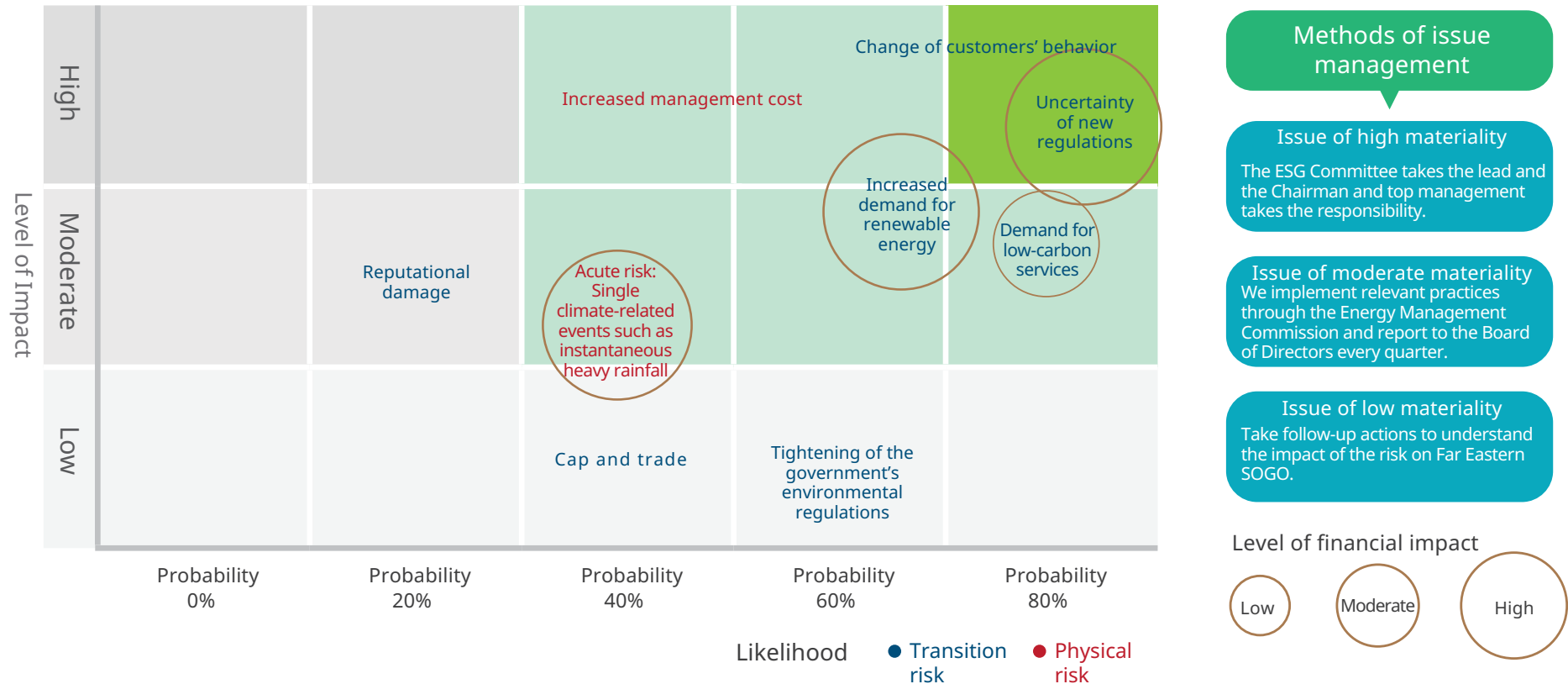
### Collection and Identification of Climate Change Risk Issues

Far Eastern SOGO analyzes the risks and opportunities of climate change that the company may face in the next three to five years by examining the status of its operations and collecting information on the current market development and changes in international sustainability trends. In accordance with the TCFD framework, Far Eastern SOGO analyzes issues of material risks with high "likelihood" and "level of impact" on Far Eastern SOGO from the perspectives of "transition risk" and "physical risk".

Risk Topic	Risk Issue	Meaning of the Issue to Far Eastern SOGO	Stage of Impact on the Value Chain			Impact Time			Risk Level (High/Moderate/Low)	Level of Financial Impact (High/Moderate/Low)
			Upstream	Operation	Downstream	Short-term goals (most recent 1-2 years)	Medium-term goals (3-5 years)	Long-term goals (5 or more years)		
Transition Risk	Policy and Law	Uncertainty of new laws and regulations	V	V		V	V	V	High	High
	Technology	Increased demand for low-carbon services	V	V		V	V	V	High	Moderate
		Increased demand for renewable energy	V	V		V	V	V	Moderate	High
	Market	Changes of Customer's Behavior		V	V	V	V	V	High	NA
Physical Risk	Acute Risk	Single climate-related events such as instantaneous heavy rainfall		V		V			Moderate	High
	Chronic Risk	Rising climate temperature		V					Moderate	NA

## Results of Analysis of Climate Change Risk Issues

After identification, six issues have been listed as material climate risks, including “uncertainty of new laws and regulations”, “increased demand for low-carbon services”, “increased demand for renewable energy”, “change of customers’ behavior”, “single climate-related events such as instantaneous heavy rainfall” and “rising climate temperature”. Three material opportunities corresponding to interviews with senior managers, namely “energy efficiency”, “corporate image” and “enhancement of climate resilience”, have been listed as material climate opportunities.



Note:

- The likelihood and probability are assessed with reference to the three facets of “previous frequency rate”, “legal intensity in the future”, and “current corporate resilience”.
- The “high”, “medium”, and “low” impact is assessed with reference to the three facets of “the impact of the occurrence on the operation”, “the impact of the occurrence on the value chain”, and “the type of impact”.
- The “high”, “moderate” and “low” levels of impact are assessed according to the three ranges of “reduction by less than 20%”, “reduction by 20%-60%” and “reduction by more than 60%” of the average daily revenue.

Climate Opportunity Issues								
Opportunity Topic	Opportunity Issue	Meaning of the Issue to Far Eastern SOGO	Stage of Impact on the Value Chain			Impact Time		
			Upstream	Operation	Downstream	Short-term goals (most recent 1-2 years)	Medium-term goals (3-5 years)	Long-term goals (5 or more years)
Resource Efficiency	Energy Efficiency	According to the 2050 Net Zero Roadmap plan published by the government in Taiwan, the target of carbon neutrality must be achieved by 2050. Therefore, the share of renewable energy in energy should be increased to 60%~70%. Far Eastern SOGO has fully implemented energy conservation measures and energy efficiency management to reduce the operating costs of the organization while obtaining carbon credits through the government program of "micro offsetting", which is expected to open up new opportunities for retail business.		V		V	V	V
Market	Corporate image	As climate change intensifies, the consumer values of Generation Z are centered on sustainable values. According to a McKinsey study, around 60% of consumers in the post-pandemic Asia-Pacific consumer market are more concerned with information on health, safety and sustainability when shopping. For this reason, Far Eastern SOGO is strengthening the brand image of "Future Green Retail" by implementing sustainability goals and green marketing management.	V	V		V	V	V
Resilience	Enhancement of climate resilience	To reduce management costs or losses, we predict and prevent risks in advance through the management policies of mitigation and adaptation in response to climate change. At the same time, we can seize market opportunities in advance as a result of policies and consumer behavior.		V		V	V	V

## 2.2.3 Management of Climate Risk and Opportunity Issues

### Management Measures for Climate Risk and Opportunity Issues

In response to issues of high risks and opportunities, Far Eastern SOGO gives priority to the management of issues with "high" risk/opportunity levels, conducts in-depth assessments on the impacts of financial risks, and establishes management measures to address potential climate risks while seizing opportunities in the transition process.

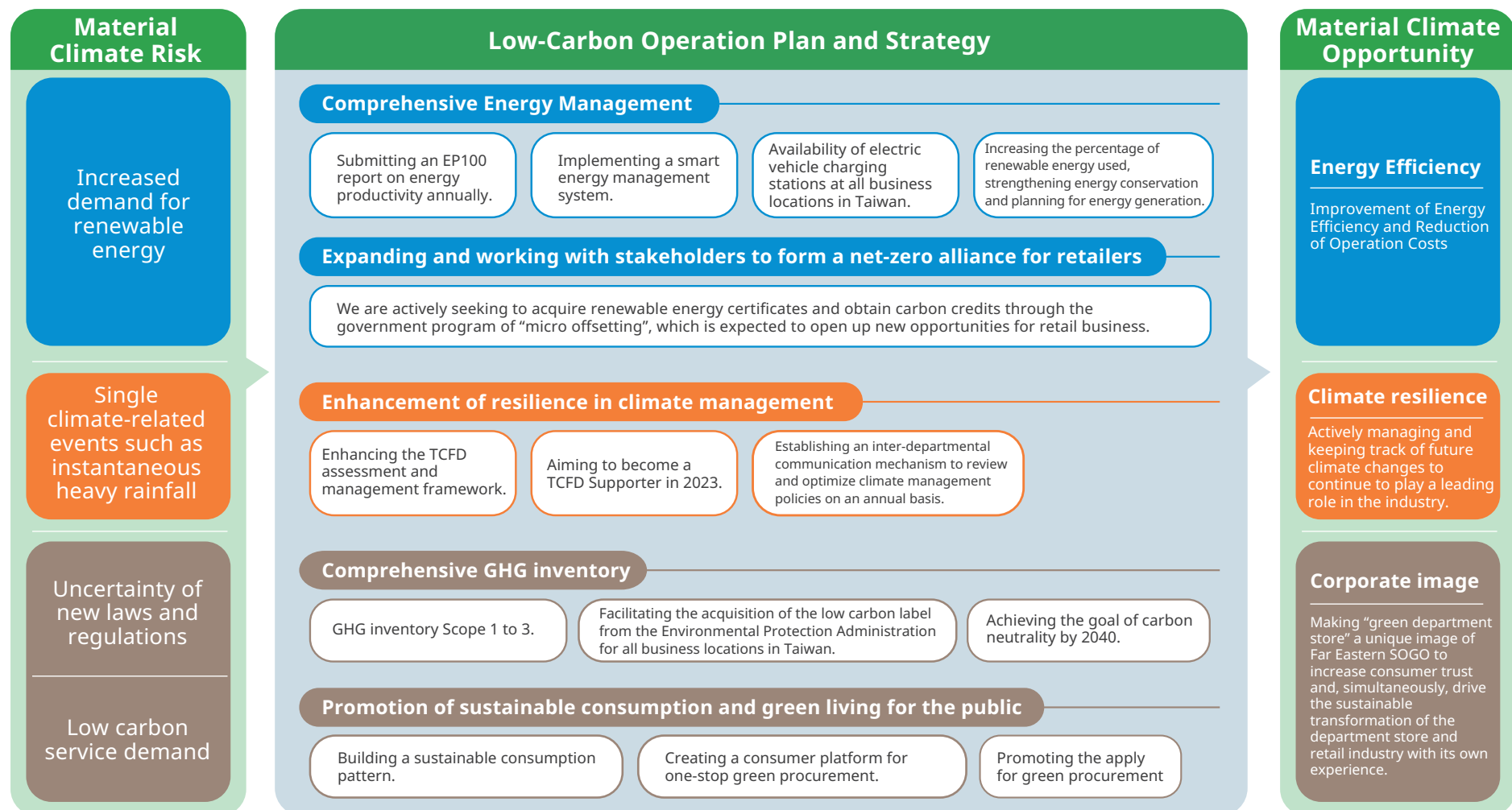
High Risk/ Opportunity Topic	Risk/ Opportunity Issue	Issue Analysis		
		Issue	Potential Financial Impact	Management Measures
Transition Risk	Policy and Law	<p><b>Basis for risk scenario discussion:</b></p> <ul style="list-style-type: none"> <li>The 2050 Net Zero Roadmap published by the government in Taiwan.</li> <li>Climate Change Response Act.</li> </ul> <p><b>Changes in transition risk scenarios:</b></p> <ul style="list-style-type: none"> <li>The sales of electric vehicles account for 100% in the market.</li> <li>The Environmental Protection Administration plans to charge carbon fees from large carbon emitters in phases, "starting with the large ones and ending with the small ones".</li> </ul>	<ul style="list-style-type: none"> <li>1. Costs of GHG inventory and certification.</li> <li>2. Cost of EP100 project management.</li> <li>3. Installation and maintenance costs for electric vehicle charging stations.</li> <li>4. Carbon fee.</li> </ul>	<p><b>Comprehensive GHG inventory</b></p> <ul style="list-style-type: none"> <li>1. GHG inventory Scope 1 to 3.</li> <li>2. Facilitating the acquisition of the low carbon label from the Environmental Protection Administration for all business locations in Taiwan.</li> <li>3. Achieving carbon neutrality by 2040.</li> </ul> <p><b>Promotion of sustainable consumption and green living for the public</b></p> <ul style="list-style-type: none"> <li>3. Availability of electric vehicle charging stations at all business locations in Taiwan.</li> <li>2. Creating a consumer platform for one-stop green procurement.</li> </ul>



High Risk/ Opportunity Topic	Risk/ Opportunity Issue	Issue Analysis		
		Issue	Potential Financial Impact	Management Measures
Transition Risk	Technology	<p><b>Basis for risk scenario discussion:</b></p> <ul style="list-style-type: none"> <li>The 2050 Net Zero Roadmap published by the government in Taiwan.</li> <li>The clauses for large electricity consumers, promulgated by the Bureau of Energy, MOEA.</li> </ul> <p><b>Changes in transition risk scenarios:</b></p> <ol style="list-style-type: none"> <li>The installed capacity of power generation from renewable energy in Taiwan will increase from 9.6GW in 2022 to 45.46-46.12GW in 2030.</li> <li>Large electricity consumers with a regular contract capacity of at least 5,000KW under an electricity consumer contract are required to plan for installation of 10% of the required capacity of power generation equipment using renewable energy.</li> </ol>	<ol style="list-style-type: none"> <li>Construction and maintenance costs for solar power project sites.</li> <li>Cost of green power purchase.</li> </ol>	<p><b>Comprehensive energy management</b></p> <ol style="list-style-type: none"> <li>Submitting an EP100 report on energy productivity annually.</li> <li>Implementing a smart energy management system.</li> <li>Increasing the percentage of renewable energy used.</li> <li>Availability of electric vehicle charging stations at all business locations in Taiwan.</li> </ol>
	Acute Risk	<p><b>Basis for risk scenario discussion:</b></p> <ul style="list-style-type: none"> <li>IPCC, Representative Concentration Pathways (RCPs) derived from different atmospheric GHG concentrations.</li> <li>IPCC, Shared Socioeconomic Pathways (SSPs).</li> </ul> <p><b>Changes in physical risk scenarios:</b></p> <ul style="list-style-type: none"> <li>Under the SSP5-8.5 scenario, the total annual precipitation in Taiwan is expected to increase by 15%.</li> <li>Under the SSP5-8.5 scenario, the percentage of strong typhoons will increase by 5.5%.</li> <li>Under the SSP5-8.5 scenario, the percentage of precipitation from strong typhoons will increase by 20%.</li> </ul>	<p>Loss of revenue due to suspension of operation at a business location caused by a single weather event.</p>	<p><b>Enhancement of resilience in climate management</b></p> <ol style="list-style-type: none"> <li>Enhancing the TCFD assessment and management framework.</li> <li>Aiming to become a TCFD Supporter in 2023.</li> <li>Establishing an inter-departmental communication mechanism to review and optimize climate management policies on an annual basis.</li> </ol>
Opportunities	Energy Efficiency	<p>According to the 2050 Net Zero Roadmap plan published by the government in Taiwan, the target of carbon neutrality must be achieved by 2050. Therefore, the share of renewable energy in energy should be increased to 60%~70%.</p>	<ol style="list-style-type: none"> <li>Construction and maintenance costs for solar power project sites.</li> <li>Implementation costs for energy efficiency improvement projects.</li> <li>Implementation costs for water resource management projects.</li> <li>Cost of stakeholder communication.</li> </ol>	<p>Working with stakeholders to form a net-zero alliance for retailers.</p> <ol style="list-style-type: none"> <li>Submitting an EP100 report on energy productivity annually.</li> <li>Implementing a smart energy management system to improve energy productivity, with the expectation to achieve a cumulative electricity saving rate of 40.30% by 2028 and growth of the revenue generated per kWh of electricity consumed by 50.52%.</li> <li>While increasing the proportion of renewable energy used, we are actively seeking to acquire renewable energy certificates and obtain carbon credits through the government program of "micro offsetting", which is expected to open up new opportunities for retail business.</li> </ol>

## Blueprint for Climate Governance Strategy

In order to actively address climate risks and keep track of the development of green business opportunities, Far Eastern SOGO has developed a specific climate blueprint management pathway to explain potential financial impacts, and has formulated strategies for managing climate risk and opportunity issues. In 2022, 3 sub-committee meetings of the Climate Change Committee were held, and a TCFD training course on the topic of climate governance was organized. Reports are presented to members of the Board of Directors through the Sustainability Committee twice a year. In order to exert Far Eastern SOGO's influence on carbon reduction, it officially joined EP100, an international initiative for the improvement of energy productivity, in 2022, using its own operations as the core influence to induce suppliers/contractors to engage in sustainable transformation and encourage consumers to join the ranks of green living. Far Eastern SOGO is expected to apply to become a TCFD Supporter in 2023. It will continue to analyze climate-related risks and opportunities in order to gather the strength of all people to create a new atmosphere of friendliness, kindness and love for the retail sector and achieve the goal of carbon neutrality for all business locations in Taiwan by 2040.



## GHG Emissions and Reduction

In response to the trend of carbon reduction, Far Eastern SOGO has conducted a comprehensive review of GHG emissions. In 2022, it began to conduct the ISO 14064-1:2018 GHG verification for the previous year, starting with the Zhongxiao, Fuxing and Tianmu Stores in Taipei. Comparing the GHG emissions of Scope 1 and 2, Far Eastern SOGO emitted 51,114 tonnes-CO<sub>2</sub>e in 2022, a slight decrease from 51,891 tonnes-CO<sub>2</sub>e in 2021. With growth of the annual revenue, the overall emission intensity decreased by 9.84%, showing the effectiveness of carbon reduction.

Far Eastern SOGO GHG Emissions Table					
Inventory Year	2019	2020	2021		2022
Inventory Boundary <sup>1</sup>	All 7 stores in Taiwan	All 7 stores in Taiwan	Zhongxiao, Fuxing, Tianmu <sup>7</sup>	The other 4 stores	All 7 stores in Taiwan
Status of Verification <sup>2</sup>	Unverified	Unverified	ISO 1064-1: 2018	Unverified	Pending verification <sup>8</sup>
Scope 1 (tonne-CO <sub>2</sub> e) <sup>3</sup>	-	-	1,858	-	-
Scope 2 (tonne-CO <sub>2</sub> e) <sup>4</sup>	61,556	52,910	23,294	26,739	51,114
Scope 3/Categories 3 to 6 (tonne-CO <sub>2</sub> e) <sup>5</sup>	-	-	13,509	-	-
Total Emissions (tonne-CO <sub>2</sub> e) <sup>9</sup>	61,556	52,910	25,152	26,739	51,114
Annual Revenue (NT\$ thousand)	42,861,166	41,841,986	31,574,163	9,625,205	45,013,913
Emission Intensity (tonne-CO <sub>2</sub> e/NT\$ thousand) <sup>6</sup>	0.0014	0.0013	0.0008	0.0028	0.0011

Note:

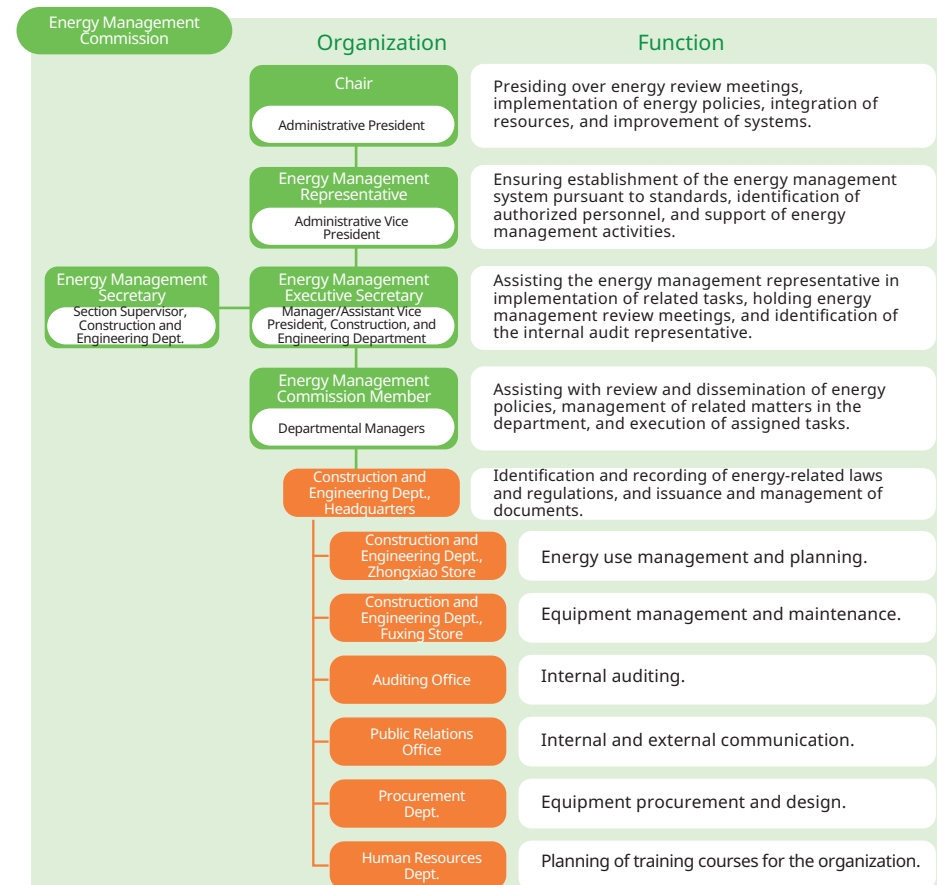
1. The GHG inventory boundary is set to the 7 business locations in Taiwan based on the operational control approach.
2. For the years and locations where GHG emission verification was not conducted, calculation was mainly based on Scope 2 emissions.
3. Scope 1 refers to direct GHG emissions. Since Far Eastern SOGO is not a manufacturer, Scope 1 accounts for a relatively small percentage of its GHG emissions.
4. Scope 2 refers to indirect emissions from the use of energy such as electricity or steam. The main source of Far Eastern SOGO's Scope 2 emissions is electricity used at each business location.
5. Scope 3 corresponds to categories 3-6, which are indirect emissions from business activities that are not owned or controlled by a business, including emissions generated from commuting employees and the product life cycle.
6. Emission intensity = Total emissions (tonne-CO<sub>2</sub>e)/annual revenue (NT\$ thousand).
7. The ISO 14064-1:2018 GHG inventory and verification conducted by Far Eastern SOGO in 2021 covered 42.86% of the business locations in Taiwan.
8. For the emissions disclosed in 2022, calculation was mainly based on Scope 2 emissions, with the electricity emission coefficient = 0.509 kg CO<sub>2</sub>e/kWh. In 2023, we will conduct a GHG inventory of all 7 business locations in Taiwan, and update the data in the 2023 sustainability report.
9. Total Emissions = Scope 1 + Scope 2.

## 2.3 Energy Management

### 2.3.1 Energy Management Policy and Framework

#### Energy Management Commission

The ESG Committee has a subordinate Energy Management Commission with the Administrative President acting as the chair. The Commission is responsible for signing energy policies and leading all staff of the Company to implement them in the hopes of reducing energy consumption, being more friendly to the environment, and achieving corporate sustainability goals together with stakeholders.



Far Eastern SOGO Energy Saving Policy	Goal	2022 Results
1. Observe regulations, be self-demanding, and use products of high energy efficiency.	A 50.52% increase in the revenue generated per kWh of electricity by 2028, with 2018 as the base year.	• The total electricity consumed amounted to 361,550.31 GJ, an increase of 2.14% from 2021.
2. Improve energy saving awareness among employees through multiple dissemination channels.		• The revenue generated per kWh of electricity amounted to NT\$447.99/kWh, up 6.97% from 2021.
3. Achieve energy saving and carbon reduction goals and continue improving energy performance.		• The total water consumed amounted to 1,146.46 million liters, a 10.53% decrease from 2021.
4. Fulfill corporate social responsibility and operate department stores sustainably.		• The water consumption per unit floor area was 8.34, and the water consumption per unit number of visitors and employees was 0.1216, which were both better than the value for water consumption indicators recommended by the Water Resources Agency, MOEA in 2022.

## Internalization of Environmental Protection Awareness and Realization of Sustainability as the Vision of the Company

In 2020, Far Eastern SOGO established a "Vision Project Committee" for active transformation and redefinition of its vision for the next 30 years, hoping to become "a benchmark retail company that keeps up with the times, is friendly with common good, and provides a comprehensive and fashion life experience for the public". Among other things, the idea of "friendly with common good" demonstrates our responsibility for environmental sustainability. Through internal sustainability newsletters, daily morning briefings, Facebook fan groups and other channels, as well as training courses, we communicate domestic and international information and practices to raise our employees' awareness of sustainability.

### 2.3.2 Energy Saving Measures and Effectiveness

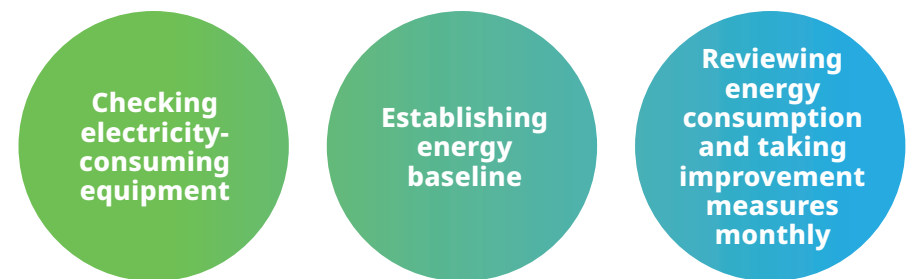
#### Energy Performance Evaluation

In order to effectively manage and use energy, Far Eastern SOGO introduced the ISO 50001 energy management system in 2017, using the Dunhua Store in Taipei as the benchmark, and passed the verification. It is the first department store chain in Taiwan

to introduce the ISO 50001 energy management system, hoping to achieve concrete results of green management through self-management. At the same time, through measurement and monitoring, we can identify areas for improvement in energy use at the current stage and manage the risks associated with future energy supply, in order to improve the performance of energy use and reduce energy consumption and expenditure.

All Far Eastern SOGO stores in Taiwan are currently controlled in accordance with the spirit of the ISO 50001 energy management, and monthly review of energy use is carried out to increase energy efficiency, reduce operating costs, improve energy performance and cut greenhouse gas emissions.

To evaluate energy management performance, Far Eastern SOGO participates in the "Energy Efficiency Competition" organized by the Far Eastern Group every quarter and requests all department managers to attend the routine meetings of the ESG Committee to learn the latest ESG policies and plans of the Company and achieve the goal of sustainability by collaborating with each other.



#### Electricity Consumption in Recent Years

The energy consumed by Far Eastern SOGO's business locations in Taiwan mainly consists of externally purchased electricity, with the Hsinchu Store using its own solar power, and no other energy has been consumed. In the second half of 2022, as the pandemic eased, the domestic market in Taiwan gradually returned to its pre-pandemic level of consumption, and the number of customers visiting Far Eastern SOGO increased by 10% in 2022 compared to 2021. Far Eastern SOGO continues to improve energy use efficiency through various energy-saving measures. Under the trend of customer growth in 2022, the total electricity consumed amounted to 100,479,766 kWh (including externally purchased electricity and renewable energy), which was converted into 361,550.3 GJ of energy consumed. Compared to last year, the total electricity consumed increased by about 2.14%, which was basically the same. In terms of electricity consumption intensity (energy use efficiency), Far Eastern SOGO's revenue generated per kWh of electricity amounted to NT\$447.99, a 6.97% increase from 2021 and a new high in recent years. Compared with the base year of 2018, the electricity consumption intensity increased by 25.55%.

