



2023

Environment

Social

Governance Report

遠東SOGO百貨  
企業永續報告書





## Cover Design Idea



“Bring Happiness to All”

While pursuing growth in operational performance, we remain committed to protecting the environment and sharing our goodwill. We hope that your visit to Far Eastern SOGO Group is the beginning of a green journey.



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# 2023 ESG Report

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# I. Report

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This Sustainability Report published by Pacific SOGO Department Stores Co., Ltd. (hereinafter "Far Eastern SOGO") is the sustainability-related information published for the tenth consecutive year. Upholding the spirit of transparency, openness, and sustainable development for all, Far Eastern SOGO has prepared the contents with reference to the Universal Standards 2021 released globally in 2021 by the Global Report Initiative (GRI). 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
International Sustainability Standards Board (ISSB)	Task Force on Climate-related Financial Disclosures (TCFD) Sustainability Accounting Standards Board (SASB)

## Scope of Reporting

This report covers the period from January 1 to December 31, 2023, 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 places of the business locations of Far Eastern SOGO. 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 financial data and information in the report are based on information verified by the CPAs. If the boundary of the performance coverage is different, it will be specially explained in the report. Other non-financial data are compiled and obtained by Far Eastern SOGO. In consideration of comparability, the data for the most recent three to four 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.

## 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.

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☎ / 02-7713-5555 Ext. 8251

✉ / esg@sogo.com.tw  
🏠 / No.45, Section 4, Zhongxiao East Road, Taipei City

🗉 Stakeholder Contact:  
Please visit the "Contact Us" page on the official website of Far Eastern SOGO ESG

🗉 Far Eastern SOGO Corporate Sustainability Report Download:  
Please visit the "Download the Sustainability Report" page on the official website of Far Eastern SOGO ESG



Far Eastern SOGO ESG Website

## Management Process and Publication of the Report

- 01 Collection of first draft, verification of internal data**  
Each responsible department provides information, and the Auditing Office conducts data audits.
- 02 Organization for compilation**  
Compiled by the Sustainability Office for overall planning and preparation, and then reviewed by the responsible unit head (the head of each responsible unit also serves as a member of the Company's Corporate Sustainability Committee)
- 03 Third-party verification**  
The report passes external verification.
- 04 Publication of the report**  
After review and confirmation by the Corporate Sustainability Committee (ESG Committee), the report is submitted to the Chairperson of the Corporate Sustainability Committee for approval, and publication is published on the ESG website.

External Certification	Certification Body
<ul style="list-style-type: none"> <li>Financial data</li> <li>ISO 50001 Energy management system</li> <li>ISO 14064-1 Greenhouse gases</li> <li>ISO 14067 Carbon footprint</li> <li>ISO 45001:2018 Occupational health and safety management systems</li> <li>ISO 27001:2013 Information security management system</li> <li>MAS Mark</li> </ul>	<ul style="list-style-type: none"> <li>Deloitte Taiwan</li> <li>SGS Taiwan Ltd. (valid until September 2023)</li> <li>British Standards Institution (BSI), SGS Taiwan Ltd.</li> <li>SGS Taiwan Ltd. (valid until June 2023)</li> <li>British Standards Institution (BSI)</li> <li>ARES INTERNATIONAL CERTIFICATION CO., LTD.</li> <li>INFORMATION SECURITY SERVICE DIGITAL UNITED INC.</li> </ul>

🗉 Date of first issue	🗉 Date of previous issue	🗉 Date of current issue	🗉 Date of next issue
June 2015	June 2022	June 2024	Scheduled for June 2025

## 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 information on relevant methods of the assurance/verification process and the results, see the Statement of Verification in the Appendices of this report.





## II. About Far Eastern SOGO



### Message from the Chairperson

#### Climate Change is Flooding Deserts!

In mid-April 2023, the United Arab Emirates experienced its most severe rainfall in 75 years. Dubai, the largest city, received 1.5 times of its annual average rainfall in a single day, leading to flooding of major infrastructures such as airports and highways.

As the host of COP28 in 2023, Dubai faced the challenging task of discussing ways to reduce reliance on fossil fuels in a fossil fuel-producing country.