Far Eastern SOGO Energy Consumption Table									
Year		2019		2020		2021		2022	
Category		Electricity Consumption (kWh)	Energy Consumption (GJ)	Electricity Consumption (kWh)	Energy Consumption (GJ)	Electricity Consumption (kWh)	Energy Consumption (GJ)	Electricity Consumption (kWh)	Energy Consumption (GJ)
Electricity Consumed	Renewable Energy	-	-	64,955	233.72	75,634	272.15	58,668	211.10
	Non-renewable Energy	115,490,681	415,563.19	105,517,855	379,678.57	98,294,959	353,688.85	100,421,098	361,339.21
	Total	115,490,681	415,563.19	105,582,810	379,912.29	98,370,593	353,961	100,479,766	361,550.31
Percentage of Renewable Energy (%)		-		0.062%		0.077%		0.058%	
Annual Revenue (NT\$ thousand)		42,861,166		41,841,986		41,199,368		45,013,913	
Energy Intensity (Unit: GJ/NT\$ million)		9.70		9.08		8.59		8.03	
Revenue Generated per kWh of Electricity (Revenue/kWh; Unit: NT\$)		371.12		396.30		418.82		447.99	
Growth Rate of Revenue Generated Per kWh of Electricity (Unit: %)		4.01%		6.78%		5.68%		6.97%	
Growth Rate of Revenue Generated Per kWh of Electricity Compared to Growth Rate of the Base Year 2018 (Unit: %)		4.01%		11.07%		17.38%		25.55%	

Note:


1. The data of electricity consumption comes from the statistics of the electricity consumed by the buildings at all 7 business locations in Taiwan.
2. Renewable energy includes the power generated by solar panels at the Tianmu Store and Hsinchu Store.
3. Percentage of renewable energy (%) = Renewable energy consumption (GJ)/Total electricity consumption (GJ)\*100%.
4. 1 kWh of electricity = 1\*860\*4.184/106 GJ.

5. Energy intensity (GJ/NT\$ thousand) = Electricity consumption (GJ)/Annual revenue (NT\$ thousand).
6. Growth rate of revenue generated per kWh of electricity = (Revenue generated by electricity consumed in the current year - Revenue generated by electricity consumed in the previous year)/Revenue generated by electricity consumed in the previous year\*100%.
7. The data of the revenue generated per kWh of electricity in 2020 and 2021 has been restated to include the electricity generated from renewable energy for own use into the calculation of total electricity consumption.
8. The revenue generated per kWh of electricity consumed in 2018 = NT\$356.81/kWh.



## Energy Saving Measures

Far Eastern SOGO is moving toward the goal of being a “green department store” with “Sustainable Environment Power” and is implementing the ideas of environmental protection in its daily operations. It closely controls air conditioning, lighting, elevators and other equipment and promotes electricity saving measures to enhance the energy efficiency of equipment.

ALC Automatic Environmental Control System	All stores have adopted the automatic environmental control system made by the US company ALC (Automated Logic Corporation). The system manages the lighting, power supply and air-conditioning system, and monitors and manages the temperature of the store and the efficiency of the chiller system, in line with the national environmental management requirement of a 26°C indoor temperature. Air conditioners must be turned on for pre-cooling 20 to 30 minutes before the store is opened for business. They must be turned off when the store is closed. Monthly review and verification of the operational SOP are carried out to maximize effectiveness.	 <p>Far Eastern SOGO uses the ALC System for energy management.</p>
Replacing old water chiller units	Replacing old water chiller units with new ones gradually to reduce the energy consumption.	
Air Exchange	Exchange with external air in the winter is made use of appropriately to reduce the load to the water chiller units and further produce an energy saving benefit and improve the air quality in the store.	
High-efficiency Lighting	High-efficiency LED lights are used as a replacement at all business locations to reduce energy consumption.	
Elevator Power Regeneration System	To solve the problem of additional thermal energy generated when elevators consume electricity, Far Eastern SOGO's Fuxing Store has installed a “power regeneration system” to ensure elevators can regenerate power while they are in operation to save energy and reduce carbon effectively.	
Elevator Stopping at Different Floors	Customer and staff elevators stop at different floors. At certain stores, some elevators are not available when there are fewer people in the stores to save electricity. For lower floors or shorter distances, customers and employees are encouraged to use the stairs.	
Air Curtain/Weather Door	An air curtain or weather door is set up at the entrance to prevent hot air from flowing into the store to raise the temperature or cause escape of cold air.	
Window Shades	Window shades are attached to glass windows to reduce direct sunshine and maintain the temperature in the store.	
Green Lawn	Large areas of green lawns are planted on the rooftops of stores such as the Tianmu Store to reduce the high temperature of sunlight and save energy.	

## Major Energy Saving Measures in 2022

Management Measures		2022 Results <sup>Note</sup>
Energy Saving in Air Conditioning	<ul style="list-style-type: none"> <li>Replacing old water chiller units with new ones.</li> <li>Adjusting the cooling water outlet temperature dynamically.</li> <li>Continuing to replace the fins of cooling towers to improve the exchange efficiency of cold and hot air.</li> <li>Washing the cooling fins in air conditioner cabinets on a regular basis to improve efficiency.</li> </ul>	The Zhongxiao Store replaced the old chiller system in 2021, with the full energy-saving effect reflected in 2022, saving approximately 270,000 kWh/year (971.52 GJ) of electricity.
Energy Saving in Lighting	<ul style="list-style-type: none"> <li>Continuing replacement with new energy-saving lights.</li> </ul>	In 2022, replacement was made with 4118 energy-saving lights, saving approximately 290,000 kWh (1,043.49 GJ) of electricity.

Note: Efficiency is estimated as follows: "Equipment power (kW) × Number of units × Operating hours (hours) × Equipment load factor or utilization rate (%) × Percentage of recognized months (%)" = Energy usage (kWh)" to calculate energy usage, and then "Sum of energy usage before improvement (kWh) - Sum of energy usage after improvement (kWh) = Total energy saved (kWh)".

## Management of Renewable Energy

Committed to building the no. 1 green department store in Asia, Far Eastern SOGO actively supports the government's renewable energy policy and expands the "energy generation" plan through multiple approaches to increase the percentage of renewable energy and move toward the goal of net zero. In 2015 and 2020, it completed the installation of solar power systems on the rooftops of the Tianmu Store and the Hsinchu Store respectively. The Hsinchu store has a total area of 2,300 m<sup>2</sup> of solar panels and an installed capacity of 409.5 KWp, at an installation cost of over NT\$20.3 million. In 2022, the Hsinchu Store started the second phase of the solar panel construction project, installing a third unit of solar power generation equipment. The Tianmu Store is expected to obtain a renewable energy certificate in 2023.

Year	Solar Power at the Hsinchu Store						Solar Power at the Tianmu Store					
	2020		2021		2022		2020		2021		2022	
Unit	kWh	GJ	kWh	GJ	kWh	GJ	kWh	GJ	kWh	GJ	kWh	GJ
Total Power Generation	465,110	1,673.6	554,979	1,997	488,170	1756.6	10,900	39.2	11,430	41.1	9,583	34.5
Power Generated for Own Use	54,055	194.5	64,204	231.02	49,085	176.2	10,900	39.2	11,430	41.1	9,583	34.5

Note: 1 kWh of electricity = 1\*860\*4.184/106 GJ



Solar panel at the Tianmu Store



Solar panel at the Hsinchu Store

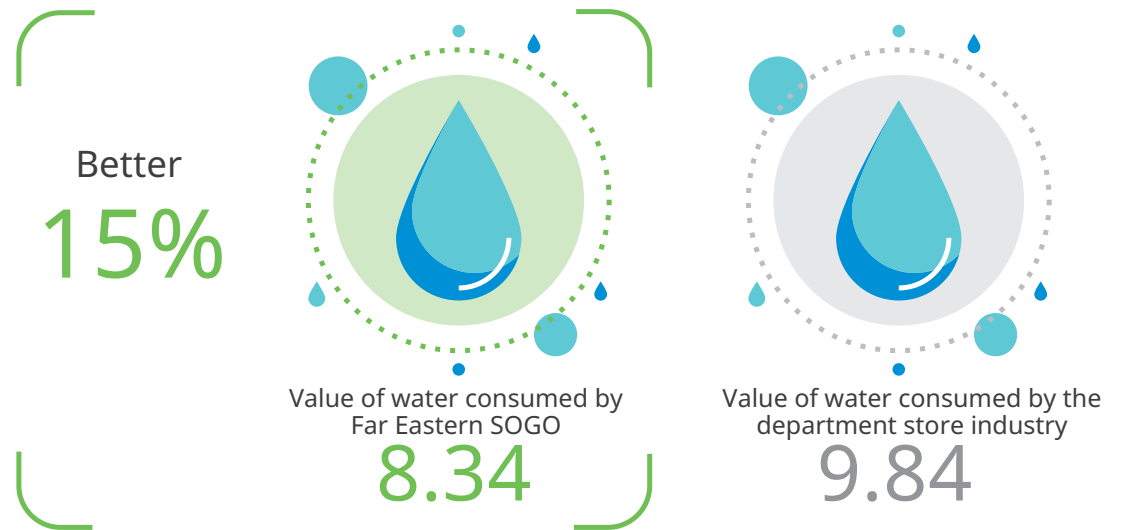
## Future Plans

1	International Initiative EP100	<ul style="list-style-type: none"> <li>We submit annual reports to the EP100's headquarters, hoping to share the experience of Taiwan's department store and retail industry in promoting net zero emission reduction with the international community as a model of department stores.</li> <li>We are committed to implementing three energy measures to improve energy productivity with 2018 as the base year:               <ol style="list-style-type: none"> <li>(1) Checking the status of the existing ALC energy management systems at all Far Eastern SOGO stores in 2023.</li> <li>(2) Promoting power motor energy saving systems.</li> <li>(3) Intelligent energy management system: The Construction and Engineering Department prepared a "power saving rate measurement table" in 2022 and selected two manufacturers, and will first introduce a frequency conversion mechanism for chilled water pumps to the Zhongxiao and Tianmu Stores in 2023.</li> </ol> </li> <li>We are expected to achieve a cumulative electricity saving rate of 40.30% by 2028 and growth of the revenue generated per kWh of electricity consumed by 50.52%.</li> </ul>
2	Promotion of GHG Inventory	<ul style="list-style-type: none"> <li>In 2022, the GHG inventory of the Zhongxiao Store, Fuxing Store and Tianmu Store for the previous year was completed and verified in accordance with ISO 14064-1:2018.</li> <li>Applications for carbon footprint labels for 4~6 stores will be initiated in 2023.</li> <li>In the first half of 2024, the GHG inventory of all 7 stores in Taiwan for 2022 will be completed and verified by a third party, with a coverage rate of 100%.</li> <li>The target by 2028 is to obtain the "carbon reduction label" for all stores in Taiwan with reference to the Tianmu Store.</li> </ul>
3	Development of Renewable Energy	<ul style="list-style-type: none"> <li>The second phase of the solar panel construction project of the Hsinchu Store will be completed in 2023.</li> <li>The Tianmu Store is expected to receive a renewable energy certificate in 2023.</li> </ul>

## 2.4 Water Resource Management

### 2.4.1 Water Resource Management Policy

All of our seven stores are located in cities. Tap water is the main source of the water supply and domestic water occupies a higher percentage in water consumption. In response to a possible water shortage crisis caused by climate change, Far Eastern SOGO promotes water conservation awareness, reduction and water recycling measures through monthly review of water consumption and improvement of equipment, combined with water-saving technologies. In 2022, the total water consumption in Taiwan amounted to approximately 1,146,455 m<sup>3</sup>, a 10.53% decrease compared to 2021. The water consumption efficiency was better than the value of water consumption indicators recommended by the Water Resources Agency, MOEA for outstanding performance in water conservation in 2022.



Water Intake/Discharge Route				
Business Location	Water Intake			Discharge
	River	Source	Type	
4 stores in Taipei	Beishi River, Nanshi River	Feitsui Reservoir	Tap water	Public sewerage system
Tianmu Store			Tap water Rainwater recycling	Public sewerage system
Zhongli Store	Dahan River	Shimen Reservoir	Tap water	Public sewerage system
Hsinchu Store	Shanping River, a branch of the Touqian River	Baoshan Reservoir	Tap water	Public sewerage system
Kaohsiung Store	Gaoping River and Donggang River	Chengqing Lake Reservoir and Fengshan Reservoir	Tap water	Public sewerage system

Water Resource Management Table					
Year		2019	2020	2021	2022
Water Source 1: Third-party Water	Tap Water (Unit: Million Liters)	1,469.76	1,451.66	1,190.13	1,146.24
Water Source 2: Surface Water	Recycled Water (Unit: Million Liters)	8.49	122.05	91.25	0.21
Total Water Withdrawal (Unit: Million Liters)		1,478.25	1,573.71	1,281.38	1,146.46
Total Water Discharge (Unit: Million Liters)		1,478.25	1,573.71	1,281.38	1,146.46
Total Water Consumption (Unit: Million Liters)		0	0	0	0
Total Annual Revenue (Unit: NT\$ Thousand)		42,861,166	41,841,986	41,199,368	45,013,913
Water Consumption per Unit Revenue (Unit: Liter/NT\$ Thousand)		34.49	37.61	31.10	25.47
Water Consumption per Unit Floor Area (Liter/m <sup>2</sup> *Day)		9.72	9.36	8.81	8.34
Water Consumption per Unit Number of Visitors and Employees (Unit: Liter/Person*Day)		0.1112	0.1451	0.1528	0.1216

Note:

1: The statistical boundary covers the buildings at all seven business locations in Taiwan.

2: The water sources of Far Eastern SOGO's business locations consist of third-party water (tap water) and surface water (recycled water), and the end discharge point is the public sewer, which is classified as third-party water.

3: Total water withdrawal (million liters) = Water withdrawn from Source 1 (million liters) + Water withdrawn from Source 2 (million liters).

4: Water consumption per unit revenue (liter/NT\$ thousand) = Total water consumption/Total annual revenue.

5: Water consumption per unit floor area (liter/m<sup>2</sup>\*day) = Total water consumption/(Floor area\*365).

6: Water consumption per unit number of visitors and employees (liter/person\*day) = Total water consumption/(Number of visitors\*365).



## 2.4.2 Management Measure and Effectiveness

Management Measures	2022 Results
<ul style="list-style-type: none"> <li>Water saving equipment installed for all stores in Taiwan.</li> <li>Regular review of water consumption at engineering meetings.</li> </ul>	<p>The water consumption per unit floor area was 8.34, and the water consumption per unit number of visitors and employees was 0.1216, which were both better than the values of water consumption indicators recommended by the Water Resources Agency, MOEA in 2022, namely 9.84 liters/m<sup>2</sup>*day per unit floor area and 24-36 liters/person*day of water consumption per unit number of visitors and employees.</p>

Far Eastern SOGO pays great attention to climate change. Despite not being a company that uses a lot of water resources, it still engages in self-supervision in every aspect of water conservation. Far Eastern SOGO's Tianmu Store has a rainwater recycling system, mainly used for irrigation of flowerbeds, washbasins and toilets. Since September 2021, the water recycling system of the Hsinchu Store has been integrated into the public sewer of Hsinchu City. As a result, the total amount recycled in 2022 was mainly 213 m<sup>3</sup> of rainwater recycled by the Tianmu Store. As a model of green department stores, Far Eastern SOGO's Tianmu Store received the Award of Excellence for "Outstanding Performance in Water Conservation" from the Water Resources Agency, MOEA in 2022 for its achievements in promoting water conservation measures in 2021-2022.

Far Eastern SOGO's Water Saving Measures	
Water Saving Toilet Equipment	Water saving faucets and toilets are set up at all seven stores in Taiwan.
Rainwater Recycling System	A rainwater recycling system is set up at the Tianmu Store for cleaning of the lavatory equipment and watering of plants.
Review of Water Use	The bills of water for public use and consignment counters are reviewed at monthly engineering meetings.
Inspection and Leakage Detection	Regular inspection and leakage detection are conducted at all stores. The pass rate was 100%.

## 2.5 Waste Management

### 2.5.1 Waste Management Policy

In the daily operations of department stores, Far Eastern SOGO promotes reduction from the source through sales activities and encourages consumers to recycle and reuse with various recycling incentive mechanisms, and is committed to reducing resource consumption and environmental pollution. For the final disposal of waste, waste disposal at shopping malls is focused on "waste, food waste, waste oil, waste water and waste oil smoke", which are classified as general industrial waste according to applicable environmental protection laws and regulations, and do not produce waste identified as having hazardous characteristics. All the business locations have engaged professional waste disposal companies registered and approved by the environmental protection authorities to remove waste and transport it to public incinerators for burning.

	Management Measures	2022 Results
Reduction From the Source	<ul style="list-style-type: none"> <li>Disposable and melamine tableware is not provided for customers eating meals in restaurants.</li> <li>Assistance is given to F&amp;B consignment counter lessees in the application for the green restaurant certification. No disposable tableware is provided for customers taking away their food.</li> <li>Customers are encouraged to use environmentally-friendly shopping bags. More credit points are granted for customers using their own bags for shopping at supermarkets.</li> <li>Implementation of reduced vegetable, fruit, and egg packages are conducted at supermarkets.</li> </ul>	<ul style="list-style-type: none"> <li>Credit points were granted for shopping at supermarkets with own bags in 2022, attracting nearly 13 thousand customers to participate in the activity.</li> <li>Vegetable, fruit, and egg packages were reduced by 1.16 tons.</li> <li>96% of the restaurants at stores in Taiwan passed the green restaurant certification as of April 2023.</li> </ul>
Recycling	<ul style="list-style-type: none"> <li>Far Eastern SOGO promotes "Love Yourself, Love the Earth - Recovery of Empty Cosmetic Bottles" at all stores in Taiwan.</li> </ul>	<ul style="list-style-type: none"> <li>186,000 empty bottles were recovered, and 558,000 e-credit points were granted in 2022.</li> </ul>
Final Disposal	<ul style="list-style-type: none"> <li>The Tianmu Store introduced food waste treatment machines to crush food waste and record the results of reduction. Such practice has been later promoted to other stores.</li> <li>The remaining general waste is disposed of by a qualified third-party organization under commission.</li> </ul>	<ul style="list-style-type: none"> <li>In March 2022, the Tianmu Store introduced food waste treatment machines. In September, it formally adjusted the amount of food waste declared to the Environmental Protection Administration from 15 to 6 tonnes, a 60% reduction.</li> </ul>

### Processes for Treatment of Different Types of Waste

Far Eastern SOGO has proper treatment processes for different types of waste. Waste, food waste and waste oil are waste that needs to be transported out for treatment, and each store will engage a qualified professional company to treat them based on their own needs.

Type of Waste	Centralized/Decentralized Treatment Method	Sorting Method	Treatment Method
Waste	Centralized sorting	General waste	Removed and transported for incineration by qualified companies.
		Recycling: Paper, aluminum cans, iron cans and PET bottles	Recycled by qualified companies.
Food waste	Centralized treatment	-	Treated by qualified companies → Food waste is buried, composted or used as pig feed
Waste oil	Centralized storage	-	Qualified companies collect waste oil from food counters → Food counters sign and retain documents → A declaration is filed on the website of the Environmental Protection Administration
Waste Water (Sewage)	Centralized treatment	Produced by food counters	Basic food residue interceptor → Oil interceptor at the end point → Registered for control and discharged to the domestic sewer system
	Centralized treatment	Discharged by ourselves	Basic food residue interceptor → Oil interceptor at the end point → Sewage treatment tank → Adding degreasing and deodorizing agents → Legally discharged without exceeding the statutory limit
Waste Gas (Oil Smoke)	Decentralized treatment	-	Electrostatic oil smoke treatment equipment → Concentrated to the building's exhaust ducts → Treated by the water-washing oil smoke treatment equipment on the rooftop → Discharged to the atmosphere
	Centralized discharge		

## 2.5.2 Structure of Waste Generated

In 2022, all Far Eastern SOGO stores in Taiwan produced a total of 9,209.88 tonnes of waste, including 363.23 tonnes of recycled waste, 6,675.49 tonnes of incinerated waste, and 2,171.16 tonnes of food waste.

The structure of waste generation in the department store and retail industry is highly correlated with changes in the number of visitors. In the second half of 2022, as the pandemic eased, the domestic market in Taiwan gradually returned to its pre-pandemic level of consumption, and the number of visitors to Far Eastern SOGO increased by 10% in 2022 compared to 2021, which was also reflected in the increase of 13.46% in the total amount of waste generated and the increase of 3.84% in the amount of non-hazardous waste generated per unit.

Regarding the final disposal of waste, Far Eastern SOGO promotes a reduction program in two major directions: “reducing the amount of food waste” and “increasing the recycling rate”. Far Eastern SOGO has introduced food waste treatment machines at the Tianmu Store, which has achieved a 60% reduction in the weight of food waste declared to the Department of Environmental Protection. By draining out the fat and water contained in food waste and crushing it to reduce its weight, the value of recycling can be increased.

Increasing the recycling rate not only reduces waste and lowers the cost of disposal, but also extends the useful life of landfills and incineration plants. In 2022, Far Eastern SOGO's recycling rate increased from 4.72% in 2021 to 5.16%. In 2023, Far Eastern SOGO will continue to strengthen the recycling of waste glass and paper, plastic bottles (waste plastics), aluminum cans (waste aluminum), iron cans (waste iron), fluorescent lamps and waste batteries, with the recycling rate expected to increase by another 10% to reach 5.68% in 2023.

Waste Generation Structure Table (Unit: Tonne)					
Category	Treatment Method	2019	2020	2021	2022
Recycling	On-site Disposal	-	-	-	-
	Off-site Disposal	358.4	294.8	296	363.2
Incineration	On-site Disposal	-	-	-	-
	Off-site Disposal	7,051	6,097	5,977	6,675
Food waste	On-site Disposal	-	-	-	-
	Off-site Disposal	2,332.6	2,031.9	1,845	2,171
Total		9,742.1	8,423.7	8,117.6	9,209.9
Non-hazardous Waste Produced per Unit (kg/NT\$ Million)		227.29	201.32	197.03	204.6
Non-hazardous Waste Produced per Unit Compared to Previous Year (%)		-4.04%	-11.43%	-2.13%	3.84%

Note:

1. Recyclable Waste: This was treated by a qualified third-party service provider under commission. The recyclable waste of the Hsinchu Store was treated by Big City and the data was not included in the calculation.
2. Waste to be Incinerated: This was disposed of by a qualified third-party organization under commission and reported pursuant to the regulations of the Environmental Protection Administration governing industrial waste. The waste of the Hsinchu Store was treated by Big City. Incinerated data were not included in the calculation.
3. Food Waste: Food waste was collected and recovered in a different way depending on the local government. Among the 7 stores of Far Eastern SOGO, only the Zhongli Store, Fuxing Store, Dunhua Store and Tianmu Store are required by the Department of Environmental Protection, Taipei City Government to declare the amount of food waste generated. The remaining 3 stores (Zhongli Store, Hsinchu Store and Kaohsiung Store) only record the amount of food waste internally. This table only shows the amounts of food waste at the Zhongli Store, Fuxing Store, Dunhua Store and Tianmu Store.

# 3 Assured Service Power

Far Eastern SOGO aims to achieve the goal of “Best in Service Appraisal” and integrate the Japanese department store’s delicacies and Taiwan’s friendly culture in order to provide warm and quality service. For customer groups, the Company has established seven main clubs in order to satisfy the purchase demands of all customer groups. Product safety and transparency are controlled rigorously in order to enhance consumers’ trust, and to establish the company as a role model of “Food Safety Management” in the department retailing industry.

## Corresponding SDGs



### ► Response to Sustainability Topic

- Product Safety and Transparency
- Customer Relations and Communication

### ► Primary Stakeholders

- Employee
- Customer
- Lessees (Counters)

New Tableware Era 5.0

**96%**

of restaurants qualified for the green restaurant certification of the Environmental Protection Administration

Customer Service Center evaluated and received

**Golden Medal**

APP members reached

**1.16**  
million

Annual increase of  
**28.03%**

**88%**

of Food Court catering operators qualified for the GHP certification

**97%**

of these catering operators ranked as Outstanding

Fresh Club members exceed

**50,000** people

**7 Main**

Club Customer Divisional Service

**88%**

customers are satisfied with Far Eastern SOGO's “maintenance of product safety”

Significant increase of  
**6.2** percentage points

### 3.0 Strategic Results and Planning

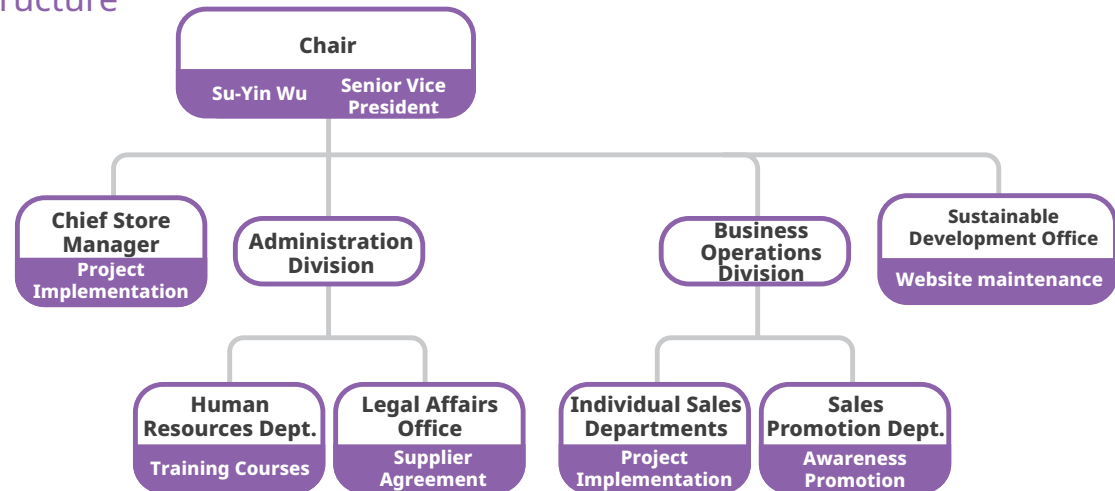
Material Issue		Product Safety and Transparency	Customer Relations and Communication
Impact		Far Eastern SOGO has transparently disclosed the traceability information of its products and ensure the management mechanism and practices for the quality of its products. It also checks whether its stores and products have taken into account the health and safety of customers, such as restricting or banning the use of harmful additives.	The two-way communication channels between customers and Far Eastern SOGO; Far Eastern SOGO's ways of response to and handling of customers' opinions.
Policy and Commitment		Maintaining control for customers, reducing operational risks, and creating a corporate image.	Providing satisfactory services and building a safe and secure store to create a brand connection between customers and Far Eastern SOGO.
GRI Standards		GRI 416: Customer Health and Safety; GRI 417: Marketing and Labeling	
Corresponding SASB indicator		Product Traceability, Packaging and Marketing (CG-MR-410a.1, CG-MR-410a.2, CG-MR-410a.3)	Customized indicators: Customer complaint case closure rate and customer satisfaction.
Management Actions	Preventive and Mitigating Actions	Inspecting anniversary gifts regularly and others items from time to time, with the results announced on the ESG website.	<ul style="list-style-type: none"> <li>Strengthening employee training to provide customer satisfaction.</li> <li>Serving customers with seven Clubs segments.</li> <li>Strengthening product management and traceability.</li> </ul>
	Concrete Action Plans	Regularly inspecting and enhancing product labeling and traceability to improve customer satisfaction.	<ul style="list-style-type: none"> <li>Regular monthly awards for Outstanding Service Stars and annual awards for model self-employed and counter staff members, which are announced at daily morning briefings and on the staff bulletin board.</li> <li>Providing measures to ensure a safe shopping mall.</li> </ul>
Outcome Follow-up		Customer satisfaction surveys, number of times a product is pulled from the shelves or recalled, number of customer complaints, media reports, increase in the number of customers, and the number of violations of food safety or customer safety laws and regulations.	Customer satisfaction surveys, number of customers injured, statistics of customer feedback, media reports, online community opinion, and membership growth rate.
Stakeholder Engagement		<ul style="list-style-type: none"> <li>Externally, announcements are made through self-media, the ESG website, in-store LCD screens and DMs for special days from time to time.</li> <li>Internally, announcements are made through daily morning briefings, eWork and staff bulletin board.</li> <li>Customer satisfaction and employee satisfaction surveys are conducted regularly on an annual basis.</li> </ul>	
Short-term goals		<ul style="list-style-type: none"> <li>Food counter GHP (Good Hygiene Practice) verification, drinking water quality and ice cube testing 100% pass rate.</li> <li>Increasing the number and percentage of Taiwan Agricultural Products (TAP) on the shelves.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing the convenience and smoothness of complaint channels to protect the rights of customers.</li> <li>Continuing to seek pedestrian-friendly measures to facilitate the movement of customers into the store.</li> <li>Promoting the certification as a "safe place" to establish a safe shopping mall.</li> </ul>
Medium- to Long-term Goal		<ul style="list-style-type: none"> <li>Improvement of quality management and increase of Procurement Department personnel training.</li> <li>Implementation of third-party certified management systems, incorporation of risk hazard control such as the HACCP (Hazard Analysis and Critical Control Point) Food Safety Management System Certification.</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of customer loyalty through optimization of services.</li> <li>Introducing the ISO 9001 quality management system to enhance customer satisfaction.</li> </ul>
Annual Highlighted Results		<ul style="list-style-type: none"> <li>We assisted new restaurants in receiving the "green restaurant" certification from the Environmental Protection Administration, 96% of all restaurants in Taiwan receiving the certification. Most of the non-certified restaurants are new counters, and we will continue to provide assistance to them.</li> <li>The supermarket at the Zhongxiao Store was renovated and introduced a UV disinfection chamber for shopping carts.</li> <li>Enhancing product traceability: The vegetable and fruit section of the supermarket has introduced products with complete production traceability as well as clear and transparent information about their origins, so that customers can feel safer when purchasing them.</li> <li>Fresh Club at the Zhongxiao Store has given newly joined members eco-friendly bags as a gift, joining hands with customers to reduce carbon emissions and the use of paper bags.</li> <li>88% of customers were satisfied that Far Eastern SOGO "maintains product safety", a significant increase of 6.2% compared to 2021.</li> <li>88% of the food counters and restaurants in the food courts of our stores across Taiwan have passed the GHP certification, with 97% of them being "Excellent". The non-certified restaurants are new counters, and we will continue to provide assistance to them.</li> <li>We won the Gold Prize at the Taiwan Best Customer Center Award.</li> </ul>	



## 3.1 Merchandise Safety Management

### 3.1.1 Merchandise Safety Management and Structure

We established the “Merchandise Safety Promotion Commission” in 2015 to control the safety of products and F&B consignment counters for consumers and reduce operational risk. The Commission is subordinate to the “Corporate Sustainability Committee” and ranked higher than the Administration Division and Business Operations Division. It is formed by the chief store managers of the stores and representatives of relevant business units; the Sales Promotion Department, Data Processing Department, Human Resources Department, and Legal Affairs Office. Wu Su-Yin, a senior vice president, acts as the Chair of the Commission. The Merchandise Safety Promotion Commission is responsible for implementation of tasks pursuant to the merchandise safety management plan and provision of education and training. Through the committee operation, we achieve joint collaboration from “We (SOGO)” to “We (Stakeholders)” for product safety management, including the cooperation with suppliers of small farmers for the organization of food safety training and promotion. In addition, we also continue to implement boutique merchandise safety and food sanitation management and regulate suppliers with the “Supplier Corporate Social Responsibility Clauses”. Over the past years, the Merchandise Safety Promotion Committee has promoted numerous important projects in order to ensure shopping safety, thereby echoing the SDG12 responsible production and consumption.



### 3.1.2 Merchandise Management Mechanism and Action Plan

“Merchandise Safety” and “High Service Quality” are the core to the sustainable operation of department and retail industry. Far Eastern SOGO assumes the responsibility of merchandise safety properly and performs health and safety impact assessment on all merchandise, in order to ensure that there is no significant negative impact on consumers. For special event gifts, we also request suppliers to provide third party inspection report and also set up the “Merchandise Safety” section on the ESG website in order to announce the merchandise testing and raw material source information. With the sustainable purchase principle, we have explicitly specified the “Corporate Social Responsibility Clauses” (Sustainability Clauses) in the contracts in order to request suppliers to comply properly. Furthermore, we also actively focus on the two main aspects of “Merchandise Labeling” and “Catering Hygiene” to implement periodic inspection and optimization.

Item	Inspection of Labeling		Inspection of Food Sanitation
	Cosmetics Management	General Merchandise Management	
Description	Far Eastern SOGO has earned the reputation of palace for cosmetics queen. Accordingly, we establish merchandise periodic inspection process to control the safety of on-shelf merchandise, such that we are able to achieve great customer trust.	For the self-operated supermarket, the also implement rigorous control on merchandise, and material incoming is made in the unit of batch with 100% thorough inspection to check the origin, price and expiration date information indicated on merchandise. In addition, all information is also verified with the purchase order slips, such that various inspection stages are adopted to ensure the proper labeling of on-shelf merchandise.	According to the regulations of the “Hygiene Management Self-Inspection Checklist for Catering Industry” of the Department of Health, Taipei City Government, self-inspection on 5 categories and 72 items are performed daily, such that the hygiene management is implemented in the daily operation management, and the evaluation result is used as the basis to praising and recognizing outstanding boutiques.



Item	Inspection of Labeling		Inspection of Food Sanitation
	Cosmetics Management	General Merchandise Management	
Promotion Method	We emphasize the on-shelf merchandise management principles for cosmetics and implement periodic inspection process, in order to ensure that cosmetics are sold with the expiration date greater than one year, and guaranteeing that trial use cosmetics at boutiques also have expiration date greater than half a year.	(1) Daily supermarket label inspection: During the supply of goods, label inspection is performed numerous times for merchandise on each aisle, and the information on the origin, price and expiration date is inspected rigorously, along with the random inspection irregularly, in order to ensure the properness of labels. (2) Rigorous requirement for clear labeling of merchandise from five counties and cities of Fukushima Japan: Since the opening of the import of food from five counties and cities of Fukushima Japan on April 1, 2022, we have requested the clear labeling of the details of the origin of related counties and cities. (3) Regulations for incoming goods labels indicated in batches and on-shelf trial merchandise periodic inspection are established. (4) For the vegetable and fruit section of the supermarket, products of complete production resume are introduced for sale, and the origin information is transparent.	(1) Food Good Hygienic Practices (GHP) certification: We assist catering boutiques to apply for the GHP certification, and a total of 88% of restaurants in our stores throughout Taiwan have qualified the certification. For those that have not yet obtained the certification, they are mostly due to the delay of the inspection operation of the Department of Health or are new boutiques to our stores. (2) Drinking Water and Edible Ice Cube Inspection 100% of catering boutiques in Taiwan are inspected periodically and are qualified for random inspection by the local competent authority of Department of Health. Inspection items include: Coliform bacteria, total colony count, turbidity, color, nitrate nitrogen, nitrite nitrogen, PH value, total plate count, etc. (3) Implementation of other projects For the three consecutive years during the COVID-19 pandemic, an epidemic control meals (home cooking) competition was organized to promote the concept of a healthy diet to stakeholders
Key project	—	Far Eastern SOGO's New Era of Tableware	Epidemic control meal competition
Result in 2022		The project has evolved to its 5.0 version since 2020. Far Eastern SOGO takes the lead in the department store industry to assist F&B consignment counter lessees with the application to the Environmental Protection Administration for the "Green Restaurant". Up to April 2023, 96% of restaurants in Taiwan qualified for certification (please see Chapter 2 Sustainable Environment Power for details)	Use the enterprise function to promote a healthy diet and green meal concepts, and assist catering boutiques to improve and launch award-winning cuisine jointly, in order to share the outcome with more customers (please see Chapter 5 Social Impact Power for details)

### Cosmetics Management Regulations

#### [Incoming Merchandise Labels Indicated in Batches]

- Self-operated merchandise incoming period indicated in batches of A-Z
- Half year intervals
- Clear identification of incoming period onsite

#### [Merchandise Sales with First-In-First-Out Principle]

- Inventory taking semi-annually
- Inventory taking in different periods and sections
- Different periods of merchandise shall not be placed together

#### [Expire Date Inspection Regulations]

- Products for trial use are inspected every Monday and Thursday
- Products for trial use with validity period less than 6 months are removed from shelf immediately
- Inspect expiration date of merchandise for sale during inventory taking at the beginning of each month
- For merchandise with preservation period less than one year after sale, such merchandise is provided to customers as gifts
- Inspection Responsible Person: Section Supervisor of Sales Section

For merchandise safety management, please refer to: <https://esg.sogo.com.tw/5-sgs.php>

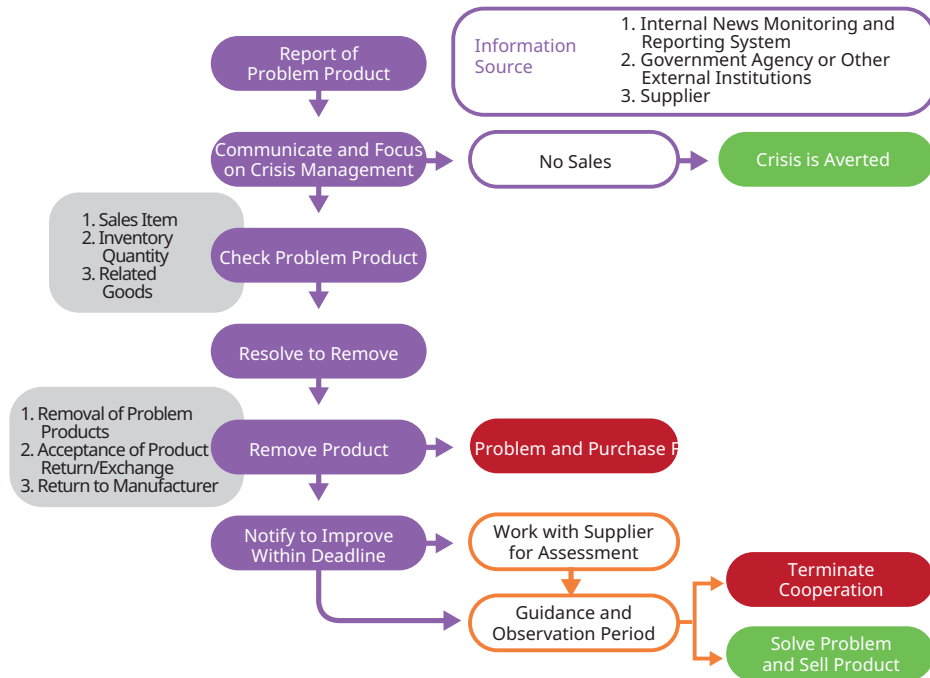
## Formulation of “Merchandise Safety” Action Plans to Meet the Requirements of Stakeholders

Stakeholder	Merchandise Safety Action Plan	Customer feedback
Contractor	<ul style="list-style-type: none"> <li>Establishment of a merchandise safety area.</li> <li>Assistance to F&amp;B consignment counter lessees with the application for GHP.</li> <li>Assistance to catering boutiques for periodic inspection of drinking water and edible ice cubes, and qualifying for random inspection by the local competent authority of Department of Health</li> <li>Assistance to F&amp;B Consignment Counter Lessees with Acquisition of the Green Restaurant Certificate.</li> <li>Establish merchandise periodic inspection process</li> <li>Strengthen merchandise source tracking, and introduce eco-friendly brands</li> </ul>	<ul style="list-style-type: none"> <li>88% of customers were satisfied that Far Eastern SOGO “maintains product safety”, a significant increase of 6.2% compared to 2021.</li> <li>79.6% of customers recognized “Far Eastern SOGO’s promotion of green diet with consumers”</li> <li>Fresh Club supermarket members exceeded 50,000 people, indicating a double-digit growth ratio of members since the renovation in August</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Promotion of knowledge on merchandise safety via self-media.</li> <li>Protection for customers having their meals in restaurants.</li> <li>Provide sustainable consumption experience</li> </ul>	<ul style="list-style-type: none"> <li>84.4% of customers satisfied with “Far Eastern SOGO’s promotion of green consumption awareness with consumers”</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Internationalization of Daily Morning Meeting Report, eWork, and ESG newsflash knowledge.</li> <li>Establishment of ESG innovative proposal award to encourage staff to propose optimization of current equipment or mechanism</li> <li>Workshop and management course.</li> <li>Implementation of the merchandise inspection system.</li> </ul>	<ul style="list-style-type: none"> <li>87.3% of customers recognized the notion of “I trust Far Eastern SOGO’s merchandise”</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>Implementation of the supplier evaluation system.</li> <li>Autonomous sanitation management.</li> <li>Information disclosure (daily)</li> <li>Source management (monthly)</li> <li>Self-inspection (quarterly)</li> <li>Application for evaluation (yearly)</li> </ul>	<ul style="list-style-type: none"> <li>88% of customers satisfied with the “Far Eastern SOGO’s maintenance of merchandise safety”</li> </ul>
Community/ General Public	<ul style="list-style-type: none"> <li>Promotion of new knowledge and international initiatives on merchandise safety and sustainable consumption via self-media.</li> <li>Organization of epidemic control meal competition to promote a healthy diet, and the 2022 evaluation items further include “Green Diet” in order to integrate sustainability into the competition</li> </ul>	<ul style="list-style-type: none"> <li>73% of participants believed that participating in the epidemic control meal competition was helpful to the improvement of their understanding of a sustainable diet and green meals</li> </ul>
Media Supervisory Enterprises and Business Operators	<ul style="list-style-type: none"> <li>Through “SOGO Sustain · Good Things Are Easy to Choose”, food festival DM to promote the concept</li> </ul>	<ul style="list-style-type: none"> <li>81.9% of customers recognized “Far Eastern SOGO’s promotion of sustainable consumption, and recommendation of sustainable merchandise to consumers”</li> </ul>

## Problem Product Removal Process

To enhance the control of products, in 2016, Far Eastern SOGO established the "Product Safety Monitoring Network" in order to link relevant units through message communication software. When the competent authority requests to perform inspection at Far Eastern SOGO, or a dedicated person performs daily media and government information monitoring, in case of finding any issues, the Company initiates the "Problem Product Risk Monitoring Procedure", and the Problem Product Risk Control Team then tracks the handling result.

If there is no violation of any laws but the product is nonconforming, Far Eastern SOGO may request the supplier to cooperatively remove such product from the shelf according to appropriate rules and regulations, and may also provide product return and exchange channels based on the principles of 'customer first' and ethics.



## Recall Event

In the past, in case of a product recall, such product is removed from the shelf immediately after notice is received, and for a malicious merchandiser, the business is suspended or cooperation is stopped, and it is also requested to cooperate with the product return and exchange handling. In 2022, there were no product recall events.

## 3.3 Customer Relationship and Service

### 3.2.1 Customer Relationship Management and Communication

#### Experience of Caring Service

Far Eastern SOGO aims to achieve the goal of "Best in Service Appraisal" and integrates the Japanese department store's delicacy and Taiwan's friendly culture in order to provide warm and quality service.

During the daily store opening and closing, all employees provide the greeting of "Welcome" and "Thank you for visiting our store" to all customers in order to establish the routine service tradition in daily lives. Since the opening of the Zhongxiao Store in 1987, the store has retained the "Elevator Assistant" service as a characteristic and tradition of the store.

In addition, a service counter is installed to provide response and assistance to customers for their questions and needs, most of service counters are installed at 1F of each department store to provide various caring services. Masks and other sanitary utensils are available during the pandemic for customers in need.

#### Store Opening and Closing Greeting

- "Daily Greeting": Welcome; Thank you for visiting our store
- "Sincere Greeting": Supervisor on-duty and customer service personnel bow at a 45 degree angle with a sincere greeting

#### Elevator Reception Service

- "Elevator Assistant"
- "Elevator Recording": Proper service greeting to each customer

#### Service Counter


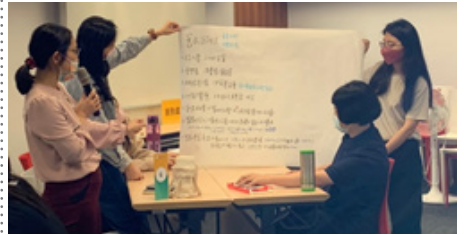

- installed at 1F, to provide response and assistance to customers' questions and needs
- "Caring Service": Foreign exchange, stroller/pushchair lending, postage stamp sale, lost and found handling, etc.
- "Epidemic Countermeasures": Providing masks and hand sanitizer for people's use




To understand the story of Elevator Assistant of Far Eastern SOGO

## Diversity in Communication

Far Eastern SOGO communicates sustainability and public welfare topics with stakeholders via its ESG website, Facebook fans club, morning meeting/report, ESG news and educational training. Externally, we exert our influence and goodwill to drive the momentum for society to make progress. Internally, on the other hand, we improve our employees' perception of and familiarity with the Company's sustainability and social welfare plans to encourage their engagement, thereby creating substantial influence.

	Communication Channel	Description	Relevant Website and Content
Internalization of sustainability as the foundation	Morning Daily Report/ESG News/eWeek	Through the internal medium, including the daily issue of "Morning Daily Report", Far Eastern SOGO's sustainability actions, award winning information, industrial sustainability related news and public welfare information are shared, in order to improve the sustainability awareness of employees and suppliers.	
	ESG Best Contribution Award and Innovative Proposal Award	The ESG Best Contribution Award is organized annually, and through internal selection, teams or individuals with outstanding sustainability contributions are rewarded. In 2022, the ESG Innovative Proposal Award was further introduced, and it is to encourage ideas and thoughts on sustainability actions that can be improved by the Company. For the winning proposal, in addition to prize money, such proposal may also be implemented by relevant departments depending upon the feasibility. A total of 40 proposals were received in 2022.	
	Sustainability Prized Quiz Event	Since 2022, through the prized quiz event, education and entertainment can be achieved simultaneously, and a total of 700 employees have participated in the event, and the response rate was 55%.	
	Education and Training	Instructors are invited to share new information related to sustainability, social welfare needs and environmental protection concept implementation, etc. Since 2022, all new employees are required to receive the half-hour sustainable education introduction course. Scholars, consultants, social innovation teams and ESG Execution Committee are invited occasionally to share sustainability trends. In 2022, a total of 11 hours of events were organized, and 170 people participated in these events.	
Proactive external engagement	Far Eastern SOGO's official ESG website	Far Eastern SOGO is the first department store in Taiwan to activate its ESG website, and it includes its ESG Report, Merchandise Safety Section, Public Welfare Activity, Honor and Recognition, etc., in order to serve as an interactive platform with stakeholders. In 2022, SOGO APP and SOGO website were linked, and it has accumulated more than 20,000 views both on the website and APP.	 <a href="https://esg.sogo.com.tw/">https://esg.sogo.com.tw/</a>

	Communication Channel	Description	Relevant Website and Content
Proactive external engagement	Far Eastern SOGO's ESG fan club on Facebook	Through social media's ability to work in real time, its high cohesion of fans and facilitated sharing and transfer, Far Eastern SOGO ESG FB fans page timely discloses public welfare information and sustainability related knowledge. In 2022, a total of 66 articles were posted, and 14,564 people viewed the posts.	 <a href="https://www.facebook.com/SOGOESG">https://www.facebook.com/SOGOESG</a>
	Far Eastern SOGO's self-media	The Company's sustainable actions are shared on its own media, and since 2022, articles are posted according to the international sustainability dates on a monthly basis, and a total of 150,000 people have viewed the posts through the fans pages of each store.	

### Prestige VIP Service

Far Eastern SOGO further establishes the VIP Service Section stationed at the VIP Lounge/Card Member Service Center, and the service items include card related affairs, sales of gift vouchers and tax refund, etc. Service personnel must have professional finance knowledge, outstanding foreign language proficiency and shall make a good contribution to citizen diplomacy during service. To thank our VIP customers, the Company has established the "VIP LOUNGE" to allow customers to rest in a quiet and separate space, with available services including books/newspaper reading, tea/drink and snacks, massage chairs, shoe polishing machine, iPad lending, etc. In addition, exclusive special offers of hotel accommodation and dining, beauty and skin care, and fitness, etc. are also provided.

### Premium Guest Sustainability Experience

To cope with the international trend, since the autumn of 2022, each store organizes the VIP WEEK event during the spring in March and autumn in September of each year. Through the hands-on teaching and workshop, premium guests are invited to use eco-friendly materials, old clothing modification or leftover fabrics, recycled accessories and shopping bags to experience the concept of recovery, recycling and regeneration of resources, thereby implementing environmental protection in real life.



## Seven Club Service Segmentations

To provide services that match actual needs, Far Eastern SOGO integrates member data and creates Seven Clubs, among which Sports Club was launched during the beginning of 2022.

Category	Start Time		Number of Members (up to the end of December 2022)	Special Offer/Service
Far Eastern SOGO VIP	VVIP Club	2015	1,530	In addition to VIP special services, VVIP members are entitled to a one-time only 3-year membership period, and free parking for 6 hours per day, and the discount of +1% off the purchase of SOGO gift vouchers/product vouchers above the amount of NT\$1 million (annual limit of NT\$5 million). Premium member prestige services are provided, and Premium members are invited to participate in 27 sessions of art and exquisite product display and other special events and shopping services.
	VIP Club	2006	8,340	
Premium Club	2019		28,672	Allowing potential VIP customers to have the opportunity of experiencing VIP special services in advance
Wedding Club	2018		60	As the first department store in Taiwan, the Company gathered 200 wedding related brands and implemented a cross-sector alliance to provide weddings and new family experiences, special offers and customized services to new couples
ThanQ Club	2000		38,157	For parent-child customer groups, exclusive discount electronic newsletters, events schedule and shop visiting gifts are sent out monthly. Customers are able to use the children's playground in each store in advance and are eligible to participate in the "Children Customer Service Experience Camp" and "Low Carbon Education Small Trip", etc.
Fresh Club	2019		57,399	A membership enrollment gift, purchase reward and Wednesday membership date with double membership points, special offers for supermarkets on the 30th of each month, and periodic invitation for various delicacy exhibitions and small farm fairs
Beauty Club	2020		115,682	Customers with purchases reaching a certain amount at designated cosmetic/perfume boutiques are eligible to join the membership, and to receive membership enrollment gifts. Triple purchase points for single transaction purchases at designated cosmetics and perfume are issued, and members are also entitled to redeem membership points to exchange for new products for trial use and cosmetics small gifts on occasion, and points may also be redeemed to exchange for beauty product purchase discounts
Sports Club	Zhongxiao/ Fuxing March 2022 Hsinchu July 2022 Tianmu January 2023		11,306	Customers with single transaction purchases at designated sports/golf wear brand of Zhongxiao Store/Fuxing Store/Hsinchu Store/Tianmu Store reaching NT\$2,000 on the same day are eligible to become members. Double membership points are issued for designated event periods, additional sports goods purchase discounts, irregular exclusive special events for members only, Happy Go Pay membership enrollment gifts, additional points issuance

## Digital Innovations in Connection with Your Shopping Journey

As smartphones have become ubiquitous for the general public, the number of downloads of Far Eastern SOGO APP has indicated exponential growth since 2015. Through the APP integrated digital services, including HAPPY GO membership points collection, parking fare discount, electronic discount voucher/coupon/store visiting gift exchange, and special offers information announcements of each store, the usage rate of the APP has been increased. In addition, digital integration is also applied to promote green action, in order to reduce paper printing and to respond to the sustainability principle of Far Eastern SOGO. The number of SOGO APP members up to the end of 2022 has increased to over 1.16 million members, a growth of 28.03% from 2021.

Far Eastern SOGO APP Download Statistics				
	2019	2020	2021	2022
Accumulated number of downloads	205,273	598,969	904,287	1,160,135

## Feedback Management

Far Eastern SOGO is the first department store in Taiwan to introduce Japanese service management. In 2010, the Company's recourses were integrated to establish the Customer Service Center in Kaohsiung for managing the telephone calls of all branch stores, and employees receiving telephone calls are able to provide responses in an active manner in order to establish great impression to customers and to enhance customer stickiness.

Presently, there are a total of 79 customer service personnel including 7 personnel in Kaohsiung Customer Service and frontline staff of service counters and VIP lounges. New employees are required to receive 14-day occupational training for a total of 112 hours before being put into actual service in the field, and training courses include role positioning, service scope and brand knowledge. In addition, the online operation model adopted in recent years also requires answering telephone calls and other diverse works, including the implementation of important customer service principles. Two-days-one-night external training is also arranged annually, in order to enhance cohesion of customer service personnel, and to exchange with operational sales, thereby understanding the service trends and the handling process, as well as maintaining a sense of accomplishment and passion.

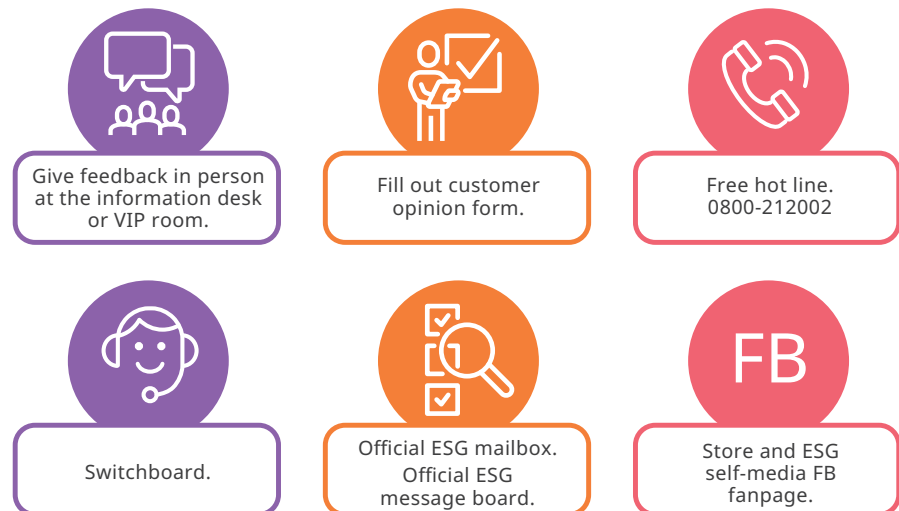
In 2022, the customer service center team received 201,000 telephone calls. To enhance management and to track customer feedbacks, Far Eastern SOGO has established the "Customer Feedback Handling Procedure" in order to comprehensively manage customer feedbacks. In addition, the e-management system has also been

established, and the customer service center is responsible for the filing, subsequent follow-up and improvement of service quality. In 2022, there were a total of 346 customer feedback cases, among which 221 cases were compliments (accounting for 64%), a decrease of 3 percent from 2021, and the other 125 referred to customer complaint cases (36%), an increase of 3 percent from 2021, and the complaint contents mostly referred to process deficiency, such as failure to remove the magnetic buckle of merchandise purchased, incorrect information provided for unfamiliar store activities, incorrect amount, etc. Far Eastern SOGO performs review and adjustment monthly, and continues to promote and enhance education and training.

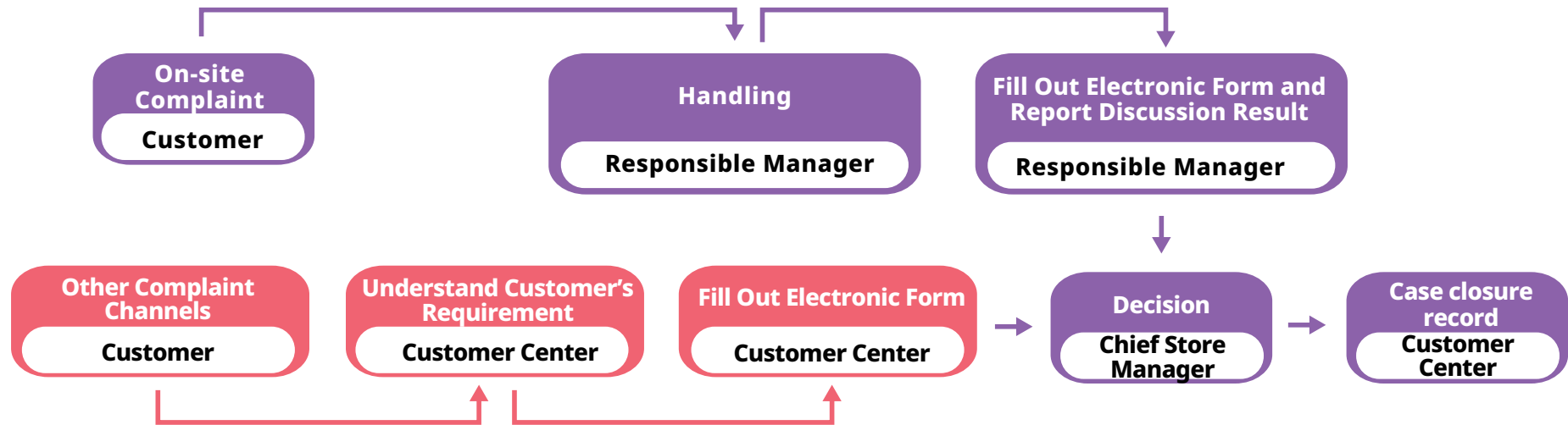
Far Eastern SOGO customer service personnel uphold the service principle of "resolving customer's problem and proposing alternative solutions" and actively consider subsequent steps for customers and provides caring and convenient measures, in order to allow customers to have a positive experience. In 2022, the Company received the Golden Award for Taiwan Customer Service Center Appraisal for Department and Shopping Center.

Historical Customer Feedback Statistics				
Year	2019	2020	2021	2022
Praise Ratio	53%	63%	67%	64%
Complaint Ratio	47%	37%	33%	36%

## Customer feedback channel



## Customer feedback handling procedure



## ESG Customer Service Satisfaction and

### Topic Influence Survey

Far Eastern SOGO entrusts a market survey company to understand customer feedback annually. During the beginning of 2023, with the members of HAPPY GO as the statistical population, for customers making at least one (inclusive) purchase/point collection at Far Eastern SOGO department stores during the last year (2022.01.01~12.31), 1,068 people were sampled (95% confidence level with sampling error of  $\pm 3.0\%$ ) in order to perform ESG customer satisfaction and topic influence survey with respect to the three main aspects of brand consumption power, public participation power, and innovative management power.

Brand consumption power	<ul style="list-style-type: none"> <li>Satisfaction over 90.7%</li> <li>Future purchase willingness of 88.9%</li> </ul>
Public participation power	<ul style="list-style-type: none"> <li>78.6% of customers satisfied with Far Eastern SOGO's safe shopping environment during the pandemic period</li> <li>84.5% of customers satisfied with the cleanliness of the shopping mall and toilets</li> <li>80.3% of customers satisfied with the maintained cleanliness of the food court</li> </ul>
Innovation management power	<ul style="list-style-type: none"> <li>89.2% of customers satisfied with the secure department store established by Far Eastern SOGO</li> <li>87.1% of customers satisfied with Far Eastern SOGO's "Customer Complaint Handling Speed"</li> </ul>

## Brand consumption power

Far Eastern SOGO upholds the principles of sustainable operation and innovation. In 2022, the overall satisfaction indicated great scores again, and compliments were received from 90.7% of customers. For four consecutive years, the satisfaction has been maintained above 90%. In addition, 88.9% of customers are willing to “continue to purchase products from Far Eastern SOGO in the future”. In addition, consumers’ recognition for “attention to promotion information or recommended products from Far Eastern SOGO” in the last years has decreased. It indicates that as e-commerce continues to grow and retail business opportunities recover during post-pandemic era, Far Eastern SOGO must further provide services matching with the customers’ expectation, in order to continue to be a benchmark enterprise in the retail market.

## Public participation power

With the epidemic control outcome foundation established in the past, Far Eastern SOGO actively cooperates with the government's elevated epidemic control policy, and nearly 80% of consumers feel secure about the safe shopping environment established by Far Eastern SOGO according to the epidemic control rules. More than 80% of customers feel safe and secure about Far Eastern SOGO's the alcohol/disinfectant installed at fixed spots throughout the shopping mall and toilet” and “maintained disinfection of food court”.

With regard to the environmental policy, “active promotion of paperless operation” (62.0%) is the item most recognized by consumers of Far Eastern SOGO, demonstrating the outcome of Far Eastern SOGO's promotion of electronic gift vouchers and cloud invoices in recent years. The Company's “promotion of green consumption awareness” (51.5%) and “use of eco-friendly and recycled materials” (40.8%) also indicate great recognition.

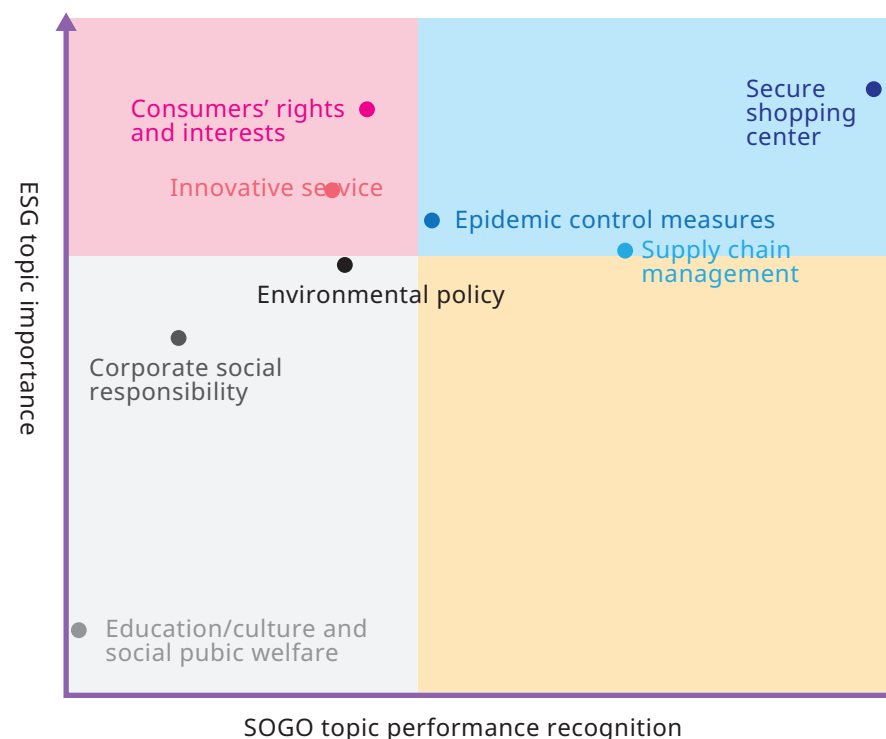
## Innovation management power

Nearly 90% of consumers provide positive feedback on the overall satisfaction of Far Eastern SOGO's establishment of a safe and secure department store. 88% of customers are satisfied with Far Eastern SOGO's maintenance of product safety, an increase of 6.2 percent from 2021. 77.4% of customers are satisfied with Far Eastern SOGO's protection of consumers' rights and interests, and among which 87.1% of customers are satisfied with Far Eastern SOGO's “customer complaint handling speed”. With regard to product safety, the Company receives the highest recognition for “proper planning of hazard warning slogans at shopping center” (60.6%).

## Influence of Sustainability

With regard to the importance of sustainability, consumers are of the opinion that department store operators shall focus on the establishment of a “secure and safe shopping center” (95.8%), “protection of consumers' rights and interests” (95.5%), “release of innovative services and quality products” (94.4%), ad among which, consumers are satisfied (89.2%) with the secure department store established by Far Eastern SOGO, which are the items receiving the highest attention and satisfaction among feedback.

Customers' concern on the environmental policy, corporate social responsibility, education/culture and social public welfare topics are relatively lower, which, in turn, also affects Far Eastern SOGO's evaluation on the outcome of these topics. Far Eastern SOGO will continue to communicate relevant topics and increase awareness of their importance to customers.



Product Safety Awareness Survey Result				
Year	2019	2020	2021	2022
Product safety satisfaction	85.5%	84.0%	81.8%	88.0%
Shopping center safety satisfaction	--	--	--	89.2%
Epidemic control satisfaction	--	78.4%	77.6%	78.6%

	Brand consumption power				Public participation power			Innovation management power				
	Brand attitude	Satisfaction	Loyalty	Purchase willingness	Environmental policy	Education and culture	Epidemic control measures	Consumers' rights and interests	Product safety	Secure department store*	Supply Chain Management*	Innovative service*
Annual increase/decrease (%)	▲0.8%	▲0.7%	▼2.1%	▲1.1%	▼1.9%	▼4.5%	▲0.9%	▼1.1%	▲6.2%	N/A	N/A	N/A
2022Y	86.6%	90.7%	68.8%	88.9%	76.6%	70.0%	78.6%	77.4%	88.0%	89.2%	83.0%	76.5%
2021Y	85.8%	90.0%	70.9%	87.7%	78.5%	74.5%	77.6%	78.6%	81.8%	N/A	N/A	N/A
2020Y	86.6%	90.9%	71.9%	87.8%	76.9%	75.0%	78.4%	80.9%	84.0%	N/A	N/A	N/A
2019Y	87.9%	90.0%	68.4%	88.8%	78.9%	75.8%	N/A	80.0%	85.5%	N/A	N/A	N/A
2018Y	84.6%	86.9%	64.3%	85.5%	73.3%	71.4%	N/A	74.9%	79.2%	N/A	N/A	N/A

Note: \* refers to new topic further included in 2022



### 3.2.2 Service Management Policy and Inspection

All employees and boutique partners of Far Eastern SOGO comply with the service principle of “Smile, Lively, Agile” and also uphold the philosophy of Far Eastern SOGO “providing the most friendly and caring services to gain customers’ trust and satisfaction”.

Phase	Item	Description	Inspection outcome		Description
			Unit	People/qualification rate	
Training	Regular training	Service counter and elevator service personnel training	Number of trainees (People)	1,431	
	External Training		Number of trainees (People)	0	Canceled due to COVID-19 pandemic
	Enhanced Service Training	Self-operation and boutique staff under appeal	Number of trainees (People)	23	
Inspection	Team Competition	A team competition is organized every two months, and different themes are set up for random inspection at the service level, such as fire safety competition, quality etiquette competition, and store guidance competition. Each boutique (Zhongxiao Store/Fuxing Store) or each unit/floor (other external shop) assigns representative to perform inspection, in order to verify staff's familiarness of the shopping center and to protect customer safety.	Number of staff inspected (People)	18,186	Including the participation of 866 boutiques in Zhongxiao Store, and 502 boutiques in Fuxing Store and other stores
			First-time inspection qualification rate (%)	95.10%	For those failing to reach the qualified score, inspection is implemented continuously until qualification
Management	Management by Waking Around	Event periods, new products and sustainability information are conveyed through the morning daily report. Floor management personnel perform patrol inspection of boutiques in order to improve the service skills and awareness of frontline personnel.	<ul style="list-style-type: none"> <li>Product information and matters requiring attention of floor personnel are conveyed clearly through the daily morning announcement, “Morning Daily Report”</li> <li>Floor management personnel perform patrol inspections 3-5 times per day</li> <li>According to the event period and floor needs, “Caring Station” is installed to provide services and to handle accidental situations</li> </ul>		
Praise	Outstanding Service Stars	Outstanding service stars are awarded through the morning daily report on a monthly basis, and posters are also posted at the bulletin board monthly, in order to share working experience and comments, thereby creating a positive influence. The Chief Store Manager sends a thank-you letter to the brand supplier to show our appreciation for the outstanding attitude and professional capability of its service personnel at Far Eastern SOGO.	A total of 72 outstanding service stars were rewarded in 2022		

## 3.3 Shopping Center Safety Maintenance

### 3.3.1 Environmental Safety and Health Management

Far Eastern SOGO values safety and health management, and performs periodic patrol inspection of the environment, in order to protect the safe shopping environment of customers and workers. Key points of patrol inspection refer to the environmental sanitation and 5S autonomous management. The Administrative Vice President convenes the safety health meeting for stores nationwide on a monthly basis, in order to review deficiencies found during the patrol inspection. There were no safety violation cases in 2022.

Each store is equipped with an emergency power generator, and backup power can be activated immediately in case of power outage and is able to supply approximately 25% of the lighting electricity for the shopping center and elevator as well as staircase lighting equipment, thereby ensuring the customers are able to move safely. Furthermore, each location is installed with AED (Automated External Defibrillator). In addition, the Company also self-manages sanitation and disinfection according to the "Notifiable Infectious Diseases Prevention and Control Project" implemented by the relevant government authority, and works with the government health agency to promote epidemic control in order to establish a safe and secure working and shopping environment.



Category	Item	Inspection Frequency
Friendly Facility	Routine inspection of AEDs and first-aid kits, inspection of the nursing room's cleanliness, walking around to inspect the store floors.	Every Day
	Inspection of the Attentive Station.	Every week
	Hand-washing equipment on store floors and enterovirus prevention inspection.	Every month
Public Safety Management	Inspection of evacuation paths; self-inspection of firefighting equipment.	Every day
	Inspection of safety switches for large cold storages.	Every month
	Safety inspection of electricity consuming equipment on store floors.	Every month
	Inflammable gas inspection	Every month
	Fire safety inspection, fire equipment safety inspection reporting	Every six months
	Indoor air quality test	Every two years
	Verification and declaration of public safety inspection of buildings.	Every year
Equipment Management	Inspection of the air conditioner room at the high voltage substation.	7 Times/Day
	Maintenance/Repair of equipment.	Every day
	Electricity safety inspection, equipment testing, air conditioner filter cleaning.	Every month
	Drinking water quality testing (spot checks according to laws).	Per quarter
	Machine room ambient noise monitoring (internal inspection).	Before Operation
Professional maintenance (External)	Disease vector control	Every week
	Overall inspection and maintenance of elevators/escalators.	Every month
	Inspection and maintenance of HV equipment; drinking water storage cleaning; cooling tower cleaning, disinfection, and inspection.	Every six months
	Inspection and maintenance of power generators; inspection of HV and LV panel infrared cameras and local discharge testing of HV transformers; major maintenance of air conditioner units.	Every year
	Ambient testing for CO2 operations.	Every six months

#### Customer Safety

All stores of Far Eastern SOGO in Taiwan have received the "Safe and Secure Place Certification". To enhance fire safety, both static and dynamic drills are performed semi-annually, in order to ensure that all employees understand the emergency response procedure. The Fuxing Store and Tianmu Store are ranked as "Fire Safety Autonomous Management Excellence Place"; the three stores in Taipei (Zhongxiao, Fuxing and Dunhua) have signed the accident prevention cooperation memorandum with the Da'an District Office, Taipei City.

# 4 Happy Workplace Power

The environment during the post-pandemic era is still full of changes and uncertainty, and the service industry must overcome the long-term high turnover rate issue, and must also face the possible shortage of labor due to the low birthrate and a change in consumption styles. As a leader in the department retailing industry, Far Eastern SOGO is a role model for retailing sustainability and focuses on "providing security to employees" along with the implementation of international occupational safety and health rules in order to provide a safe workplace, to protect the health of customers and employees, to guarantee salary benefit with co-prosperity and sharing. In addition, the Company also assists stakeholders to adapt to the new normal, and plans comprehensive talent selection and retention mechanisms, in order to establish a fortune workplace.

## Corresponding SDGs



### ► Response to Sustainability Topic

- Employee Remuneration and Welfare
- Talent Retention and Development
- Occupational Health and Safety

### ► Primary Stakeholders

- Employee
- Lessees (Counters)

Pprofit share with employees, average salary raise of

**4%**  
for two consecutive years.

Average monthly salary of

**\$46,429**

Exceeding other operators in the same industry by

**7.91%**

Education and training budget investment

**\$6.69** million

Annual increase of

**143.29%**

All stores in Taiwan qualified TTQS evaluation  
Kaohsiung and Hsinchu Stores received the

**Bronze Medal**

Received Taipei City Labor Safety Award for

**10**

consecutive years

Safe and secure workplace performance led all department stores in Taiwan

## 4.0 Strategic Results and Planning

Material Issue		Employee Remuneration and Welfare	Talent Retention and Development	Occupational Health and Safety
Impact		Explanation of Far Eastern SOGO's employee recruitment and employee welfare system, reinstatement and retention rate after parental leave	Far Eastern SOGO's performance evaluation system for improving employees' cohesion, relevant system and actions for fair job promotion, and career development planning and diverse education and training programs	Far Eastern SOGO's management mechanisms and actions related to employees' working environment and health
Policy and Commitment		Improve labor-management relationship, establish organization vision, combine organization goals and employee performance, establish workplace with happiness, and provide salary and benefits superior to other business operators in the same industry	Complete education and training and in conjunction with employee assistance program, in order to strengthen professional competence and psychology, and optimize employee processes, and overcome the service industry talent turnover issue. Through the activation of our brand vision project, enhance employees' awareness and recognition of the enterprise	Adopt internationally accepted occupational safety and health standards to specify epidemic control regulations and guidelines with the fastest response in the industry, in order to establish a safe and secure workplace, and to protect the physical and mental health of employees
GRI Standards		GRI 401: Employment	GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity	GRI 403: Occupational Health and Safety
Corresponding SASB indicator		Labor Criteria: CG-MR-310a.1, CG-MR-310a.2, CG-MR-310a.3	Workplace Diversity and Inclusion: CG-MR-330a.1, CG-MR-330a.2	-
Management Actions	Preventive and Mitigating Actions	Ensure workplace diversity, inclusion and equality	Plan internal and external talent training and employee care program	Implement the management of occupational safety and health according to ISO 45001
	Concrete Action Plans	<ul style="list-style-type: none"> <li>» Fair and reasonable remuneration system</li> <li>» Enhance maternal health care</li> <li>» Establish human rights declaration</li> <li>» Provided visually impaired massage therapist stationed service complements the recruitment of personnel with physical disabilities, and employee welfare is provided</li> </ul>	<ul style="list-style-type: none"> <li>» TTQS Talent Quality-management System</li> <li>» EAPs Employee Assistance Program</li> <li>» Employee eWork app</li> </ul>	<ul style="list-style-type: none"> <li>» Comply with domestic occupational safety and health regulations, reduce risk of violation and increase operational efficiency</li> <li>» Convene labor-management meetings and occupational safety and health committee meetings periodically</li> <li>» Establish risk awareness for ISO promotion personnel of each unit</li> <li>» All stores in Taiwan are equipped with the health promotion mark</li> </ul>
Outcome Follow-up		<ul style="list-style-type: none"> <li>» Average salary exceeds other operators in the same industry by 7.91%</li> <li>» Average education and training hours per person per year is 11.18 hours</li> <li>» Employee overall satisfaction of 73.1%, a decrease of 10.8 percent from 2021 (83.9%).</li> <li>» Since the 2022 questionnaire adopts new questions and the number of questions is decreased, the score comparison with last year is for reference only. Far Eastern SOGO further establishes the workshop to understand the opinions of frontline employees, and survey is conducted continuously along with the review of employee policy.</li> </ul>	<ul style="list-style-type: none"> <li>» TTQS performance evaluation score indicates qualification for all stores in Taiwan, and the Kaohsiung Store and Hsinchu Store have won the Bronze Medal.</li> </ul>	<ul style="list-style-type: none"> <li>» All stores in Taipei have completed the introduction of ISO 45001</li> <li>» Disability injury severity rate (SR) is 10, lower than the average value of 45 in the same industry</li> <li>» Disability injury frequency Rate(FR) is 0.38, lower than the average value of 10 in the same industry</li> </ul>

Material Issue	Employee Remuneration and Welfare	Talent Retention and Development	Occupational Health and Safety
Stakeholder Engagement	<ul style="list-style-type: none"> <li>» Annual employee satisfaction questionnaire survey</li> <li>» Diverse feedback channels provided to receive employees' responses and comments</li> <li>» 17 labor-management committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>» Education and Training</li> </ul>	<ul style="list-style-type: none"> <li>» 16 sessions of Occupational Safety and Health Committee meetings</li> <li>» Announcement of labor safety related information via morning daily report</li> <li>» Education and training with permanent arrangement of occupational safety and health courses</li> </ul>
Short-term goals	<ul style="list-style-type: none"> <li>» Employee overall satisfaction reaches above 80%</li> <li>» Encourage employees to participate in sustainability activities</li> <li>» Announcement of human rights declaration in 2023</li> </ul>	<ul style="list-style-type: none"> <li>» Perform improvement according to TTQS evaluation result</li> <li>» Employee eWork app second stage functions available online in 2023</li> </ul>	<ul style="list-style-type: none"> <li>» Establish appropriate occupational safety and health management affairs or systems nationwide</li> <li>» Set up "Risk Management Indicators for Physical and Mental Health" and "Illness Risk Management Indicators".</li> </ul>
Medium- to Long-term Goal	<ul style="list-style-type: none"> <li>» Review the rewarding and remuneration systems on a regular basis to ensure market competitiveness in salary.</li> <li>» Employee Net Promoter Score (eNPS) in 2025 reaches positive value</li> </ul>	<ul style="list-style-type: none"> <li>» All stores in Taiwan awarded with TTQS bronze medal and above</li> <li>» Create learning maps to enhance the development of employees in their career.</li> <li>» 2025 new personnel system for operation in service</li> </ul>	<ul style="list-style-type: none"> <li>» Zero occupational accidents.</li> <li>» Promotion of health management.</li> </ul>
Annual Highlighted Results	<ul style="list-style-type: none"> <li>» During the pandemic, we achieved cost savings and a slight increase in profit. Salary adjustment takes place in July regularly, but in 2022 it was implemented early in January with a 4% salary increase for all employees, in order to share the results with stakeholders and boost the morale of employees (In March 2023, we increased the salary of all employees by 4% again, raising the pay for all employees for two consecutive years).</li> <li>» Our average monthly salary is NT\$46,429, 7.91% higher than that of peer companies.</li> <li>» Public welfare leave application of 69 persons-time for a total of 409.5 hours, an annual increase of 97.82%</li> <li>» Received the People Investment Award of the AREA Asia Responsible Enterprise Awards for three consecutive years</li> <li>» Received the Talent Development Leader Award of TCSA Taiwan Corporate Sustainability Awards</li> <li>» Received the Happy Enterprise Golden Award from 1111 Job Bank</li> <li>» All stores in Taiwan qualified for the TTQS Talent Quality-management System evaluation, and Kaohsiung Store and Hsinchu Store won the Bronze Medal</li> <li>» We have won the "Taipei Labor Safety Award" for ten consecutive years and played a leading role in the department store industry in Taiwan.</li> <li>» Headquarters, Fuxing Store and Tianmu Store received the "Healthy Workplace" certification from Health Promotion Administration</li> </ul>		



## 4.1 Employee Profile

### 4.1.1 Employee Formation and Distribution

The Company complies with labor-related laws and regulations of the central government and local governments of the business locations, in order to protect the legitimate rights and interests of employees. In addition, the Company also complies with the human rights protection requirements and basic principles disclosed in various international human rights covenants of the “United Nations Global Compact”, “United Nations Universal Declaration of Human Rights” and “International Labour Organization Declaration on Fundamental Principles and Rights at Work”, in order to sufficiently realize the responsibility of respecting and protecting human rights. Accordingly, all employees, including contract personnel and interns, are treated with dignity and respect.

Far Eastern SOGO hires strictly on the merits of applicants and treats all employees equally without any differential treatment or discrimination due to race, gender, religious belief, nationality, social background of physical or mental disability, and also complies with the Labor Standards Act, such that there has been no cases of child labor, violation of human rights or employee discrimination. In 2022, due to the transformation of the Kaohsiung Store, personnel restructuring was executed, and some staff filed complaints to the Department of Labor, including those relating to being scheduled for overtime and then the morning shift on the next day without 11 hours of rest between the working hours, attending anniversary sales meetings and attending matters at office during annual leave period, such that the attendance time was not properly recorded and the regulations for two regular holidays for two weeks were violated, and the Headquarters was penalized with an administrative fine of NT\$170,000. Far Eastern SOGO has required the implementation of leave scheduling rules and also enhanced education on the work-life balance, in order to prevent re-occurrence of such incidents.

Up to the end of 2022, the total number of employees of Far Eastern SOGO in Taiwan is 1,315 people (full-time employees of 1,285 people, 4 contracted employees, and 26 hourly-paid staff), a decrease of 4.08% from last year, and employee ages are mainly 31-50 years old, accounting for 53.16% of the total number of employees. Due to the characteristics of the department store industry, the number of female employees of Far Eastern SOGO is relatively higher than male employees and accounts for 67.8%. Accordingly, the Company has proposed female employee benefit measures, including protection according to the Act of Gender Equality in Employment and Labor Standards Act, reduction of working hours for parenting, breast-feeding room, childbirth gift money, appropriate job transfer and shift for pregnant employees, and transportation allowance for nighttime work.

Far Eastern SOGO is committed to establish a working environment with gender equality. In 2022, the ratio of medium and senior male and female managers is relatively equal, and the number of medium and senior female managers is slightly higher than the number of male managers by 2.06% (in 2021, the number of medium and senior female managers has been corrected to be higher than male managers by approximately 7.29%).

In addition, according to the statistics of the permanent address registered by employees at the Company, there are a total of 75.28% of employees employed as the residents of the city of each business location (Taipei area includes Taipei City, New Taipei City and Keelung City), and middle and senior managers employed as local residents is 69.57%, and such figures have been relatively consistent for the past few years.

The management and employees are of Han nationality, and there are 7 indigenous people; however, the statistics for new immigrants is not available. To respect the job interests of personnel with physical or mental disabilities, Far Eastern SOGO's Zhongli Store employs an adequate number of people with disability, and Hsinchu Store and Kaohsiung Store employ people with disabilities exceeding the statutory requirements according to the “People with Disabilities Rights Protection Act”; however, Taipei Stores have not employed appropriate personnel, and there are still 2 vacancies. Far Eastern SOGO will adjust the job content and working environment responsibility in order to provide fair and diverse employment opportunities and to achieve the statutory number of employees required by the law. The Company has planned that starting in 2023, Taipei Stores will sign periodic contracts with the visually impaired massage therapists of Eden Social Welfare Foundation to set up healthy massage station at the Company in order to provide stress relief service to employees and to achieve the statutory number of employees required by the law.



2022 Manpower Overview																				
Category	Gender						Store													
	Female		Male		Total		Headquarters		Taipei Store 7		Tianmu Store		Zhongli Store		Hsinchu Store		Kaohsiung Store		Total	
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
Number of Employees (A) <sup>1</sup>	891	67.76%	424	32.24%	1,315	100%	190	14.45%	587	44.64%	127	9.66%	178	13.54%	170	12.93%	63	4.79%	1,315	100%
Number of Permanent Employees (B) <sup>2</sup>	863	67.16%	422	32.84%	1,285	97.72%	188	14.63%	569	44.28%	126	9.96%	178	13.85%	162	12.60%	62	4.82%	1,285	97.72%
Number of Temporary Employees (C) <sup>3</sup>	3	75%	1	25%	4	0.30%	2	50%	0	0%	0	0%	0	0%	1	25%	1	25%	4	0.30%
Number of Non-working Hours Guaranteed Employees (D) <sup>4</sup>	25	96.15%	1	3.85%	26	1.98%	0	0%	18	69.23%	1	3.85%	0	0%	7	26.92%	0	0%	26	1.98%
Number of Full-time Employees (E) <sup>5</sup>	866	67.18%	423	32.82%	1,289	98.02%	190	14.74%	569	44.14%	126	9.78%	178	13.81%	163	12.65%	63	4.89%	1,289	98.02%
Number of Part-time Employees (F) <sup>6</sup>	25	96.15%	1	3.85%	26	1.98%	0	0%	18	69.23%	1	3.85%	0	0%	7	26.92%	0	0%	26	1.98%

Note:

1. Number of employees (A) = Number of permanent employees (B) + Number of temporary employees (C) + Number of non-working hours guaranteed employees (D) = Number of full-time employees (E) + Number of part-time employees (F)
2. Permanent Employees: Full-time employees with non-fixed time limit (i.e. without time limit) contracts
3. Temporary Employees: Employees with time limit contracts (i.e. with fixed time limit). When the contract reaches its specified time limit, or when the specific task or event is completed during the evaluation period, the contract is ended (such as the end of a project or the return of substituted employee, for contract employees)
4. Non-working Hours Guaranteed Employees: Employees of minimum or fixed working hours weekly or monthly; however, they may be on call as necessary, such as hourly employees, temporary employees, zero-hour contract employees, on-call employees
5. Full-time Employees: Employees with weekly, monthly or annual working hours according to the national definition of law and practice related to working hours
6. Part-time Employees: Employees with weekly, monthly or annual working hours less than the full-time employees
7. Taipei Stores include the three business locations of Zhongxiao Store, Fuxing Store and Dunhua Store

2022 Manpower Composition Structure							
Category	Group	Female		Male		Subtotal	
		Number of employees (A)	Ratio (D)	Number of employees (B)	Ratio (E)	Number of employees (C)	Ratio (F)
Job rank	Senior manager	11	47.83%	12	52.17%	23	1.75%
	Middle manager	88	50.87%	85	49.13%	173	13.16%
	Professional personnel	792	70.78%	327	29.22%	1,119	85.09%
	Subtotal	891	67.76%	424	32.24%	1,315	100%
Age	Under age of 30	298	76.61%	91	23.39%	389	29.58%
	31-50	442	63.23%	257	36.77%	699	53.16%
	Above 51	151	66.52%	76	33.48%	227	17.26%
	Subtotal	891	67.76%	424	32.24%	1,315	100%
Education	Ph.D.	0	0%	2	100%	2	0.15%
	Master's	23	42.59%	31	57.41%	54	4.11%
	University and College	510	68.27%	237	31.73%	747	56.81%
	Junior College	115	60.53%	75	39.47%	190	14.45%
	Senior (Vocational) High School or Below	243	75.47%	79	24.53%	322	24.49%
	Subtotal	891	67.76%	424	32.24%	1,315	100%
Physically or mentally disabled		5	38%	8	62%	13	100%

Note: 1. This table refers to the number of employees on December 31, 2022 as the statistical standard

2. "Senior manager" refers to supervisor above the rank of Assistant Vice President; "Middle manager" refers to the rank of Manager, Assistant Manager and Section manager

3. D(%)=A/C; E(%)=B/C; F(%)=C/Total number of employees (1,315 employees in 2022)

Number of employees with disability in 2022				
	Female	Male	Total	Difference from the statutory number of employees required
Taipei Area	5	2	7	(-2)
Zhongli	2	0	2	0
Hsinchu	0	2	2	+1
Kaohsiung	1	1	2	+2
Total	5	8	13	

### 4.1.2 Employee Turnover

Far Eastern SOGO performs recruitment through diverse channels such as online job banks, campus recruitment, job fairs, industry-academia collaborations and headhunters, etc. in order to recruit talents. In addition, the Company also announces job vacancies internally, in order to provide diverse development opportunities. In 2022, there were 178 new employees, and the new employment rate was 13.54%. Due to Kaohsiung Store transformation and personnel adjustment, the total number of resigned employees in 2022 was 307 people, and the turnover rate was 23.35%, an increase of 7.38 percent from last year.

In 2022, the reasons for resignations received by Far Eastern SOGO were mainly "Re-planning of Career", "Cannot Adapt to Job", "Personal Family Matter", in that order. Among the resigned employees, the number of resigned employees under the age of 30 accounts for approximately 65%, and mainly due to new freshmen of new employees deciding to change their career after a certain period of time. Far Eastern SOGO plans the increase of overall salary and also promotes care measures of employee health management activities, work-life balance, etc. In addition, as the number of employees reaching retirement age increases, Far Eastern SOGO's EAPs topic seminars also plan relevant retirement preparation related topics.

Unit: Person

2022 New and Resigned Employee Structure Table					
Category	Group	New Employees		Resigned Employees	
		Female	Male	Female	Male
Age	Under age of 30	110	35	142	60
	31-50	12	21	55	25
	Above 50	0	0	20	5
Total		122	56	217	90
New employment rate and turnover rate		9.28%	4.26%	16.5%	6%

Note: 1. New employment rate (%) = Number of new employees (persons) / Total number of employees at the end of December of current year (persons)

2. Turnover rate (%) = Number of resigned employees (persons) / Total number of employees at the end of December of current year (persons)

3. The total number of employees at the end of December 2022 was 1,315 people

Cause	Number	Cause	Number
Cannot Adapt to Job	36	Work Assignment	0
Further Study	6	Disqualified Probation	1
Expiration of Agreement	13	Severance	28
Personal Family Matters	30	Salary	6
Retirement	16	Re-planning of Career	151
Health	17	Others	2
Death	1	Total	307

### 4.1.3 Non-employee Composition and Distribution

Far Eastern SOGO's non-employees include boutique personnel employed by lessees, IT dispatch personnel employed via brokers, and outsourced contract service personnel, for a total of 9,104 people.

2022 Non-employee Composition Structure		
Category	Female	Male
Boutique staff	6,781	1,878
Security staff	23	134
Maintenance staff	243	36
Employee cafeteria	3	2
Parking lot fare collection staff	2	0
Dispatch staff	1	1
Total	7,053	2,051

Note: Workers not controlled by the organization are excluded, such as suppliers' workers for periodic maintenance of organization equipment, and temporary personnel due to construction needs, etc.

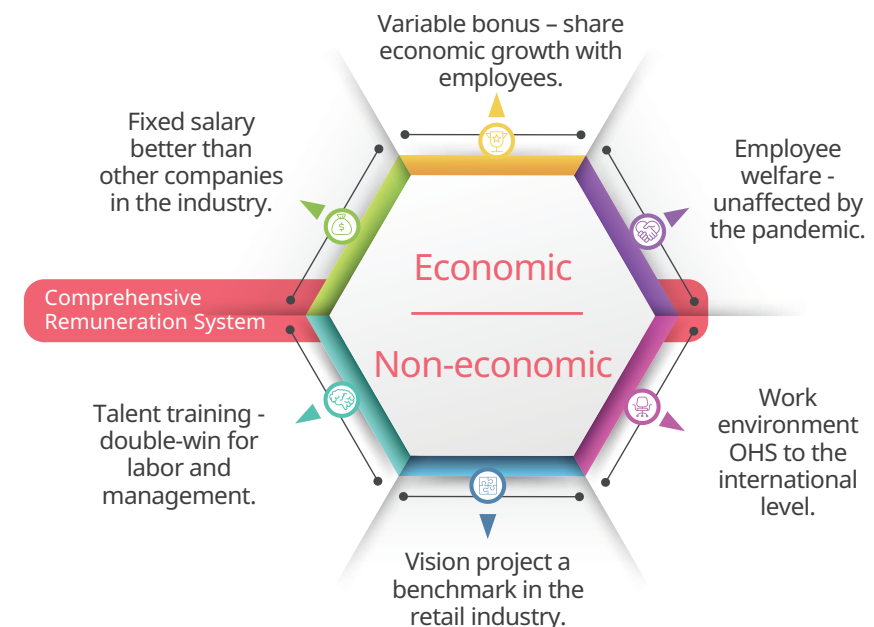
## 4.2 Remuneration and Welfare

### 4.2.1 Remuneration System

In 2022, during the height of the pandemic in Taiwan, Far Eastern SOGO did not implement any salary reduction and activated the salary adjustment program with normal issuance of bonuses, in order to protect the benefits and right to work of all employees.

Far Eastern SOGO plans fair, reasonable and competitive remuneration systems without reference to factors such as gender, age and race. The Human Resource Department cooperates with the consulting company to perform analysis and exchange with the same industry in order to establish a remuneration system according to the market standard. The Operation Management Committee refers to the salary structure of the same industry, annual adjustment of public servants and price index factors and also considers the professional competence, work performance and performance achievement of employees in order to make appropriate salary adjustment after evaluation.

The Directorate General of Budget, Accounting and Statistics announced in 2022 that "Wholesale and Retail Industry" average monthly regular salary was NT\$43,026, and the average monthly regular salary of Far Eastern SOGO employees was NT\$46,429, exceeding other operators in the same industry by approximately 7.91%.





## Number of non-supervisor full-time employees and annual salary statistics

	2021	2022
Number of full-time non-managerial employees	1173	1,093
Average Salary of Full-time Non-managerial Employees (NT\$ thousand/person)	431	449
Median Salary of Full-time Non-managerial Employees (NT\$ thousand/person)	430	451

Note: 1. Regular salary includes the base salary and various fixed allowances paid on a monthly basis  
 2. Number of non-supervisor full-time employees excludes the part-time employees and employees of job rank as professional personnel

## Ratio of professional personnel and statutory minimum salary (no gender or regional difference)

Education	Minimum salary paid by Far Eastern SOGO (NT\$)	Statutory minimum salary in 2022 (NT\$)	Better Than Standard Salary in Percentage
University and College	31,400	25,250	24.36%
Senior (vocational) High School	26,300		4.16%

Note: Better Than Standard Salary in Percentage (%) = Minimum salary paid by Far Eastern SOGO (NT\$) / Statutory minimum salary (NT\$)

Far Eastern SOGO operates promotion and salary systems that adopt gender equality. In 2022, the number of female senior managers accounted for 47.83%, an increase of 4.35% from last year. The gender of senior managers ratio is 1:1.17, and it gets closer each year. The number of female middle managers accounted for 50.87%, relatively the same as 52.84% in 2021. The number of female professional personnel accounted for 70.78%, indicating a only a difference of 0.21% in comparison to 70.99% in 2021.

## Average salary and gender ratios of each job rank over past years

	Year	2019		2020		2021		2022	
	Gender	Female	Male	Female	Male	Female	Male	Female	Male
Senior manager	Employee ratio	40.91%	59.09%	47.62%	52.38%	43.48%	56.52%	47.83%	52.17%
	Salary and gender ratio	1	1.18	1	1.29	1	1.19	1	1.17
Middle manager	Employee ratio	54.29%	45.71%	53.59%	46.41%	52.84%	47.16%	50.87%	49.13%
	Salary and gender ratio	1	0.96	1	0.98	1	0.97	1	1.003
Professional personnel	Employee ratio	69.86%	30.14%	70.71%	29.01%	70.99%	29.01%	70.78%	29.22%
	Salary and gender ratio	1	1.07	1	1.07	1	1.08	1	1.06

Note: 1. Salary = Fixed salary + Variable salary  
 2. Employee ratio refers to the male and female ratio for that job rank  
 3. There was an error in the 2021 male salary and gender ratio for each job rank

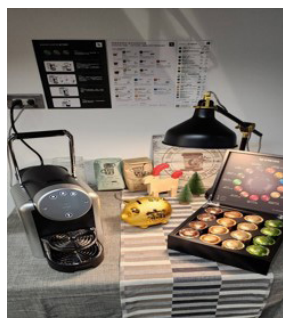
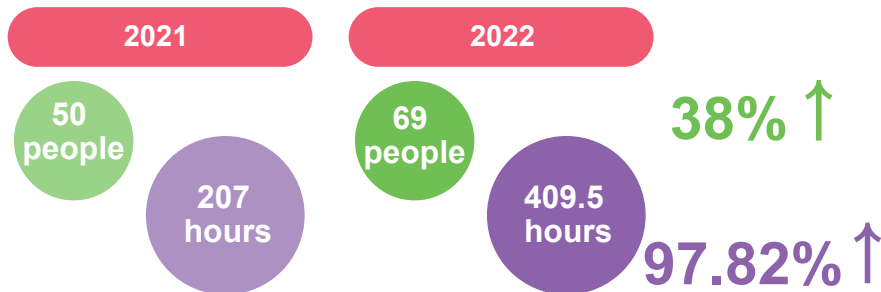
## 4.2.2 Employee Welfare

### Welfare Measures

Far Eastern SOGO provides diverse benefits including various bonuses, allowances and subsidies in order to provide friendly care to employees. Employee travel was affected by the COVID-19 pandemic such that the employee group trip was canceled, and the Employee Welfare Committee changed to issue electronic product vouchers in order to protect the benefits of employees. The offices of the headquarters and each branch store are installed with DIY coffee machine and smart vending machines to provide a diverse selection, and employees may make purchases at discount prices in order to replenish energy at any time.

To encourage the social participation of employees, Far Eastern SOGO volunteer leave has changed to public welfare leave in 2021, and participation in public welfare activities during non-working hours is also applicable. In 2022, a total of 69 people applied for the public welfare leave, and the total number of hours reached 409.5 hours, higher than last year.

### Public welfare leave application status



Benefit type	Item description
Bonus	Year-end bonus, dividend bonus, anniversary sale bonus, special performance bonus, cash against surplus/deficit.
Benefit Allowance	Three-holiday gift money / birthday / marriage / child birth gift money, children scholarship, communication fee allowance, gasoline expense allowance, child birth allowance
Entertainment Subsidy	Domestic and foreign travel subsidy (maximum of NT\$15,000), club budget subsidy (NT\$32,000 per year), employee meal gathering event subsidy *2022 travel subsidy was replaced by electronic product vouchers of equivalent monetary amount
Emergency Aid and Consolation	Hospitalization consolation, emergency aid fund, condolence money.
Leave System	Statutory leave, birthday leave, flexible working hours, public welfare leave
Insurance and Health	Labor insurance, health insurance, maternity protection measures, employee health checkups, promotion of EAPs, hospitalization consolation, serious illness consolation.
Convenient Measures	Staff's dining room, parking space, nursing room, infirmary.
Retirement Welfare	Appropriation of pension according to new and old labor retirement systems, dinner party grant for retired staff (maximum NT\$7,000), employee travel opens to retired staff.
Special Offers	Special shopping offers for employees, special offers for employees of affiliated companies, special offers for shopping at contracted stores.
Vaccination Incentives	We are the first department store in Taiwan to provide vaccination incentives, and each vaccination shot is entitled to the incentives. For employees receiving all three shots of the COVID-19 vaccination, they are able to receive a total incentive of NT\$2,500
Confirmed case quarantine consolation money	For an employee being quarantined due to being confirmed case, a subsidy of NT\$2,000 is provided, and for a family member quarantined due to living together with a confirmed case, a subsidy of NT\$1,000 is provided.

## Maternity allowance

Far Eastern SOGO provides legitimate measures and benefits superior to the laws for female employees according to the Act of Gender Equality in Employment and Labor Standards Act, including reduction of working hours for parenting, parental allowance, and child birth gift money. To encourage childbirth and to reduce the concerns of pregnant women, Far Eastern SOGO provides allowance of NT\$5,000 to female employees at childbirth, which is higher than the average amount in the industry.

Allowance Item	Far Eastern SOGO		104 Job Bank survey data on enterprises
Childbirth	Company	Employee Welfare Committee	Average Amount
	NT\$3,000	NT\$2,000	NT\$3,498 (2022 Survey)

To demonstrate care to employees for their effort in parenting, starting from January 2023, Far Eastern SOGO provides parental allowance of NT\$10,000 for each childbirth in addition to the maternity allowance of NT\$5,000, superior to the regulatory requirements and applicable to both male and female employees. In addition, employees may apply for the allowance within one year of the newborn baby. In 2022, a total of 15 employees applied for the allowance.

Store	Headquarters	Zhongxiao Store	Fuxing Store (including Dunhua Store)	Tianmu Store	Zhongli Store	Hsinchu Store	Kaohsiung Store	Total
Number of employees applying of parental allowance	1	4	1	4	1	3	1	15

For pregnant employees, Far Eastern SOGO appropriately adjusts their jobs and shifts, and also provides transportation allowance for nighttime work. The headquarter office and all business locations of Far Eastern SOGO in Taiwan have installed breast-feeding rooms completely, and female employees with needs may use such facility conveniently.

Breast-feeding room location of each business location							
Headquarters	Zhongxiao Store	Fuxing Store	Dunhua Store	Tianmu Store	Zhongli Store	Hsinchu Store	Kaohsiung Store
14F of Furong Building	5F	4F	2F	3F	6F	5F	6F

## Parenting support measures

In 2022, there were 11 female employees and 3 male employees who applied for parental leave without pay. The reinstatement rate after parental leave without pay was 66.67%, and the retention rate after one year of reinstatement was 100%, and both figures indicated growth from last year.

The department store service industry mostly adopts the work shift system, and in comparison to other businesses, the work shift system may affect employees' willingness for reinstatement and long-term retention after childbirth. Far Eastern SOGO flexibly is open to a reduction of working hours for parents, and also plans to adjust the unpaid leave for parenting with reduction of working hours to payment of 80% of original wage, in order to assist employees to maintain stable income for their parenting.

Parental leave without pay statistics								
	2019		2020		2021		2022	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Eligible for Parental Leave (A)	84	29	69	23	67	23	58	21
Number of Employees Applying for Unpaid Parental Leave (B)	14	0	14	1	14	0	11	3
Number of Employees Planning to be Reinstated in the Current Year (C)	17	0	20	1	14	0	9	0
Number of Employees Actually Reinstated (D)	15	0	14	0	8	0	6	0
Number of People Actually Reinstated in Last Year (E)	24	0	15	0	14	0	8	0
Number of People Retained at Job Position 12 Months After Reinstatement (F)	16	0	9	-	9	-	8	-
Unpaid Parental Leave Application Rate=(B)/(A)	16.67%	0	20.29%	4.35%	20.90%	0	18.97%	14.29%
Reinstatement Rate After Expiration of Unpaid Parental Leave=(D)/(C)	88.24%	N/A	70%	0	57.14%	0	66.67%	0
Retention Rate After One Year of Reinstatement=(F)/(E)	66.67%	N/A	60%	N/A	64.29%	N/A	100%	N/A

Note: 1. Employees eligible for application of parental leave refer to those with children under the age of three years old, and the number of employees applying for parental allowance in the past three years was calculated  
 2. There was error in the information of number of employees eligible for parental leave in 2021

### Promote DEI Policy and Establish Friendly Working Environment Accelerate the realization of diversity, equality and co-prosperity

#### Gender equality supporting measures

- Breast-feeding room installed in headquarters and all stores in Taiwan (100% coverage)
- Parental leave and maternity protection measures
- Appropriate adjustment of jobs and shifts of pregnant employees
- Transportation allowance for female employees working at nighttime
- Fair job promotion and remuneration system
- Number of female middle or senior managers in 2022 increased by +2.06% in comparison to male managers
- Senior manager gender average salary difference was 1:1.12

#### Welfare measures superior to regulatory requirements

- Maternity allowance of NT\$5,000 (PP75% is NT\$4,000)
- Newly added parental allowance of NT\$10,000 in 2023

- Change of unpaid parental leave with reduction of working hours to payment of 80% of original wage

#### Protect employment rights of people with disabilities

- Headquarter signed periodic contract with visually impaired massage therapists
- Number of employees with disability reached the statutory employment requirements in 2023
- Hsinchu and Kaohsiung Stores exceeded the number of statutory employment requirements

### 4.2.3 Occupational Rights

Far Eastern SOGO aims to establish an interactive labor-management relationship, with communication enhanced through diverse mechanisms of intranet, bulletin board announcements, employee feedback box, explanatory meetings, administrative reports, and morning daily reports, etc. In addition, the Human Resource Department also has a regular employee feedback box, the Auditing Office has a complaint filing box, in order to provide a confidential and secure complaint filing mechanism.

In case any major change in the operation in which employees are affected, relevant information is announced according to the shortest advance notice time specified by the Labor Standards Act, in order to protect the rights and interests of employees. We have established the "Sexual Harassment Prevention Regulations" to realize the spirit of gender equality. Sexual harassment prevention posters are posted at stores. Reporting mailboxes and phone numbers are available to ensure handling of harassment cases while protecting the privacy of the employees involved. No related cases occurred in 2022.

Responsible Department	Communication channel and frequency	
Employee Welfare Committee of Human Resources Dept.	Internal E-HR website, EIP website, employee feedback e-mail box (published on ESG website stakeholders section hr@mail.sogo.com.tw)	Instant
	Employee Mailbox	Instant
	Daily Morning Meeting Report	Every Day
	Labor-management meeting	Per quarter
	Employee Satisfaction Survey, Employee Sustainability Awareness Survey	Every year
	System Amendment Meeting	Irregular

Far Eastern SOGO convenes labor-management meetings quarterly to negotiate labor rights and interests related matters, and there are a total of 23 labor representatives from each location in Taiwan, accounting for 1.79% of full-time employees of the Company. The labor-management meetings of the three stores in Taipei City and the Tianmu Store are held jointly. The meetings of the Hsinchu Store, Zhongli Store and Kaohsiung Store are held separately. A total of 17 labor-management meetings were held in 2022.

During the meeting, internal important activities of the Company are reported, such as employee travel, employee health examination, personnel change, promotion activity, etc. In addition, information relating to various bonus issuances, employee health examinations, and working environment safety, etc. are also reported.

Store	Labor-Management Meeting Date in 2022
Headquarters, Taipei Stores (Zhongxiao Store, Fuxing Store and Dunhua Store), Tianmu Store	3/21, 6/28, 9/28, 12/20
Zhongli Store	3/21, 6/20, 9/9, 12/12
Hsinchu Store	3/28, 6/22, 9/29, 12/28
Kaohsiung Store	2/10, 5/27, 8/26, 9/23, 12/24

#### Employee satisfaction

To understand employees' satisfaction on various systems, measures and benefits as well as their comprehension on the Company's policy, Far Eastern SOGO has deployed a 5-year "Vision Project" since 2020, and a consulting company has been retained to conduct employee opinion surveys, and the Employee Net Promoter Score (eNPS) is also collected at the same time, in order to understand the general working status of employees. The survey result value is relatively low; therefore, Far Eastern SOGO has proposed two reform directors of "Employee Experience Optimization" and "EAPs Employee Assistance Program".



Solution	Purpose	Result in 2022	Future Goal
Optimization of Employee Experience	Since 2002, the employee satisfaction interview has been implemented in order to listen to the true voice of frontline employees, and the exclusive APP has also been developed in order to revitalize the atmosphere of the organization	<ul style="list-style-type: none"> <li>• Improve office environment, and replace old office chairs and tables</li> <li>• To improve operation convenience, the Company performs preliminary operation evaluation and planning of the new human resource system with the supplier, and the budget has been supported and approved by the board of directors</li> <li>• Promote the employee eWork APP second stage upgrade and new function development</li> </ul>	<b>Newly added functions for the employee eWork APP include:</b> <ul style="list-style-type: none"> <li>• New Employment Section - online on-boarding procedure, orientation manual, required courses, personnel responsible for new employees and supporting tools.</li> <li>• On-job Employee - Morning report application, course online sign-in and after-class questionnaire</li> <li>• Terminating Employee - online employment termination procedure.</li> <li>• Employee Welfare - Employee purchase information inquiry, health examination and travel application</li> </ul>
EAPs Employee Assistance Program	Provide assistance, prevent and resolve issues that may cause reduction of production capability of employees, in order to allow employees to perform works with both physical and mental health, thereby increasing corporate competitiveness and achieving a win-win situation for both labor and management.	<p><b>Gender Equality</b></p> <ul style="list-style-type: none"> <li>» All stores in Taiwan are installed with breast-feeding rooms, and the headquarters is also installed with a breast-feeding room and counseling room</li> </ul> <p><b>Diversity in Communication</b></p> <ul style="list-style-type: none"> <li>» The fields of consultation include: Legal, finance, tax, home renovation, occupational safety/health, insurance/pension. There have been 94 instances of received EAPs assistance, with health consultation receiving the highest demand at 74%, and the second highest being legal consultation at 10%</li> </ul> <p><b>Education and Training</b></p> <ul style="list-style-type: none"> <li>» Topic seminars are organized to allow employees to understand the EAPs concept. In 2022, the Company focused on the topics of healthy workplace and self-growth, and 31 sessions were held with a total of 906 attendees</li> </ul> <p><b>Healthy Workplace</b></p> <ul style="list-style-type: none"> <li>» The Company collaborates with Eden Social Welfare Foundation to provide stress relief massage to employees and also cares the social disadvantaged at the same time by providing job opportunities to people with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>» Different seminars are further included, such as retirement preparation, in order to satisfy greater needs of employees</li> <li>» We will continue internal consultation services in different fields to serve more employees.</li> </ul>

For the 2022 employee satisfaction and sustainability awareness survey, a total of 1,227 questionnaires were recovered, and the recovery rate was 94.4%. The importance and satisfaction were used to measure the three main aspects of enterprise, environment and personal driving force, in order to analyze employee participation (including happiness, loyalty, eNPS) and the recognition of the core values and ESG. In addition, three workshops were organized to listen to employees' opinions in order to use such information as the reference for establishing the employee strategy in the future.

In 2022, eNPS was -31.2, an increase of 3 from 2021, and criticisms reduced by 2.7 percent. Although there is an improvement, there is still room for growth in general. Far Eastern SOGO will continue to strengthen reform solutions and promote digital transformation and working environment optimization, in conjunction with external professional consultants, perform employee interviews and improvement recommendations, make adjustments to the remuneration and evaluation system, and implement topic trainings on the management abilities of authorization, communication and employee retention, etc. for first line of supervisors, in order to allow employees to feel the changes within the Company. The goal is to achieve eNPS positive value by 2025 with the ratio of promoters greater than critics.

Most of the employees believe that it is significant that “the Company conducts performance evaluation with fairness and provides reasonable remuneration”, and 56.61% of employees share such a view. In addition, “the Company values the physical and mental health of employees and provides appropriate workload” is the item listed as the second highest, and 12.56% of employees share such a view.

Through cross-analysis of the importance and satisfaction, it can be found that the overall aspect with the least difference of the two refers to “Value and Strategy” under “Corporate Driving Force”, and among which the score difference for the “My company focuses on ESG responsibility” is 0.18 only and is the item of the least difference among all issues with the highest satisfaction. The second highest item is “My company has excellent employer brand power and reputation”, indicating that most of the employees recognize the core value and business philosophy of Far Eastern SOGO.

The aspect with the greatest difference between the two (high importance, but low satisfaction) is listed as an item for improvement in priority, including “Health and Happiness” under “Personal Driving Force”, “Digital Empowerment” under “Environmental Driving Force”, and “Innovation” under “Corporate Driving Force”. Far Eastern SOGO will head toward the directions of optimizing remuneration, promotion and evaluation programs, overtime compliance review, assisting employees’ career planning and development roadmap, simplifying contract procedures, and optimizing operation systems with our best effort, in order to increase the overall happiness and loyalty of employees.

Three main aspects	Items considered to be important by employees and with satisfaction in the TOP 3	
Corporate Driving Force	<ol style="list-style-type: none"> <li>1. Company focusing on ESG responsibility</li> <li>2. Company has excellent employer brand power and reputation</li> <li>3. Listen to customers’ voices constantly and implement changes</li> </ol>	
Environmental Driving Force	<ol style="list-style-type: none"> <li>1. Company provides safe working environment and ensures the personal safety of employees at the workplace</li> <li>2. Supervisor always demonstrates ethical and moral standards for job duties</li> <li>3. Supervisor cares and provides feedback to my job performance</li> </ol>	
Personal Driving Force	<ol style="list-style-type: none"> <li>1. Company focuses on setting goals, including setting of operational goals and extension goals</li> <li>2. Company provides excellent welfare system</li> <li>3. Employees are able to learn new knowledge and skills at work continuously</li> </ol>	

## 4.3 Professional Training

### 4.3.1 Employee Training

#### Education and Training

Far Eastern SOGO designs comprehensive courses based on the management and professional functions of different departments and at different grades, including orientation training, functional training, management training, and development and learning courses. In the past years, the Company continued to invest in education and training resources as the driving force for employees’ learning growth. In 2022, the education and training budget investment was NT\$6.69 million, an increase of 143.29% from the education and training budget investment of NT\$2.75 million in 2021. The average training cost per person was NT\$5,087.8, an increase of 153.65% from NT\$2005.8 in 2021.

In 2022, the courses canceled or changed to online courses due to the pandemic gradually returned to physical courses, and a total of 487 completed the human rights course, and 83 participated in the gender equality course.

In response to the international sustainability trend, since 2022, Far Eastern SOGO values sustainability as general education, and one course is arranged for the new employee orientation, and the Sustainable Development Office provides introduction on Far Eastern SOGO’s promotion history since 2015. For ESG routine meetings, external consultants or social innovation groups are invited irregularly to talk about sustainability, and a total of 11 sessions have been organized with 200 participants in the meetings throughout the whole year. Club activities are also integrated with experience education, and a total of 6 sessions have been organized with 100 participants in these activities. In 2023, the Company will continue and expand the organization of such meetings and activities.

According to the 2022 employee satisfaction survey result, 93% of employees recognize sustainability, and 89% of employees are willing to implement sustainability at work, demonstrating that sustainability has become part of the corporate DNA of Far Eastern SOGO.

Education and Training Content	
Orientation Training	Administrative/Sales units implement 2-day new employee orientation
Functional Training	Sales promotion plan, store planning, manpower management, work efficiency, service etiquette, posture training, foreign language enhancement, foreign customer service quality improvement
Management and Leadership	Improvement of management strategies, team leadership, and relevant management functions
Development and Learning	Sustainability, personal communication, new information on current trends, health management
Occupational Safety and Health	New employee general occupational safety and health education, field worker occupational safety and health education (folding ladder use safety), event entrance application operation process, occupational safety and health hazard identification and risk assessment, workplace illegal infringement, cardiovascular disease and musculoskeletal disorders prevention
Corporate culture reform	"Reverse Mentoring" course, content not limited

Number of Trainees of Education and Training and Investment Amount				
Year	2019	2020	2021	2022
Number of courses (times)	331	351	239	266
Number of trainees (persons-time)	6,926	5,732	4,675	6,569
Total number of trainees (persons)	1,541	1,474	1,352	1,249
Total number of employees (persons)	1,388	1,397	1,371	1,315
Total investment amount (NT\$)	3,326,564	3,110,000	2,750,000	6,690,513
Average training course per person (NT\$/person)	2,396.7	2,226.2	2,005.8	5,087.8

Note: 1. Average training course per person = Total investment amount (NT\$) / Total number of employees (persons)

2. In 2022, the education and training cost was NT\$9,244,544, among which an amount of NT\$6,690,513 was items actually executed in 2022; therefore, it was used for the calculation of total investment amount. The use condition of the rest of NT\$2,534,031 will be included in the 2023 ESG Report for disclosure.

Unit: Hour

Historical Average Education and Training Hours					
		2019	2020	2021	2022
Average hours of training received by each employee		13.38	9.22	6.74	11.18
Gender	Female	13.69	8.99	6.63	10.76
	Male	12.72	9.70	6.97	12.06
Job rank	Senior manager	2.44	1.86	1.93	8.67
	Middle manager	24.38	13.07	5.12	17.11
	Professional personnel	11.58	8.48	7.08	10.31

Note: Average education and training hours = Number of training course of employees of that category (Number of hours\*number sessions\*Number of trainees under that category) / Number of employees of that category

Unit: People

Table of Statistics of Trainees According to Category				
Course Type/Year	2019	2020	2021	2022
Management and Leadership	457	527	51	331
Operational functions	720	406	470	941
Professional functions	1,107	718	819	2,692
Training projects	243	1,155	225	183
Basic education	1,392	552	547	461
Development and Learning	935	1,148	1,011	1,034
Others	2,072	1,226	1,552	927
Total	6,926	5,732	4,675	6,569

Note: Other types include study group, home delivery and packaging education, new system education, health management and promotion, etc.



### “Bottoms-up!” Reverse Mentoring Course

To establish young corporate culture, Far Eastern SOGO has developed “Reverse Mentoring” and the course is called “Bottoms-up!” The English term “Bottoms-up” provides the name for “Bottom-up” culture. For the first year of the course, 4 classes were organized for 2022 to the beginning of 2023, and Assistant Managers and Section managers shared digital, fashion and camping knowledge, and 79% of managers of assistant managers participated in the course, and governance level managers were also invited to the course, and the generation exchange was smooth and harmonic.



### SOGO ESG Best Contribution Award and Innovative Proposal Award

Far Eastern SOGO Best Contribution Award was organized in 2015 for the first time, and projects focused on sustainability executed by employees over the past year were selected. Over the past 7 years, 113 proposals have been selected. To increase employees’ ESG participation, in 2022, the Company added the Innovative Proposal Award to encourage employees to submit proposals based on the consideration of company development and social sustainability. All employees have the opportunity to participate in the Company’s decision, and 28 innovative proposals have been selected at the end. Among the proposals, the proposal submitted by Human Resources and Employee Training Section of Hsinchu Store was adopted in practice, such that, the payment of 80% of original wage for “Parental leave with reduction of working hours” has been announced for implementation officially in 2023.

### TTQS Talent Quality-management System

To ensure the Company’s operation strategy is properly integrated with the manpower policy, and to enhance the organization’s competitiveness, Far Eastern SOGO has promoted the “Talent Quality-management System (TTQS)” in 2021. Through 5 main aspects and 19 indicators, the Company is able to continuously improve and construct systematic education and training. In 2022, all stores in Taiwan qualified for the evaluation, and the Kaohsiung Store and Hsinchu Store won the Bronze Medal. Far Eastern SOGO will continue to strengthen the talent training quality and improve recommendations of the evaluation result, in order to improve score and level. Accordingly, the Company aims to enhance the corporate culture establishment through TTQS systematically planned courses, thereby achieving the project goal.

2022 Evaluation Results by Store				
Headquarters, three stores in Taipei	Tianmu Store	Zhongli Store	Hsinchu Store	Kaohsiung Store
Qualified	Qualified	Qualified	Bronze Medal	Bronze Medal

## 4.3.2 External Talent Cultivation

### Industry-academia Collaboration

Since 2015, Far Eastern SOGO has engaged in industry-academia collaboration with universities and colleges to recruit students for internships for each unit, allowing students to apply knowledge learned from the school at work, to experience department store work and to improve employment competitiveness. In 2022, the Company collaborated with 8 universities and colleges and organized numerous campus recruitment explanatory seminars, and the job positions provided included positions at the sales unit, customer service and administrative departments, and a total of 34 interns reported to work. The ratio of interns under the industry-academia collaboration program in 2021 who transformed into official employees in 2022 was 17.65%.

### Partner Schools

1	Shih Chien University	5	Tungnan University
2	Taipei City University of Science and Technology	6	Takming University of Science and Technology
3	National Taipei University of Technology	7	Hungkuo Delin University of Technology
4	Hwa Hsia University of Technology	8	Asia Eastern University of Science and Technology



### 4.3.3 Career Development

The annual performance evaluation items of Far Eastern SOGO include the sales performance achievement rate, customer service satisfaction score, professional competence performance and attendance performance, etc. The evaluation result must be submitted to the evaluatee for verification in order to understand the supervisor's recommendation. For management job positions, there are additional management function performance evaluation items. In 2022, for the on-job employees, excluding internship, the evaluation acceptance rate was 100%.

Employees accepting annual performance evaluation rate									
Year		2019		2020		2021		2022	
Gender		Female	Male	Female	Male	Female	Male	Female	Male
Job rank	Senior manager	100%	100%	100%	100%	100%	100%	100%	100%
	Middle manager	100%	100%	100%	100%	100%	100%	100%	100%
	Professional personnel	100%	100%	100%	100%	100%	100%	100%	100%
Total		100%		100%		100%		100%	

Development Phase		Corresponding Far Eastern SOGO job rank	Training Goal	Training Content
Professional advancement	Top management	President and Above	Strategy Leadership	Cross-functional training and keynote lecturers
	First-level management	Senior manager: above the rank of Assistant Vice President	Strategic planning, change management, formulation of operation guidelines	New department head training and cross-functional training for middle managers
	Second-level management	Middle managers: Assistant manager rank	Enhancement of business acumen and leadership	Management associate training, cross-functional training, new manager training, advanced functional training
	First Level Management	Middle managers: Section manager rank	Cultivation of management skills, utilization of management tools and authorization skills	Advanced functional training, management associate training, functional training certification
Basic training	Entry-level personnel	Professional staff: Specialists	Cultivation and improvement of professional capabilities	Basic and advanced functional training, functional training certification
	New employees	New employees	Understanding of the Company's profile and regulations/systems as well as the scope of their work	Orientation training

## Training and Evaluation for Counter Personnel

For non-directly employed boutique new employees, Far Eastern SOGO organizes education and training every 1 to 3 weeks according to the sale of each business location, in order to provide lectures on Far Eastern SOGO's principles, shopping center facilities, and safety protection mechanisms, etc. For customer complaint, education is enhanced depending upon the situation of individual case. Education and training on service processes and system operation are implemented irregularly, such as cashier system operation, boutique account affairs, credit card professional knowledge, etc., in order to provide best service quality.

Store	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Remarks: Number of employees requiring training
Fuxing Store (including Dunhua Store)	Long-term dispatch education	Instructions to long-term dispatch personnel	673	68.3%	Number of on-board employees in 2022 was 986 people
	Long-term dispatch follow education	Customer response skills & how to win customer's trust	177	13.1%	1,350
	Credit card professional knowledge education	Credit card authorization and counterfeit card identification	394	90.8%	434 boutiques
Zhongxiao Store	Long-term dispatch education	Instructions to long-term dispatch personnel	682	79.7%	Number of on-board employees in 2022 was 856 people
	Boutique account affairs enhanced education	Boutique account affairs enhanced course	253	44.9%	564 boutiques
	Credit card professional knowledge education	Credit card authorization and counterfeit card identification	446	79.1%	564 boutiques
Tianmu Store	Long-term dispatch education	Long-term dispatch education & occupational safety and health education and one boutique with one machine	187	80.6%	Number of on-board employees in 2022 was 232 people
	Occupational safety and health education	Occupational safety and health education-fire safety	291	90.1%	323 boutiques
	Credit card professional knowledge education	Credit card identification education	320	99.1%	323 boutiques
Zhongli Store	Long-term dispatch education	Service attitude, shopping center facility, safety protection mechanism, cashier system operation guidelines.	622	45.5%	Number of on-board employees in 2022 was 1,367 people
	Anniversary sale education for all employees	Anniversary incentive, service focus summary, instructions on giveaways and prize activities	373	27.3%	393 boutiques
	Credit card professional knowledge education	Credit card authorization guidelines, counterfeit card identification, and anniversary sale payment collection and settlement precautions.	370	27.1%	393 boutiques
Hsinchu Store	Long-term dispatch education	Instructions to long-term dispatch personnel	436	32.2%	Number of on-board employees in 2022 was 1,353 people
	Long-term dispatch education	One boutique with one machine & cloud invoice cashier related education	163	27%	Number of on-board employees in 2022 was 1,353 people
	Occupational safety and health education	Fire safety educational promotion	20	1%	Number of on-board employees in 2022 was 1,353 people
	Credit card professional knowledge education	Counterfeit card identification education	365	117.3%	311 boutiques
	Occupational safety and health education	Labor safety education Firefighting equipment hands-on practice and operation (Food Court and Restaurants Section)	20	9%	222
Kaohsiung Store	Long-term dispatch education	Instructions to long-term dispatch personnel	188	77.7%	Number of on-board employees in 2022 was 242 people
	Long-term dispatch education	One boutique with one machine course	94	38.8%	Number of on-board employees in 2022 was 242 people
	Credit card professional knowledge education	Credit card counterfeit card identification course	135	96.4%	140 boutiques

Note: 1. The denominator of each ratio is explained in the Remarks

2. For courses marked with the numbers of boutiques, one representative from each boutique receives the training

## 4.4 Occupational Safety and Health

### 4.4.1 Occupational Safety Management

Far Eastern SOGO values occupational health and safety as an important aspect of the management, and it is imperative to establish a working environment emphasizing safety and health management in order to provide the best quality service to customers. Far Eastern SOGO has received the "Taipei City Labor Safety Award" for 10 consecutive years, and in 2022, the Company also received the three recognitions of "Unit of Excellence", "Outstanding Personnel" and "Employer with a big heart", such that the Company leads the retail industry and service industry in Taiwan and is also ranked among the top of all large enterprises.

Since Chairlady Ching-Wen Huang signed the "Occupational Safety and Health Policy" in 2017, Far Eastern SOGO has implemented the safety and health vision and commitment from top to bottom. The highest decision making unit is the "Occupational Safety and Health Committee", and the Commissioner of the committee is the Administrative President, and scope of management includes all working staff in the workplace of Far Eastern SOGO. The first level unit of Labor Safety Office has been established to be in charge of various matters and the promotion, management and tracking of projects. In recent years, there has been no severe occupational accidents to any staff.



Occupational Safety and Health Committee		2022 Operation Status	
<ul style="list-style-type: none"> <li>Meeting convention frequency: Once every 3 months</li> <li>Committee Member Composition</li> </ul>		<ul style="list-style-type: none"> <li>Meeting convention status: A total of 16 meetings were convened in 2022</li> <li>Committee member attendance rate</li> </ul>	
Commissioner (Administrative President)	1	Commissioner (Administrative President)	100%
Occupational safety and health personnel	4	Occupational safety and health personnel	100%
Departmental Managers	23 persons	Departmental Managers	93.4%
Medical care personnel	3 persons	Medical care personnel	100%
Occupational safety and health related engineer and technician	1 person	Occupational safety and health related engineer and technician	50%
Labor representatives	23 persons	Labor representatives	97.8%
<ul style="list-style-type: none"> <li>Committee member term of office: 2 years for each term of office</li> </ul>		<b>Major resolutions:</b> <ul style="list-style-type: none"> <li>» Since 2023, for the employee health examination, the examination budget and implementation cycle have been modified for each job rank, and it is changed from once annually to once every two years.</li> </ul>	
<b>Meeting proposals:</b> <ul style="list-style-type: none"> <li>» Propose recommendations to occupational safety and health policy established by the employer</li> <li>» Coordinate and recommend occupational safety and health management plan</li> <li>» Review safety and health education and training implementation plan</li> <li>» Review operating environment monitoring plan result and measures adopted</li> <li>» Review health occupational disease prevention and health promotion matters</li> <li>» Review various safety and health proposals</li> <li>» Review autonomous inspection and safety and health audit matters of business unit</li> <li>» Review hazard preventive measures for equipment or raw materials and materials</li> <li>» Review occupational accident investigation report</li> <li>» Evaluate field safety and health management performance</li> <li>» Review safety and health management matters of contracted works</li> <li>» Other relevant occupational safety and health management matters</li> <li>» The resolution covers all working staff, including employees and non-employees in the workplace of Far Eastern SOGO</li> </ul>			

Note: In 2022, there were 23 committee member labor representatives, including 8 representatives in Taipei, 5 representatives in Taoyuan, 5 representatives in Hsinchu, and 5 representatives in Kaohsiung.

Note 1: Committee members will be dismissed and re-elected on April 5, 2026

Note 2: Attendance rate = Actual number of participations / Number of meetings convened

## ISO 45001 Occupational Health and Safety Management

In 2020, Far Eastern SOGO activated the occupational safety and health system certification plan and announced the "Occupational Safety and Health Work Rules". The Zhongxiao Store was the first to qualify for the the ISO 450012018 Occupational Safety and Health Management System certification and be linked to the international standard officially. The ISO 45001 standard will be implemented in each store subsequently. All stores in Taipei have completed the standard, and in 2023, with such standard, appropriate occupational safety and health management system will be established for all business locations in Taiwan.

Far Eastern SOGO occupational safety and health management covers all workers, including 1,315 employees, accounting for 12.62%, and 9,104 non-employees, accounting for 87.38%. As all operating activities are considered, 22 occupational safety and health management procedures are established according to the provisions of the standard and are announced at the internal system. In addition, seed staff of each unit are selected to participate in the education and training of "Hazard Identification and Risk Assessment" and the "Internal Auditor". Over the past years, no significant occupational accidents occurred to the workers, and there were no work-related fatalities.



Far Eastern SOGO Stores' Introduction of ISO45000 Schedule						
Taipei Zhongxiao Store	Taipei Fuxing Store (including Dunhua Store)	Tianmu Store	Zhongli Store	Hsinchu Store	Kaohsiung Store	Headquarters
Qualified for certification in 2020	Completed introduction in 2021	Completed introduction in 2022	With introduction of the standard as the goal, establish management items			
2,539	2,571	1,218				
Coverage of 40.12%	Coverage of 40.63%	Coverage of 19.25%				
ISO45001 total coverage of 60.74						

## Occupational Safety Risk Management

According to the three stages of “before occurrence”, “during occurrence” and “after occurrence” of occupational safety incident, Far Eastern SOGO establishes the management actions for each stage, and all employees may perform occupational safety risk management accordingly. In 2022, Far Eastern SOGO had no major occupational safety incidents.

Occupational Safety and Health Management Process		
Before occurrence	Hazard identification	<ul style="list-style-type: none"> <li>Establish hazard identification awareness: Education and training course adopts the topic of “Hazard identification and risk assessment”, and internal occupational safety and health management staff acts as the instructor</li> <li>Daily communication: Labor Safety Office announces information on the morning daily report periodically, and the sales floor management staff and department managers read and review such information during the morning meeting</li> </ul>
	Risk assessment	<ul style="list-style-type: none"> <li>Workplace risk assessment: Once annually</li> <li>Risk occurrence type: Occur regularly (such as: long-term occupational injury risk)</li> <li>Assessment participation level: Department heads, non-management position representatives, specialists</li> </ul>
	Project improvement	<ul style="list-style-type: none"> <li>Establish management plan: Perform audit and review annually, organize accident drill and track frequency/indicator</li> <li>Establish response process: Resolution level</li> </ul>
▼		
During occurrence	Emergency response	<ul style="list-style-type: none"> <li>COVID-19 confirmed case:               <ol style="list-style-type: none"> <li>Establish the employee and boutique personnel confirmed case (including both test kit and PCR test confirmed cases) reporting procedure, enhance disinfection mechanisms, and schedule returning to work, in order to ensure compliance and the health and safety.</li> <li>While upholding the anti-epidemic position jointly, Far Eastern SOGO pays the expense for employees and boutique personnel requiring test kits, and also provides consolation money to employees and boutique personnel with confirmed cases and requiring quarantine.</li> </ol> </li> <li>Employees' right of avoidance: According to the “Occupational Safety and Health Act”, workers may leave work for situations where they believe harms or disease may occur according to the policy and process, and no penalty is to be imposed.</li> </ul>
	Occupational safety reporting	<ul style="list-style-type: none"> <li>Reporting process</li> <li>Reporting subject: Superior management level in the organization, external unit of the organization (local labor inspection agency)</li> </ul>
▼		
After occurrence	Accident investigation	<ul style="list-style-type: none"> <li>Participating unit: Labor Safety Office accompanies relevant department and labor representative to implement investigation, analysis and prepare records.</li> <li>Investigation report: Incident type, risk type</li> </ul>
	Review improvement	<ul style="list-style-type: none"> <li>Review solution</li> <li>Improvement solution: Responsible unit, inspection frequency</li> </ul>
	Outcome Follow-up	<ul style="list-style-type: none"> <li>Solution result follow-up</li> <li>Follow-up and closure: Re-assess risk → back to “Risk Assessment” stage, and risk reduced to acceptable level → Closure</li> </ul>



Project improvement result follow-up			
2021 key hazard items		2022 improvement status	2023 improvement goal
1	4 cases of traffic accidents on commute to work and home	Prepare traffic safety information announcement and report during morning daily report, and also arrange occupational safety and health education and training course. In 2022, traffic accidents on commute to work and home reduced to 3 cases, a decrease of 1 case from last year.	Continue to promote traffic safety, and the goal is to reduce traffic accidents on commute to work and home to 2 cases.
2	1 case of falling during pickup of goods	<ul style="list-style-type: none"> <li>Replace and clean shelves, and increase goods storage space.</li> <li>Adjust goods storage location, and prevent staff from moving and transporting goods requiring up and down movements.</li> </ul>	Through safety promotion, enhance the safety and health management concept of each unit, and implement regular/irregular management by observation, and the goal is to reduce accidents to 0 cases.

### Occupational Safety and Health Management Outcome

The disability injury severity rate was 10 for Far Eastern SOGO in 2022, and the disability injury frequency was 0.38, lower than the average value in the same industry.

		2019	2020	2021	2022
Disability injury severity rate (SR)	Far Eastern SOGO	2	18	6	10
	Average value in the industry	54	43	43	45
Disability injury frequency (FR)	Far Eastern SOGO	1.07	2.18	0.38	0.38
	Average value in the industry	2.42	2.80	3.11	3.00

Note:

1. FR and SR refers to the occupational safety indicators (calculated based on the standard of million of working hours) specified by the Occupational Safety and Health Administration, Ministry of Labor, and relevant indicator equations are as follows:

- $SR = (\text{Number of days lost due to occupational injuries} \div \text{total work hours of the gender or region}) \times 1,000,000$
- $FR = (\text{Number of occupational injury cases} \div \text{total work hours of the gender or region}) \times 1,000,000$
- 2. Industry average value refers to the data of "Occupational Safety and Health Administration, Ministry of Labor - Occupational Safety and Health Management System Information and Application Platform"
- 3. The calculation method of Far Eastern SOGO does not include traffic accidents on commute to work and home, and it has been adjusted to be consistent with other business operators in the industry
- 4. Indicator terms have been adjusted to be consistent with the announcement of the Occupational Safety and Health Administration, Ministry of Labor

In 2022, Far Eastern SOGO had 0 cases of severe occupational injury, and 1 case of occupational injury. The accident was a falling accident due to misstep, and the Company assisted with the hospitalization and provided occupational injury leave and group insurance compensation, and also promoted occupational safety and health work safety to all employees again. To precisely understand the workplace health condition of all workers, Far Eastern SOGO is establishing the non-employee occupational accident reporting mechanism, and it is expected to be disclosed in 2023 Corporate ESG Report.

Far Eastern SOGO is a department store in the retailing industry and the Company is not directly exposed to high risk factors. In 2022, the Company had no occurrence of occupational diseases identified by the "Physicians of the Department of Occupational Medicine". The most common cases were musculoskeletal discomfort due to standing for long periods; therefore, Far Eastern SOGO has installed exclusive dining and recreation areas for employees and each boutique is provided with safe and comfortable chairs, and also distributes patches during the anniversary sale period, in order to allow to be relieved from stress.

Statistics of Employee Occupational Injuries According to Gender for Past Years								
Year	2019		2020		2021		2022	
Gender	Female	Male	Female	Male	Female	Male	Female	Male
Total number of employees	936	452	944	453	935	436	891	424
Severe occupational injury	0	0	0	0	0	0	0	0
Number of occupational injury for recording	3	0	3	3	1	0	1	0
Disabling Injury Incidence Rate (FR)	1.59	0	1.61	3.37	0.56	0	0.56	0
Disabling Injury Severity Rate (SR)	4	0	5	46	9	0	16	0

Note:

1. Severe occupational injury refers to the definition specified in Paragraph 2 of Article 37 of the Occupational Safety and Health Act, 1. accidents involving death; accidents causing injuries to three people or more; accidents causing injuries to one person or more that require hospitalization.
2. Occupational injury for recording refers to the definition specified in Paragraph 38 of the Occupational Safety and Health Act, employers in industries designated by the central competent authority shall compile reports and statistics on occupational accidents in accordance with regulations, and forward such reports to the labor inspection agencies each month for future reference and post them at the workplaces.
2. According to the occupational safety indicators, calculated based on the standard of million of working hours, specified by the Occupational Safety and Health Administration, Ministry of Labor, the equations are as follows:  
 $FR = (\text{Number of occupational injury cases} \div \text{total work hours of the gender or region}) \times 1,000,000$   
 $SR = (\text{Number of days lost due to occupational injuries} \div \text{total work hours of the gender or region}) \times 1,000,000$
3. There were errors to the FR and SR for female employees in 2021
4. Total number of working hours of labor is 40 hours) \* 50(weeks) \* number of employees of that gender

Statistics of Employee Occupational Injuries According to Region for Past Years					
Region	Item	2019	2020	2021	2022
Taipei	Disabling Injury Incidence Rate (FR)	1.64	2.18	0.57	0.55
	Disabling Injury Severity Rate (SR)	4	21	9	16
Taoyuan	Disabling Injury Incidence Rate (FR)	0	0	0	0
	Disabling Injury Severity Rate (SR)	0	0	0	0
Hsinchu	Disabling Injury Incidence Rate (FR)	0	2.87	0	0
	Disabling Injury Severity Rate (SR)	0	5	0	0
Kaohsiung	Disabling Injury Incidence Rate (FR)	0	5.10	0	0
	Disabling Injury Severity Rate (SR)	0	45	0	0

Note:

1. "Taipei" includes the headquarters, Zhongxiao Store, Fuxing Store, Dunhua Store and Tianmu Store; "Taoyuan" refers to the Zhongli Store.
2. According to the occupational safety indicators, calculated based on the standard of million of working hours, specified by the Occupational Safety and Health Administration, Ministry of Labor, the equations are as follows:  

$$FR = (\text{Number of occupational injury cases} \div \text{total work hours of the gender or region}) \times 1,000,000$$

$$SR = (\text{Number of days lost due to occupational injuries} \div \text{total work hours of the gender or region}) \times 1,000,000$$
3. Total number of working hours of labor is 40 hours) \* 50(weeks) \* number of employees in that region

## Labor Safety Implementation and Management of Partners

Far Eastern SOGO's non-employee types include security, maintenance personnel, employee cafeteria working staff, boutique personnel and dispatch personnel, etc., and the total number of non-employee personnel in 2022 was 9,104 people. According to the average total working hours of 2,000 hours for workers in Taiwan announced in 2021 by the Ministry of Labor, the total working hours was 18,208,000 hours.

Far Eastern SOGO not only cares for employees but also cares for supplier partners. Since 2009, the contract further includes the "Corporate Social Responsibility Clauses" (amended to Sustainability Clauses in 2022) and explicitly specifies the "Labor Interests and Human Rights Protection Clauses" in order to request suppliers to protect labor legitimate rights and interests and to also respect the basic labor human rights principle accepted internationally. In 2022, contractors and lessees were not subject to any major occupational accidents specified by the Occupational Safety and Health Act in Taiwan.

For personnel not directly employed by Far Eastern SOGO, they can also enjoy most of the employee benefits, including health examination and travel discount plan, stationed physician consultation, health management course and club activities, etc.

For details of labor rights and interests related clauses, please refer to <https://esg.sogo.com.tw/7-4.php>

## 4.4.2 Employee Health Management

Far Eastern SOGO is committed to provide a working environment that is physically and mentally healthy to employees. For all stores in Taiwan (Zhongxiao Store is included in the scope of headquarters), they are equipped with the "Health Promotion Mark" issued by the Health Promotion Administration, MOHW, and in 2023, its application will be extended for Zhongli Store and Kaohsiung Store.

### Employee Health Examination

To care for the health of employees, Far Eastern SOGO's Occupational Safety and Health Committee has reached the resolution that from 2023, the employee health examination is changed according to the examination budget and implementation period for each job rank, and it is adjusted to once every two years. The frequency is superior to the regulatory requirements of once every five years for employees under the age of 39 years and once every three years for employees of the age of 40~64.

Far Eastern SOGO collaborates with hospitals approved by the Ministry of Labor, and diverse examinations are planned according to the age, job rank, workplace characteristics and work type. In addition, a special offer for additional items and relative health examination discount are provided, and the specification is increased year after year. Furthermore, for employees above the age of 55, cardiovascular, bone mass density and gynecology examination are further included, in order to implement the health risk classification system.

Health Check Items for All Employees		Free Optional Health Check Items			
		#	General Employee	Employees Over 55	Above Section Level
Cardiovascular function test	Cancer prevention screening	1	Gynecology	Project for females	Heart check
Blood routine examination	Electrolyte	2	Liver check	Liver and thyroid test	Lung check
X-ray examination	Body fat distribution index	3	Cardiovascular check	Lung cancer screening	Gynecology
Liver function test	Physical examination	4	Bone check	Gastrointestinal cardiovascular system	Painless gastroscopy
Kidney function test	Hearing test	5	Thyroid test	Bone protecting hormones	Painless colonoscopy
Diabetes screening	Eye examination	6	Upper gastrointestinal examination		Cerebrovascular examination
Urine routine examination	General examination				

## Health Promotion

In 2022, Far Eastern SOGO organized a total of 14 sessions of EAPs health promotion seminars in each store, and a total of 405 people attended the seminars. The content included physical and mental care of leg circulation, diet, stretching, stress relief. For the Taipei area, according to the health examination results of employees, after discussion with the labor health service physician, regarding the issues of three high indicators (blood pressure, blood lipids, blood sugar), body mass index (BMI), health promotion courses, such as body combat, are opened in collaboration with Taipei City Da'an District Health Service Center.

## Musculoskeletal disorder prevention

Far Eastern SOGO provides a comfortable employee dining and recreation area, and chairs are installed at each boutique, in order to relieve discomfort of field service personnel due to long period of standing. Infirmary also provides health and nursing services, and occupational safety and health promotion experts are invited to provide educational promotion irregularly.



Dining and recreation area



Chairs are installed at each boutique

## On-site Medical Service

Far Eastern SOGO hires 1-3 full-time health service nurses at each business location depending upon the number of employees, and one physician consultation is arranged every two months according to the law. The service items include preventive health care, health management, health examination consultation, common disease inquiry, chronic disease control management, travel medical consultation, vaccination and health education, etc.



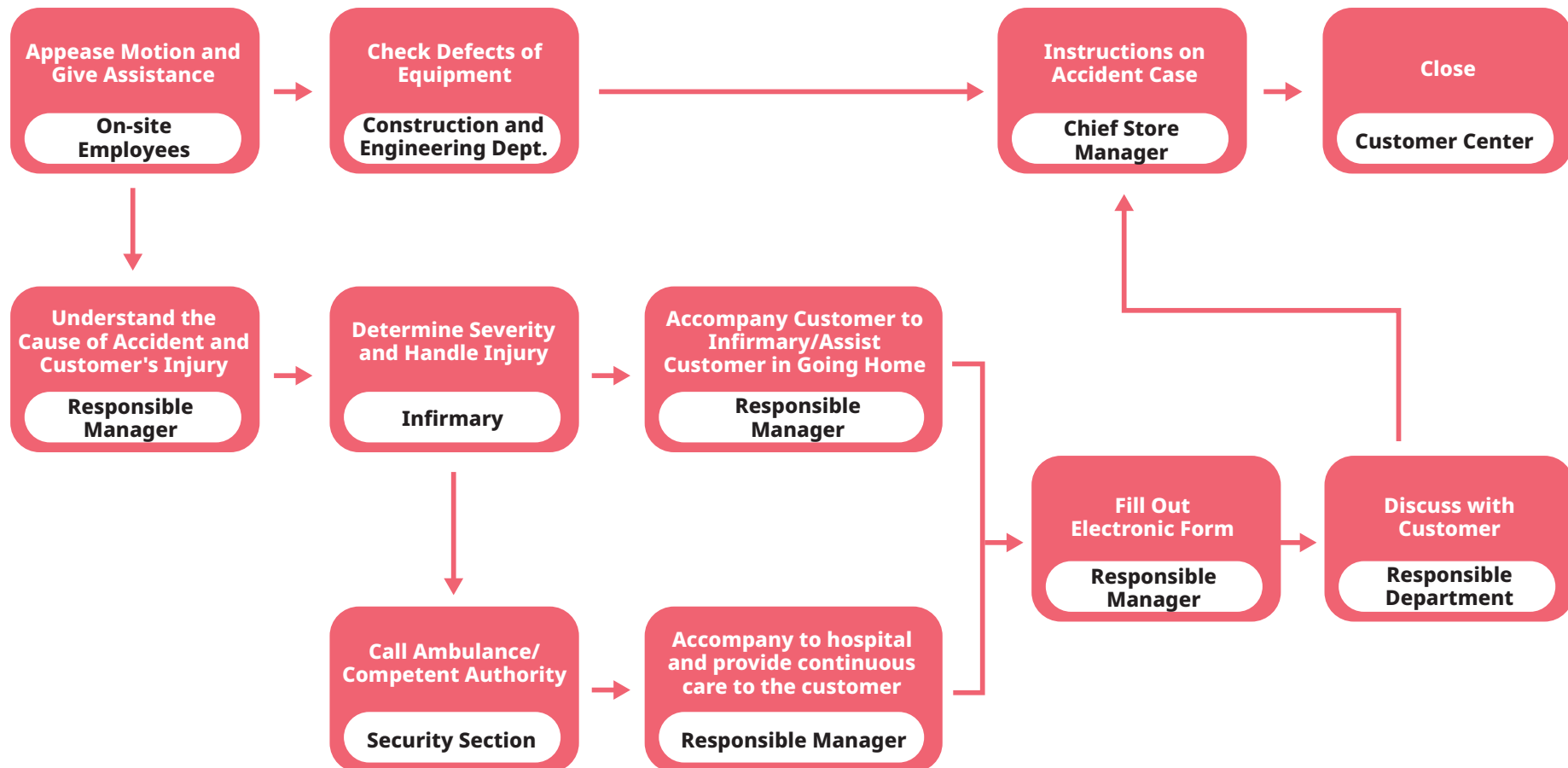
The headquarters has installed the health section for measurement of blood pressure, body fat and weight.



Live consultation with the on-site physician

Far Eastern SOGO values the safety of customers, and emergency response handling of employees is also one of the key aspects of the service training. In case of occurrence of accident, the field staff provides assistance and comforts the customer, and also reports to the responsible supervisor immediately. After the reporting procedure is initiated, the Infirmary, Security Section and Construction and Engineering Section implement countermeasures simultaneously. All customer injury cases require filling of electronic forms and recorded for management. The customer service center is responsible for tracking and continuous caring as well as providing assistance. The store manager shall verify that the case has been handled properly, and according to the customer injury type, review and improvement operations are performed. In 2022, there were 447 customer injury cases that were proceeded to the nursing station for assistance, and all cases were handled properly and resolved.

#### Customer Injury Handling Process





# 5 Social Impact Power

For Eastern SOGO is committed to the three main aspects of “Caring, Sustainability, and Reliability” to implement social participation and to convey the principles of social common good, establishing joint sustainability, and cultural empathy. In addition, the Company also gathers stakeholders including customers, lessees and boutiques, employees, etc. to establish a sustainable ecological system with other enterprises and government agencies, such that the effort of all parties can be combined to achieve social impact power jointly.

## Corresponding SDGs



### ► Response to Sustainability Topic

- Social Care and Community Engagement

### ► Primary Stakeholders

- Customer
- Lessees (Counters)
- Employee
- Neighboring Communities

Home cooking competition with the promotion of a green diet

Reached a combined  
**71.92** million  
people over the past  
3 years

Collaborated with  
**1,975** external units  
jointly in 2022

Initiated **912** sessions of  
social participation events

Resource investment value  
exceeded NT\$**67** million

More than **2** million people  
combined have benefited

SO GOOD Children  
Christmas Wishes

Helped

**41,000**

disadvantaged children  
make their dreams come  
true over the past 31 years

Children SO GOOD  
Role Model

Issued more than

NT\$ **3.6 million**

of prize money in 10 years

**290** students  
of special background  
benefited



## 5.1 All stores are a site of sustainable influence— C · S · R

Far Eastern SOGO upholds the mission of “providing fortune to all people” and the core value of R.I.S.E. (Reliable, Inspire, Sustain, Excellence), in order to provide dining culture integrating international and local characteristics, trends and fine services, and also exploits the channel advantages in order to achieve “Far Eastern SOGO NEW LIFE PROJECT” together with the stakeholders. In addition, the Company also continues to invest in resources related to the three main aspects of “Caring, Sustainability, and Reliability” in order to implement social participation. Furthermore, each store follows the policy of the headquarters to become a local sustainability influential site.

In 2022, Far Eastern SOGO collaborated with 1,975 external units, including charity institutions, academic and research units, government agencies, enterprise brands, social enterprises, etc. to solve various social issues with efforts, and a total of 912 social participations and activities were organized with a total resource investment value exceeding NT\$67 million, and the number of beneficiaries exceeded 2 million people.

To effectively manage social participation projects, since 2022, Far Eastern SOGO has started to implement the systematic analysis under the B4SI (Business for Social Impact Framework), in order to improve the resource allocation benefit through quantification of the social participation investment and output. In the future, Far Eastern SOGO will continue to refer to various international social influential evaluation frameworks to review activity outcome and to optimize activity related methods and regulations.

**Collaborating with 1,975 external units,  
Holding 912 sessions of social participation events,  
Donating NT\$67 million,  
200 people benefiting from these events**

**B4SI three main  
motivation  
investment ratio**

**Charity donation  
41.80%**

**Commercial  
activities  
30.39%**

**Community  
investment  
27.80%**

**B4SI framework social  
participation investment  
resource ratio**

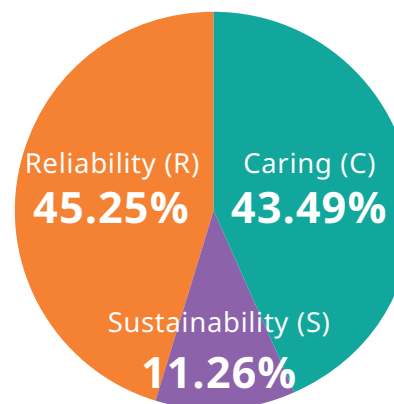
**Cash donation  
2.59%**

**Labor cost  
3.88%**

**Goods donation  
34.60%**

**Management  
expense  
59.82%**

### Three main public welfare focus (C·S·R) of SOGO NEW LIFE



#### Social common good (Caring)

Child welfare  
Vulnerable people care  
Prevention of epidemic and disaster Relief

#### Sustainability joint establishment (Sustainability)

Eco-friendly tourism  
Eco-conscious exhibitions  
Parent-child bonding activities

#### Cultural empathy (Reliability)

Kid career experiences  
Community markets  
Arts & cultural activities



Core Value		R.I.S.E Happiness		
Public welfare focus		Caring	Sustainability	Reliability
Convey concept		Social common good	Sustainability joint establishment	Cultural empathy
2022 Effectiveness	Resource investment (NT\$)	29,473,557	7,630,894	30,661,466
	Number of Beneficiaries	111,652	233,744	1,684,515
	Number of Sessions	140	92	680

Note: 1. Far Eastern SOGO calculates the resource investment (including cash donation, goods donation, labor cost, management expense) in three main public welfare aspects according to B4SI.

\*2. Labor cost is calculated based on the basic wage of NT\$168 per hour announced by the Ministry of Labor in 2022.

## 5.1.1 Sustainable Social Welfare Chain

Far Eastern SOGO has donated and established the "Pacific Chongguang Culture and Education Foundation" and "Pacific Chongguang Social Welfare Foundation" consecutively, and has collaborated with cultural institutions, social welfare units and schools for a long period of time, and also continues to accumulate resources, promote cultural education and social welfare, thereby becoming a local pillar of support. Three main related event indicators are organized periodically on an annual basis.

Foundation	 財團法人太平洋崇光文教基金會		 財團法人 太平洋崇光社會福利基金會		
Date of Foundation	1988		2000		
Development Philosophy	The philosophy is to improve general public's culture, art and living style, and to promote cultural exchange, along with the organization of cultural education activities		Extend the Far Eastern SOGO's principle of obtaining from society and giving back to society, and engage in promotion of public welfare and charity events with dedication		
2022 Key project	3rd term of Far Eastern SOGO Home Cooking Competition and Youth With Courage Caring Actions		31st term of Children SO GOOD Christmas Wish	10th Term of Children SO GOOD Role Model Award Presentation Ceremony	
Cooperating Unit	Far Eastern Group Yuan-Zu Hsu Memorial Foundation Taiwan Health Foundation Shangri-La's Far Eastern Plaza Hotel Against Wind Theater		Taiwan Fund for Children and Families Sunshine Social Welfare Foundation Noordhoff Craniofacial Foundation Taiwan Foundation for Rare Disorders Taipei Women's Rescue Foundation The Mustard Seed Mission The Affiliated School for Students with Hearing Impairments of National University of Tainan HAPPY GO Ding Ding Integrated Marketing Service Co., Ltd.	HAPPY GO Ding Ding Integrated Marketing Service Co., Ltd. Taiwan Foundation for Rare Disorders Sunshine Social Welfare Foundation Noordhoff Craniofacial Foundation Taiwan Fund for Children and Families	
Effectiveness of Project	Invested Resources	Cash donation	• Total of NT\$544,000	• NA	• Total of NT\$363,000
		Goods donation	• 10 cooking packs for NT\$3,000	• 1,217 gifts, with average price of NT\$600, for a total value of approximately NT\$730,200	• 49 lucky bags, containing living supplies and stationery
		Labor cost	• 3 full-time employees for a total contribution of 500 hours • 4 volunteers for a total contribution of 28 hours	• 3 full-time employees for a total contribution of 160 hours • 4 volunteers for a total contribution of 32 hours	• 3 full-time employees for a total contribution of 400 hours • 8 volunteers for a total contribution of 26 hours
		Management expense	• \$2,056,000	• \$361,500	• \$1,847,000

Foundation	財團法人太平洋崇光文教基金會	財團法人 太平洋崇光社會福利基金會
Effectiveness of Project	<b>Outputs</b> <ul style="list-style-type: none"> <li>1st term of golden medal winning cuisine commercialization, and cooperated with Against Wind Theater to initiate the first cooking pack group raising project</li> <li>Department store cooperated with 4 restaurants to sell the 2nd term of epidemic control meal winning cuisine</li> <li>207 people applied for the competition, an increase of 33% from last term</li> <li>Reached more than 31.92 million people</li> <li>63% of participants were female participants, and the number of female participants exceeded the number of male participants for the first time</li> </ul>	<ul style="list-style-type: none"> <li>More than 1,300 people participated in the dream-come-true action</li> <li>7 social welfare institutions and 1,217 disadvantaged children with their wishes realized</li> <li>Additional performance of Against Wind Theater's Special Youth Wishes, and more than 166 persons-time participated in the cooking pack group raising project during the period</li> </ul>
	<b>Influence</b> <ul style="list-style-type: none"> <li>Introduce the concepts of "Food Safety", "Epidemic Control" and "Green Diet" to the supply chain management</li> <li>73% of participants indicated that participating in this activity was helpful to the improvement of understanding of sustainable diet and green meal</li> <li>85% of participants were satisfied with Far Eastern SOGO's organization of environmental protection education, cultural education activities and caring for stakeholders during the pandemic period</li> </ul>	<ul style="list-style-type: none"> <li>Far Eastern SOGO's employees' volunteering hours can be used to offset public welfare leave, such that employees' participation increased</li> <li>Far Eastern SOGO's loyal customer routine activities and continuous dedication in public welfare</li> <li>Engaged in joint volunteer recruitment with Noordhoff Craniofacial Foundation Taiwan, and exposed photography exhibition works early to increase visibility</li> </ul>

Foundation timely discloses the latest information via its website and Facebook fans page, in order to convey public welfare outcome and to initiate social positive cycle.

Company's website <https://newlife.sogo.com.tw/>  
 FB fans page  
<https://www.facebook.com/SOGONEWLIFE/>

### Through its three main activities, Far Eastern SOGO demonstrates its long-term support for social engagement and goodwill programs.

#### Children SO GOOD Role Model Selection



**10 years**  
 290 students received scholarships  
 Total scholarships reached NT\$3.6 million  
 Promoting 44 winners of Induction Presidential Education Award  
**Encouraging the vulnerable children in chasing dreams**

#### Children SO GOOD Christmas Wish



**31 years**  
 More than 41,000 people have participated  
 At least 28,000 disadvantaged children's dreams come true  
**Promoting the dialogue between two ends of the M-type society**

#### Far Eastern SOGO Home Cooking Competition



**3rd term**  
 Total 496 participants  
 Reaching 71.92 million people  
**Promoting the green catering concept**

## 5.1.2 Social Participation and Event Outcome

In 2022, Far Eastern SOGO collaborated with 1,975 external units (sessions) to participate in 912 sessions of social participation events such as supporting rescue and epidemic control, supporting public health and medical care, assisting the disadvantaged, implementing ecological protection, promoting education, encouraging sports, art and cultural development, providing care to community and neighborhood, and offering charity donation, etc. In addition, the Company also actively collaborated with cooperating suppliers in order to achieve the the most together, such as the clothing brand FREE supported Ukraine by donating 2,000 insulation underwear for a total value of approximately NT\$19.72 million. In December, 1,753 boutiques in Taiwan responded to the public welfare donation initiated by Far Eastern SOGO, and donation of points for exchange of purchase gift money for consumption discount, equivalent to 1,753 boutiques were willing to contribute cash for participation in public welfare jointly.

Year	Number of Sessions	Number of Participants	Number of Beneficiaries	Resource Investment Value (NT\$)	Number of Cooperating Units
2022	912	1,389,167	2,029,931	67,765,917	1,975
2021	391	1,312,745	1,802,019	22,105,733	268
2020	371	3,930,193	3,992,304	30,582,377	194
2019	158	1,131,775	1,229,362	21,587,265	80

Note:

1. Since 2022, Far Eastern SOGO invested in resources along with labor cost and own resources of the Company according to B4SI guidance. If calculation (cash, goods, parts of management expense) is made according to the original method, the resource investment value in 2022 was NT\$50,908,693. The 2.2021 social participation and event data was re-stipulated.

### [Caring]

With regard to the caring aspect, Far Eastern SOGO conveys the concept of social common good, and the categories of project implemented include social welfare, care for children and the disadvantaged. In 2022, the Company invested an amount of NT\$29.47 million and organized 140 sessions of events, with more than 30,000 participating in these events and more than 110,000 people benefiting from the events. Among which, the large children welfare series of events are organized Pacific SOGO Social Welfare Foundation, and named "SO GOOD Children".

### Children SO GOOD Role Model

Project continuity	Total scholarship	Accumulated students receiving scholarships	Number of people reached
10th term	NT\$3.6 million	290 people	6 million people
Beneficiaries		Promoted Presidential Education Award	
300 disadvantaged families, relatives and friends 300 frontline social workers and teachers		Promoted 44 winners of Induction Presidential Education Award (Domestic special student highest reward)	

Since 2011, Far Eastern SOGO has organized the "Children SO GOOD Role Model Selection and Award Presentation", and it is the sole disadvantaged children's role model selection event organized by a retailing department store in Taiwan. All students, 6th grade and under, with a background of poverty or illness but are still courageous and optimistic and with passion to assist others in chasing dreams are welcome to participate in the selection. The purpose is not to "select" particular students, but to show role models with courage to overcome challenges to the society in order to encourage. In addition, "Dedicated Protection Award" is further set up to present awards to frontline teachers and social workers for their contribution.

Over the past years, the event has accumulated to present awards to 290 students, and 46 idols and celebrities have been invited to encourage students. Due to the COVID-19 pandemic impact, the 10th award presentation ceremony was postponed to 2022 and expanded and all award winners from the past were invited to jointly create a large painting reaching a length of 8m, and to practice music together. The process was recorded into a short film along which will be provided to all elementary schools and kindergartens nationwide free of charge as life education teaching materials in 2023.

"Children SO GOOD Role Model Selection" serves as the guidance for the "Presidential Education Award", and a total of 44 award winners were promoted over the past years. Far Eastern SOGO invites the youth role models receiving the Presidential Education Award and their relatives and friends to enjoy meals at the department store and to choose an outfit to wear for attending the award ceremony at the Presidential Office Building in order to shine at the event and to demonstrate positive energy of life.





Group photo of Sophia Huang (middle), and the 10th Children SO GOOD role models



Youth role model 10th anniversary documentary film



### Problems to be solved

## Care for disadvantaged children with insufficient resources through popular department store's channel power

### Resolution method

Public award presentation  
Provide encourage to future success  
Presentation of scholarship

### Beneficiaries

Disadvantaged and special students  
Parents  
Teachers/social workers

### Corresponding SDGs



### Invested re

Evaluate SOGO's 10-year investment in "Youth Role Model Project" monetary amount according to B4SI  
NT\$23.84 million



72.1% Project management

16.1% Cash prize and scholarship

3.4% Human resource

3.4% Physical goods

### Children SO GOOD Christmas Wish

Project Continuity	Accumulated Number of Participants	Accumulated Number of People Benefiting Therefrom
31st term	41,000	28,000

Far Eastern SOGO has established the public welfare platform for a long period of time in order to promote the dialogue between two ends of the M-type society. "Children SO GOOD Christmas Wish" is one of the most well-known public welfare projects organized by Far Eastern SOGO, and more than 41,000 have participated in the project and helped make more than 28,000 disadvantaged children's dreams come true over the past 31 years. In 2022, Far Eastern SOGO links the responses of all stores in Taiwan to display the wish cards of 1,217 disadvantaged children from 7 social welfare institutions. For those adopting the wishes of children, 69.8% of such participants participated in the event for the first time, and 52.3% of participants decided to assist more than two children make their dreams come true. The event demonstrates Far Eastern SOGO's promotion of public welfare and its influence is expected to expand to greater customers.

In addition to Christmas wishes, Far Eastern SOGO has further expanded the period from November to December 2022 as the "Warm-Hearted Month", and three main events were organized to invite consumers to participate together. To support the early treatment of children, Far Eastern SOGO and Far Eastern International Bank collaborated with Eden Social Welfare Foundation to release interactive donation device, and a total of NT\$48,262 was raised. In addition, "See Changes in Public Welfare Photography Exhibition" was organized with Noordhoff Craniofacial Foundation Taiwan at the East Metro Mall, and famous Golden Melody Awards winning singer Waa Wei was invited to share her courage and passion at the press conference. "Light Up Hope - Donation Event" encouraged consumers to donate their HAPPY GO points to Taiwan Fund for Children and Families for the exchange of a NT\$100 purchase discount, and the total of number of points raised nationwide reached more than NT\$280,000.



2022 Special Project "Warm-Hearted Month"			
Cooperating Organization	Far Eastern International Bank Eden Social Welfare Foundation	Noordhoff Craniofacial Foundation	Taiwan Fund for Children and Families
Cooperation Method	Interactive donation	Organized "See Changes in Public Welfare Photography Exhibition" at the East Metro Mall	"Light Up Hope - Donation Event" encouraged consumers to donate their HAPPY GO points to Taiwan Fund for Children and Families for the exchange of a NT\$100 purchase discount
Resources Raised	Total of NT\$48,262 was raised	Physical exhibition reached 5.8 million people Event website reached 1.7 million people	A total of 1,753 boutiques nationwide responded to the collection of vouchers, and a total 793,800 points were raised for the event, equivalent to the donation of NT\$286,402.



Far Eastern SOGO employees with the benefit of 10-hour public welfare leave annually, and the image is a group picture of the Chairlady Ching-Wen Huang (middle) with all volunteers who participated in Christmas Wishes event.



Far Eastern SOGO jointly linked with boutiques to encourage consumers to donate points for assisting the disadvantaged and to receive a purchase discount.

## [Sustainability]

Far Eastern SOGO upholds the mission of "establishing the first green department store in Asia", and implements environmental protection during daily operation and activities, provides low-carbon education training, and guides stakeholders to establish environmental protection awareness internally. In 2022, the Company invested NT\$7.63 million and organized 92 sessions of joint establishment sustainability events, and more than 90,000 people participated in the events with 230,000 benefiting from the events.

### Asia-Pacific Forum & Exposition for Sustainability

In August, Far Eastern SOGO was invited to participate in the 1st term of "Asia-Pacific Forum & Exposition for Sustainability" held at Taipei World Trade Center Exhibition Hall 1, and more than 100 government agencies, enterprises, universities, social enterprises and NGO, partners dedicated in the promotion of sustainability, jointly demonstrated implementation outcomes, and nearly 20,000 people were attracted to visit the exposition in three days.

Far Eastern SOGO focused on the exposition theme of "Green Consumption Journey". The use of recycled papers to simulate a forest represented the Company's promotion of paperless environment for a long term and contribution in the saving resources of the Earth and ecological protection, and the LED screen at the rear presented Far Eastern SOGO's sustainability performance spotlight, and continued to show the scene of passing through forest, symbolizing that Far Eastern SOGO is starting on a green consumption journey, which also introduced greening to the lively and busy exhibition hall.

### Heart-to-Heart Public Second-hand Clothing Drive

In Taiwan, approximately 72,000 tons of old clothes are discarded annually, equivalent to discarding 438 pieces of clothing every minute. Far Eastern SOGO is committed to engage sustainability actions with cooperating partners. For the Earth Day series of events in April, the Company collaborated with Estee Lauder Companies to raise second-hand clothes. The Company started from the internal and expanded to the general consumers for the event in order to exploit the influence of an alliance of two leaders in the department retailing industry and cosmetics industry to encourage the general public to face the environmental issues related to fashion.

A total of 2,000 people participated in the event, and 1,164kg of clothes were recovered for donation to Eden Social Welfare Foundation and for further donation to disadvantaged group with needs. Far Eastern SOGO will also continue share resources, regardless of the scale of the resources, and are willing to contribute together with eco-friendly suppliers in order to convey the message of sustainability.

Deep-rooted Sustainability Education

Far Eastern SOGO understands the importance of education and believes that it is imperative to start sustainability education for children. Accordingly, the Company focuses more on the ecology and environmental protection during the planning of parent-children events. For example, Zhongxiao Sore ThankQ Club collaborated with National Museum of Marine Science and Technology, Taipei Astronomical Museum, and National Taiwan Science Education Center to organize 9 sessions of courses, and more than 200 families with thousand of participants benefited from the educational and entertaining courses. During the Mother's Day event period, the Company organized an ocean painting contest to introduce biology and promote environmental protection, and a total of 95 children participated the contest, 3,000 visited the painting exhibition, allowing the department store to be more than just a place for purchase but also a place for parent-children interaction and learning.



Asia-Pacific Forum & Exposition for Sustainability



「海洋生物由我來守護」海洋繪畫展



與雅詩蘭黛共同發起二手衣回收

[Reliability]

“Reliability” is a core value of Far Eastern SOGO and is also the key to achieving win-win situation with stakeholders. There are more than 3,000 boutiques in all business locations of Far Eastern SOGO in Taiwan, representing diverse products and services in real life. Each store approaches customers via the organization of education promotion, art and cultural development, promotion of sports development and cultural empathy events. In 2022, the Company invested NT\$30.66 million and organized 680 sessions of cultural empathy events, and more than 1.26 million people participated in the events with 1.68 million people benefiting from the events.

Home Cooking Competition

Project continuity	Accumulated Number of Participants	Accumulated Number of People Reached (including internet)
3rd term	496	71.92 million

Far Eastern SOGO has been organized the “Far Eastern Catering Expert Contest” for 12 years and has assisted to cultivate nearly 2,000 catering elites in Taiwan. Since 2020, the eating habits of people have been changed to reduce dining out due to the pandemic. Far Eastern SOGO has realized the opportunity in the promotion of a healthy diet and the contest system has been transformed to general public’s “Epidemic Control Meal (Home Cooking) Contest” and to promote the health management of “home cooking”. In 2022, in response to the “Green Life for All People”, the Company further introduced the international sustainability concept, and the evaluation items further included the green catering concept in order to promote plastic reduction, to prevent waste, and to use local and seasonal food ingredients. The number of applicants has increased year after year. Through the competition, general food education is also implemented and the popular channel’s social impact power is demonstrated.



Yu-Lin Hsu (left) won the Champion of the 3rd Home Cooking Society Category with the nutritious fish soup.



### Children Customer Service Cute Experience Camp

Far Eastern SOGO utilizes the advantage of diverse products from the department channel to provide various career experiences. The event of "Children Customer Service Cute Experience Camp" is opened for registration annually and is often booked completely in a short period of time. In 2022, 10 sessions of the event was organized in Zhongxiao Store, and 60 children customer service personnel were recruited to participate in the process that included clock-in, dressing, welcome guests, greeting practice, service counter inquiry, store guidance, broadcast for finding people, lending of stroller, etc., in order to experience the quality service of Far Eastern SOGO well-recognized by the general public for 35 years. The events of "Firefighting Little Hero Experience Camp", "Small Boss Market" organized in Kaohsiung Store, "Children Carpenter" organized in Tianmu Store encourage children for diverse development and to respect different professions.



Children customer service personnel act as the guest welcome ambassadors



Kaohsiung Store's firefighting little hero experience camp

### Customers' high recognition of Far Eastern SOGO's deep cultivation in cultural education and public welfare

Under the long-term cultivation of the foundation and all departments, according to the most recent customer satisfaction survey of Far Eastern SOGO, it indicates that 88.7% of customers believe that Far Eastern SOGO is trustworthy, more than 70% of consumers provide positive feedback on Far Eastern SOGO's dedication in various social participations, and the result is consistent with last year's result. For the well-recognized Christmas Wish event, the satisfaction reaches 79.6%, and the 3rd home cooking contest also receives 75.2% positive feedback, an increase of nearly 3 percentage points in comparison with last year. The survey result has been submitted to the ESG Committee as the reference for optimization.

### 5.1.3 International Days with Sustainability Initiative

Far Eastern SOGO responds to international trends and launches one sustainability initiative monthly, and communicates with consumers through FB fans page of each store and the LCD in each store. During May-December 2022, a total of 8 topics were proposed, including International No Diet Day, World Oceans Day, World Population Day, International Youth Day, Low Carbon Mid-Autumn Festival, International Day of the Girl, International Meatless Day, and Sustainable Christmas, reaching a total of 150,000 people. In the future, Far Eastern SOGO will continue to focus on sustainability topics, will also initiate appropriate action plans in order to expand and link suppliers to respond to these plans jointly.



## 5.2 Local Business

"Department Store" is able to bring crowds and business opportunities to the surrounding area, and it is valued as an important indicator to economic prosperity. Far Eastern SOGO actively exploits its core capability and implements local cultivation in order to promote co-prosperity and joint growth with community.

### 5.2.1 Taipei Eastern District Co-prosperity

Far Eastern SOGO has established the "Taipei Eastern District Association" in 2019 with respect to corporate social responsibility, and the strategy of "Creativity, Innovation, Employment, Placemaking" is adopted for planning. Accordingly, famous stores are gathered for four consecutive years to provide special offers and lottery events, and the anniversary sale crowd is also expanded to the eastern district, thereby achieving millions of visitors for the district annually.

Far Eastern SOGO actively engages in the revitalization of the eastern district. In 2022, the Company has completed numerous lighting enhancement and pedestrian friendly facilities. The promotion of "Eastern District Corridor Plan" and the improvement of the unloading area vehicle parking issue of Zhongxiao Store have received recognition from the Taipei City Office of Commerce. In addition, two phases of constructions have also been implemented in order to modify the corridor at the rear of Zhongxiao Store together with the city government, in order to allow the eastern district landmark of Far Eastern SOGO to achieve co-prosperity with the community.

Project	Key points	Guiding Unit	Outcome and progress
Eastern district revitalization construction	1. Lighting enhancement and route guidance 2. Additional installation of pedestrian friendly facility and moving line	Far Eastern SOGO	1. Zhongxiao Fuxing Station building underneath lighting enhancement 2. Dunhua North and South Road traffic island artistic lamp lighting 3. Eastern district bicycle road line guidance 4. Zhongxiao Fuxing Station No. 4 Exit escalator construction completion (2022/8/15) 5. Zhongxiao Fuxing intersection with trial implementation of cross type pedestrian crosswalk (2023/2/25)
Eastern District Corridor Plan	1. Modify the purpose of use surrounding Zhongxiao Store, allowing the space utilization to comply with laws and become licensed. 2. Construct corridor at rear of Zhongxiao Store to become a large green recreation park.	Far Eastern SOGO Taipei City Government	Detail planning under review, and construction is expected to commence in May 2023



Far Eastern SOGO linked eastern district anniversary sale to promote business opportunities



MRT Zhongxiao Fuxing Station two-way escalator construction completion for use



Taipei Eastern District Association organized market and attracted crowd



Zhongxiao Fuxing Station building underneath lighting enhancement



## 5.2.2 Each Store Entering Community and Transforming into Influential Site

As a department store company for everyone, Far Eastern SOGO's business locations open the internal public space to create the "OPEN SPACE" as a free use platform for local organizations and people in order to achieve common good with the community.

### Tianmu Store x Tianmu District

"Halloween Tianmu Party Fair" is an annual representative event for Tianmu District. Far Eastern SOGO has collaborated with the Tianmu District Development Association for a long period of time in order to link local stores and to bring enormous business opportunities. In 2022, the event was held for the 14th year, and attracted 5,000 people, such that visitors were able to enjoy the great foreign Halloween atmosphere locally without traveling abroad. During the new year, a total of 110 students from the marching bands and honor guards of four schools participated in joint performance, and attracted 800 fans, and the FB live broadcast was viewed by more than 2,000 people.

### Zhongli Store x Liuhe District

Liuhe District is developed with Far Eastern SOGO Zhongli Store as the center with great popularity and consumer activities. The events of "Halloween Ghost Team on Street" and "Costume Party Show" held once annually has entered the 10th year, and the parade starts from Far Eastern SOGO Zhongli Store. All adults and children dressed in various costumes and yelled "Trick or Treat" in order to bring energy to the district. During the Lantern Festival of the year of Tiger, Zhongli Store cooperated with the Taoyuan Lantern Festival to organize the "Tiger Village Lantern Festival Painting Exhibition" and also collaborated with studio, in order to allow children to exploit their creativity and to allow the store to become a new landmark in Zhongli, which then attracted 36,000 persons-times of visits.

### Kaohsiung Store x Sanduo District

Far Eastern SOGO Kaohsiung Store maintains friendly interaction with Sanduo District and cultivates the local residential relationship for a long period of time. During the 26th anniversary sale of Kaohsiung Store, the store collaborated with the Maolin National Scenic Area, Tourism Bureau, Ministry of Transportation and Communications to organize "Kaohsiung Tourism Circle x Kaohsiung Shopping Market", and local agricultural specialties and cultural creative and artistic brands were invited to participate in the event, allowing people to see great effort in the promotion of tourism in Kaohsiung, such as Kaohsiung Store's commitment to provide the best service and to speak for the local culture. For Christmas Eve, three churches formed the New Fortune Sanduo Caroling Band in order to bring warm through singing.

### Hsinchu Store x Priority Choice of Parent-Children Department Store for Taoyuan, Hsinchu and Miaoli

Far Eastern SOGO Hsinchu Store is the priority choice of parent-children department stores for Taoyuan, Hsinchu and Miaoli. "Eric Carle Quintet" parent-children interactive show chose its only show performance at Hsinchu Store in 2022. In addition, Hsinchu Store manager has also managed the ThanQ Club for a long period of time to establish a parent-children friendly space, and during Halloween, kindergarten children were invited to dress up for a trick-or-treat event, and the shopping mall was full of cute "monsters".

During 2022 summer, Hsinchu Store started the sports month special project and boxing and interval training courses were organized, and residents were invited to burn fat and to work out. The event cumulatively reached more than 170,000 people. During winter, the basketball team of Hsinchu JKO Lioneers was invited, and popular players participated in the division team games with the people for greater interaction.



Tianmu Store alliance marching bands and honor guards performed during new year



Zhongli Halloween Street Parade



Kaohsiung tourism circle x Kaohsiung shopping market



"Eric Carle Quintet" parent-children interactive show at Hsinchu Store



# Appendix



## Appendix

### Appendix 1. International Sustainability Disclosure Framework Comparison Table Global Reporting Initiative Standards (GRI Standards) Index

The following indicators are based on the GRI Standards 2021 proposed by the (Global Reporting Initiative (GRI) corresponding to the content of this report. Relevant information has been disclosed in the statement of external checking, and it has been inspected to comply with the requirements of GRI Standards on external checklist.

Statement of Use	GRI 1 Use	Applicable GRI Standards
Far Eastern SOGO has reported according to GRI Standards during the period from January 1 to December 31, 2022	GRI 1: Foundation (2021)	N/A

#### GRI 2: General Disclosures 2021

Disclosure Indicator	Reference Chapter	Page No.	Notes
2-1 Detailed Information of Organization	About this Report	6	
2-2 Entities Included in Organization ESG Report	About this Report	6	
2-3 Report Period, Frequency and Contact Person	About this Report	6	
2-4 Restatements of Information	2.3 Energy Management	74	Restatements of total electricity consumption for 2019-2021, and further addition of renewable energy
	4.1 Employee Profile 4.2 Remuneration and Welfare 4.4 Occupational Safety and Health	102 106 119	Error in 2021 medium and Senior manager male and female employee recruitment ratio Error in the number of employees eligible for parental leave in 2021 Error in 2021 FR and SR
	5.1.2 Social Participation and Event Outcome	130	Restatements of number of public welfare events, number of participants/beneficiaries, resource investment value in 2021
2-5 External Guarantee/Assurance	About this Report	6	
2-6 Event, Value Chain and Other Business Relationship	1.5 Supply Chain Management	46	
2-7 Employee	4.1 Employee Profile	102	
2-8 Non-employee Workers	4.1 Employee Profile 4.4 Occupational Safety and Health	102 119	The active reporting status of boutiques and contractors are disclosed only. In recent years, there has been no statutory major occupational accidents to any staff.

	Disclosure Indicator	Reference Chapter	Page No.	Notes
2-9	Governance Structure and Composition	1.1 Corporate Governance	25	
2-12	Role of the highest governance unit in supervising impact management	III. Sustainable SOGO - Sustainability Promotion Mechanism and Architecture	15	
2-11	Chair of the Highest Governance Body	1.1.2 Board of Directors	26	
2-13	Responsible Person of Impact Management	1.1.3 Internal Control Mechanism	30	
2-14	Role of the highest governance unit by the reporting of sustainability	About this Report	6	
2-15	Conflict of Interest	1.1.2 Board of Directors	26	
2-19	Remuneration Policies	4.2.1 Remuneration System	106	
2-20	Process for Determining Remuneration	4.2.1 Remuneration System	106	
2-21	Annual Total Remuneration Ratio	4.2.1 Remuneration System	106	
2-22	Statement of Sustainable Development Strategy	II. About Far Eastern SOGO	6	
2-23	Policy and Commitment	II. About Far Eastern SOGO 4.1.1 Employee Formation and Distribution	6 102	
2-24	Incorporated into Policy and Commitment	II. About Far Eastern SOGO 1.0 Strategic Results and Planning 2.0 Strategic Results and Planning 3.0 Strategic Results and Planning 4.0 Strategic Results and Planning	6 23 50 85 100	
2-25	Remedial Procedure for Negative Impact	About this Report 1.0 Strategic Results and Planning 2.0 Strategic Results and Planning 3.0 Strategic Results and Planning 4.0 Strategic Results and Planning	6 23 50 85 100	
2-26	Mechanism for Seeking Recommendation and Submitting Concerns	About this Report	6	
2-27	Legal Compliance	1.1.4 Ethical Management	31	
2-28	Membership of Associations	1.1.2 Board of Directors	26	

Disclosure Indicator		Reference Chapter	Page No.	Notes
2-29	Stakeholder Engagement Plan	About this Report III. Sustainable SOGO - Far Eastern SOGO Value Chain and Sustainability Topic Relationship 3.2.1 Customer Relationship Management and Communication 4.2.3 Occupational Rights	6 18 89 111	
2-30	Collective Bargaining Agreements	NA		The Company has no established labor union and has not signed any agreements.

#### GRI Standards

Topic	Corresponding GRI indicator	Reference Chapter	Content or Notes
Management Approach	GRI 3-1: Process to determine material topics	About this Report	
	GRI 3-2: List of material topics	About this Report	
Operating Performance			
Management Approach	GRI 3-3: Management of material topics	1.0 Strategic Results and Planning	
GRI 201: Economic Performance (2016)	201-1 Direct Economic Value Generated and Distributed	1.2.2 Operating Performance	Total revenue of NT\$45.01 billion
	201-2 Financial implications and other risks and opportunities due to climate change	2.2.2 Identification of Climate Change Risks and Opportunities	
	201-3 Defined benefit plan obligations and other retirement plans	4.2.3 Occupational Rights	
	201-4 Financial assistance received from government	1.2 Operation Performance	
Sustainable Supplier Selection and Consumption			
Management Approach	GRI 3-3: Management of material topics	2.0 Strategic Results and Planning	
GRI 204: Procurement Practices (2016)	204-1 Proportion of Spending on Local Suppliers	2.1.2 Green Action	100% Local procurement

Corporate Governance			
Management Approach	GRI 3-3: Management of material topics	1.0 Strategic Results and Planning	
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	1.1.4 Ethical Management and Corporate Ethics	
	205-2 Communication and training about anti-corruption policies and procedures	1.1.4 Ethical Management and Corporate Ethics	
	205-3 Confirmed incidents of corruption and actions taken	1.4.2 Handling of Emergencies	
Legal Compliance			
Management Approach	GRI 3-3: Management of material topics	1.1 Corporate Governance	
GRI 2-27: Compliance with laws and regulations	GRI 307: Environmental Compliance	1.1.4 Ethical Management	No occurrence of relevant violations in 2022
	GRI 419: Socioeconomic Compliance	1.1.4 Ethical Management	The penalty fine total amount in 2022 was NT\$225,000, and all of the deficiencies have been improved completely.
Energy Management, Green Products and Services			
Management Approach	GRI 3-3: Management of material topics	2.0 Strategic Results and Planning	
GRI 302: Energy (2016)	302-1 Energy Consumption Within the Organization	2.3.2 Energy Saving Measures and Effectiveness	361,550.3GJ
	302-2 Energy consumption outside of the organization	2.3.2 Energy Saving Measures and Effectiveness	Revenue from per kWh of electricity consumption was NT\$447.99
	302-3 Energy intensity	2.3.2 Energy Saving Measures and Effectiveness	8.03 GJ/NT\$ million
	302-4 Reduction of energy consumption	2.3.2 Energy Saving Measures and Effectiveness	
	302-5 Reductions in energy requirements of products and services	2.3.2 Energy Saving Measures and Effectiveness	
Climate Strategies and Actions, Greenhouse Gas Management			
Management Approach	GRI 3-3: Management of material topics	2-2 Climate Change Mitigation and Adaptation	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	2.3.2 Energy Saving Measures and Effectiveness	
	305-2 Energy indirect (Scope 2) GHG emissions	2.3.2 Energy Saving Measures and Effectiveness	51,114 tons of CO <sub>2</sub> e
	305-3 Other indirect (Scope 3) GHG emissions	2.3.2 Energy Saving Measures and Effectiveness	



GRI 305: Emissions (2016)	305-3 GHG emissions intensity	2.3.2 Energy Saving Measures and Effectiveness	0.0011 tons of CO2e/NT\$ thousand
	305-5 Reduction of GHG emissions	2.3.2 Energy Saving Measures and Effectiveness	Emission intensity decreased by 9.84%
	305-6 Emissions of ozone-depleting substances (ODS)	2.3.2 Energy Saving Measures and Effectiveness	Main emissions of CO2
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.3.2 Energy Saving Measures and Effectiveness	NA
Employee Remuneration and Welfare			
Management Approach	GRI 3-3: Management of material topics	4.0 Strategic Results and Planning	
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	4.1.2 Employee Turnover	New employees of 178 people with new employment rate of 13.54%; resigned employees of 307 people, turnover rate of 23.35%
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.2 Employee Welfare	
	401-3 Parental leave	4.2.2 Employee Welfare	11 female employees and 3 male employees filed the application
Occupational Safety and Health			
Management Approach	GRI 3-3: Management of material topics	4.0 Strategic Results and Planning	
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	4.4.1 Occupational Safety Management	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety Management	
	403-3 Occupational health services	4.4.2 Employee Health Management	
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	4.4.1 Occupational Safety Management	
	403-5 Worker Training on Occupational Health and Safety	4.4.1 Occupational Safety Management	
	403-6 Promotion of Worker Health	4.4.2 Employee Health Management	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.1 Occupational Safety Management	
	403-8 Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety Management	ISO 45001 covers 6,328 people, coverage of 60.74%
	403-9 Work-related injuries	4.4.1 Occupational Safety Management	Disability injury severity rate of 10, severe injury frequency of 0.38
	403-10 Work-related ill health	4.4.2 Employee Health Management	NA

Talent Retention and Development			
Management Approach	GRI 3-3: Management of material topics	4.0 Strategic Results and Planning	
GRI 404: Training and Education (2016)	404-1 Average Hours of Training per Year per Employee	4.3.1 Employee Training	11.77 hours
	404-2 Programs for upgrading employee skills and transition assistance programs	4.3.1 Employee Training	
	404-3 Percentage of employees receiving periodic performance and occupational development reviews	4.3.3 Career Development	100%
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of Governance Bodies and Employees	1.1.2 Board of Directors 4.1.1 Employee Formation and Distribution	
	405- 2 Ratio of basic salary and remuneration of women to men	4.2.1 Remuneration System	Senior manager 1:1.7 Medium level supervisors 1:1.003 Professional staff 1: 1.06
Product Safety and Transparency, Customer Relations and Communication			
Management Approach	GRI 3-3: Management of material topics	3.0 Strategic Results and Planning	
GRI 416: Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	3.1.1 Merchandise Safety Management	100% of products have qualified the health and safety impact assessment to have no obvious negative impact on consumers
	416-2 Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	3.1.2 Merchandise Management Mechanism and Action Plan	No occurrence of relevant violations in 2022
GRI 417: Marketing and Labeling (2016)	417-1 Requirements for product and service information and labeling	3.1.2 Merchandise Management Mechanism and Action Plan	
	417-2 Incidents of non-compliance concerning product and service information and labeling	3.1.2 Merchandise Management Mechanism and Action Plan	No occurrence of relevant incidents in 2022
	417-3 Incidents of non-compliance concerning marketing communications	3.1.2 Merchandise Management Mechanism and Action Plan	No occurrence of relevant incidents in 2022
Information Security			
Management Approach	GRI 3-3: Management of material topics	1.0 Strategic Results and Planning	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3 Information Security Protection	No occurrence of relevant incidents in 2022

## Reference of SASB (Sustainability Accounting Standards Board) Standards

Disclosure Topic	Energy Management					
Indicator No.	Disclosure Indicator	Corresponding Disclosure				Chapter
CG-MR-130a.1		2019	2020	2021	2022	2.3.2 Energy Saving Measures and Effectiveness
	(1) Total Energy Consumed (GJ)	415,563.19	379,912.29	353,961	361,550.3	
	(2) Percentage Grid Electricity %	100%	100%	100%	100%	
	(3) Percentage Renewable Energy %	0%	0.062%	0.077%	0.058%	
Disclosure Topic	Data Security					
Indicator No.	Disclosure Indicator	Corresponding Disclosure				Chapter
CG-MR-230a.1	Description of Approach to Identifying and Addressing Data Security Risks	<ul style="list-style-type: none"><li>• The Information Security Management Committee has finished the personal data checking, establishment of the personal data collection procedure, amendment of the personal data clauses in the consignment counter agreement, education and training of the employees in Taiwan about personal data, and changes to the marketing methods on special days.</li><li>• Establish information security incident reporting system, and the unit having or finding a personal information issue is obligated to report to the Information Security Management Committee, and coordinated by the Legal Affairs Office</li></ul>				1.3 Information Security Protection
CG-MR-230a.2		2019	2020	2021	2022	
	(1) Number of Data Breaches	0	0	0	0	
	(2) Percentage Involving Personally Identifiable Information (PII)	0	0	0	0	
	(3) Number of Customers Affected	00	0	0	0	
Disclosure Topic	Labor Practices					
Indicator No.	Disclosure Indicator	Corresponding Disclosure				Chapter
CG-MR-310a.1		2019	2020	2021	2022	4.2.1 Remuneration System
	(1) Average Hourly Wage (Unit: NTD)	187	189	189	193	
	(2) Percentage of In-store Employees Earning Minimum Wage, by Region	0	0	0	0	
CG-MR-310a.2	(1) Voluntary Employee Turnover Rate For In-store Employees %	26.4%	14.3%	15.97%	20.76%	4.1.2 Employee Turnover
	(2) Involuntary Employee Turnover Rate For In-store Employees %	0.1%	0	0	2.25%	
CG-MR-310a.3	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Labor Law Violations (Unit: NTD)	20,000	0	0	0	

Disclosure Topic	Workforce Diversity and Inclusion										
Indicator No.	Disclosure Indicator		Corresponding Disclosure								Chapter
CG-MR-330a.1			2019		2020		2021		2022		4.1.1 Employee Formation and Distribution
			Management	All Other Employees	Management	All Other Employees	Management	All Other Employees	Management	All Other Employees	
	Percentage of Gender Representation in All Employees	Male	6.7%	25.9%	6.8%	25.1%	7%	24.8%	7.38%	24.87%	
		Female	7.5%	59.9%	7.7%	60.5%	7.5%	60.7%	7.52%	60.23%	
	Percentage of Racial/Ethnic Group Representation in All Employees	Indigenous People New Immigrant	The Company does not register the race group of the employees to ensure equal employment opportunities, so no related data is available.								
CG-MR-330a.2	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Employment Discrimination (Unit: NTD)		0		0		0		0		
Disclosure Topic	Product Sourcing, Packaging and Marketing										
Indicator No.	Disclosure Indicator		Corresponding Disclosure								Chapter
CG-MR-410a.1	Revenue From Products Third-party Certified to Environmental and/or Social Sustainability Standards (Unit: NTD)		2019		2020		2021		2022		
			-		-		-		-		
CG-MR-410a.2	Discussion of Processes to Assess and Manage Risks and/or Hazards Associated with Chemicals in Products		<ul style="list-style-type: none"><li>• In 2016, we established the “Merchandise Safety Monitoring Network” to connect all relevant departments using communication software.</li><li>• Far Eastern SOGO performs inspection, and dedicated persons performs collection of media news and government information daily, in order to understand the latest update and news</li><li>• The “Risk Monitoring Procedure of Products in Problem” is launched immediately whenever the news on problem products is identified. The team for control of risk brought about by the problem products is responsible for following up on the result of the action.</li></ul>								3.1 Merchandise Safety Management
CG-MR-410a.3	Discussion of Strategies to Reduce the Environmental Impact of Packaging		<ul style="list-style-type: none"><li>• All stores in Taiwan use shopping bags made from papers certified by FSC (Forest Stewardship Council) and also purchase paper towels and tissues certified by FSC.</li><li>• Paper DMs use eco-friendly ink made from soybean for printing</li><li>• Home delivery uses internal packaging/carton for recycle and reuse in principle</li></ul>								2.1 Green Marketing

Operation Indicator						
Indicator No.	Disclosure Indicator	Corresponding Disclosure				Chapter
		2019	2020	2021	2022	
CG-MR-000.A	(1) Number of Retail Locations	7	7	7	7	1.2 Operating Performance
	(2) Number of Distribution Centers	0	0	0	0	
CG-MR-000.B	(1) Total Area of Retail Space (Unit: m <sup>2</sup> )	392,633.02	392,633.02	392,633.02	392,633.02	1.2 Operating Performance
	(2) Total Area of Distribution Centers (Unit: m <sup>2</sup> )	0	0	0	0	

## Appendix 2. Comparison Table of UN Global Compact

Category	10 Principles	Corresponding Chapter
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights.	4.2.3 Occupational Rights
	Make sure that they are not complicit in human rights abuses.	1.5.1 Supplier Regulations
Labor Standard	Businesses should uphold the freedom of association and the effective recognition of the right of collective bargaining.	4.2.3 Occupational Rights
	The elimination of all forms of forced and compulsory labor.	4.2.3 Occupational Rights
	The effective abolition of child labor.	4.1.1 Employee Composition and Distribution
	The elimination of discrimination in respect of employment and occupation.	4.1.1 Employee Composition and Distribution
Environment	Businesses should support a precautionary approach to environmental challenges.	2 Sustainable Environment Power
	Undertake initiatives to promote greater environmental responsibility.	
	Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption.	Businesses should work against corruption in all its forms, including extortion and bribery.	1-1-4 Ethical Management



## Appendix 3. Statement of Assurance



### ASSURANCE STATEMENT

#### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE PACIFIC SOGO DEPARTMENT STORES CO., LTD.'s SUSTAINABILITY REPORT FOR 2022

##### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by PACIFIC SOGO DEPARTMENT STORES CO., LTD. (hereinafter referred to as FAR EASTERN SOGO) to conduct an independent assurance of the Sustainability Report for 2022 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Universal Standard (2021) and AA1000 Accountability Principles (2018) during verification (2023/04/20–2023/05/24) in FAR EASTERN SOGO headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards board (SASB), and non-material topics and its related performance indicators.

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 FAR EASTERN SOGO's Stakeholders.

##### RESPONSIBILITIES

The information in the FAR EASTERN SOGO's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body (as applicable) and management of FAR EASTERN SOGO. 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 report content within the scope of verification with the intention to inform all FAR EASTERN SOGO's stakeholders.

##### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and/or ISAE3000.

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

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 1 Moderate (AA1000AP Evaluation only)

TWLPP 5008 Issue 2305

##### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	GRI Universal Standard (2021) (Reference)
2	AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standards (2021) listed in the GRI content index where the organization has referenced for the preparation of the reported information.

##### ASSURANCE METHODOLOGY

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

##### LIMITATIONS AND MITIGATION

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

##### STATEMENT OF 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 FAR EASTERN SOGO, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SAB000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

##### FINDINGS AND CONCLUSIONS

##### ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

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

TWLPP5008 Issue 2305

##### ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

##### INCLUSIVITY

FAR EASTERN SOGO has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, FAR EASTERN SOGO may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

##### MATERIALITY

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

##### RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

##### IMPACT

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

##### GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, FAR EASTERN SOGO's Sustainability Report of 2022, is reporting with reference to the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 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 Material Topic have been disclosed. The report has properly disclosed information related to FAR EASTERN SOGO's contributions to sustainability development. For future reporting, FAR EASTERN SOGO is encouraged to prepare for the transition to reporting in accordance with the GRI Standards, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights. The target setting of identified material topics are expected to periodically review based on the sustainability context of FAR EASTERN SOGO.

Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao  
Knowledge Deputy General Manager  
Taipei, Taiwan  
14 July, 2023  
[WWW.SGS.COM](http://WWW.SGS.COM)



TWLPP5008 Issue 2305



S O G O N E W L I F E



Far Eastern SOGO's  
ESG Website



Far Eastern SOGO's  
ESG Fan Club



Far Eastern SOGO Corporate  
Sustainability Report



SOGO APP

No.45, Section 4, Zhongxiao East Road, Taipei City

02-2776-5555

[www.sogo.com.tw](http://www.sogo.com.tw)



本刊物採用環保大豆油墨印刷以及FSC森林管理委員會驗證紙張，  
SOGO用心，邀您一起愛地球。