This intense rainfall clearly illustrates the severe and profound impact of carbon emissions on Earth's climate and ecology.

Without environmental and social sustainability, there is no corporate future! Far Eastern SOGO, although not a listed company, has established its "Corporate Social Responsibility Committee" (now known as the "Corporate Sustainability Committee") since 2015, and has published its Sustainability Report for 10 consecutive years. Last year, the first "Office of Sustainability" was established in the department store. This unit is responsible for coordinating cross-departmental communication and implementing sustainable strategies and projects. Over the years, we have set numerous records as the number one department store in Taiwan and have actively built up low-carbon operations, aiming to set an example of sustainability in the department store retail industry. We are working collaboratively with stakeholders to move towards net zero. In 2023, Far Eastern SOGO's operating revenue reached NT\$49.7 billion, making it the only department store with double-digit growth. Despite achieving remarkable revenue figures, we have been actively addressing social and environmental issues.



Chairperson,  
Far Eastern  
Department Stores

黃晴雯

June 2024



#### Environment **E** Achieving Four Top Rankings: Leading the Industry in Green Procurement

Far Eastern SOGO set four records of No.1 domestic department store in 2023, including winning the National Enterprise Environmental Award at the silver level or above five times, becoming a TCFD Supporter, saving a significant amount of paper over a year by consolidating sales details and credit card slips enough to cover the length of two highways, and using FSC-certified paper for gift vouchers.

To ensure that customers embark on a green purchasing journey as soon as they step into the department store, Far Eastern SOGO, has pioneered a sustainable selection program called "SOGO Sustain". Using seven major indicators to carefully select environmentally friendly and socially beneficial products. Additionally, Far Eastern SOGO has launched the first green e-commerce platform among department stores, SOGOplus, allowing consumers to easily practice a net-zero green lifestyle with minimal time investment.



#### Society **S** Advocate DEI and develop sustainable store layouts in all stores to become the bases of influence

Far Eastern SOGO has increased compensation for all employees for three consecutive years to motivate employees. Given that the majority of employees are women and the store serves a varied range of customers every day, we place a huge emphasis on DEI. In addition to improving maternal care policies for staff, we published a sustainability proclamation and a human rights policy last year. In response to the MeToo movement, we promptly implemented anti-sexual harassment training for all supervisors. Furthermore, we were the first department store in Taiwan to receive ISO 45001 Occupational Health and Safety Management System certification and have been designated as a safe environment by the Ministry of Health and Welfare. Every year, we conduct a retraining program for thousands of people, including counter personnel, to ensure that one in every four employees receives CPR and AED training.

Far Eastern SOGO not only generates operating revenue, but also actively addresses social and environmental challenges. Each store profoundly incorporates sustainability DNA, develops distinctive features, and builds up unique sustainable store layouts, in order to become the local bases of influence. Since 2018, we have hosted hundreds of small farmer fairs, establishing ourselves as the leading department store for these events. We support social innovation enterprise through a strict merchant screening and selection process, bridge the gap between small farmers and customers, and cultivating a growing sustainable customer base. Internally, we seek cross-departmental solutions within our core operations, collaborate with social innovation enterprises to create a welcoming environment for innovative businesses.



#### Governance **G** ESG drives EPS. Total operating revenue, net income, and earnings per share have grown for six consecutive years

During the pandemic, Far Eastern SOGO rapidly developed the pandemic prevention guidelines for the department store industry, thereby building strong customer trust. To accelerate the pace of digital transformation, we achieved the ISO 27001: 2013 information security management system last year adding an extra layer of protection for customer data.

After the pandemic, the retail industry has rebounded, and Far Eastern SOGO has once again set a new record for its highest operating revenue. Pre-tax and post-tax net profit, earnings per share (EPS) (after tax), and return on equity (ROE) have all grown for six consecutive years, EPS reaching NT\$2.65, representing a year-on-year increase of over 57%.

In supply chain management, we leverage our influence by supporting smaller business partners, helping suppliers reduce carbon emissions, promoting sustainability in our in-store dining options, and collaborating with partner brands to turn off lights for one hour on Earth Day, demonstrating our commitment to energy conservation. As a leader in sustainability, Far Eastern SOGO's various initiatives lead the industry and guide stakeholders in collaborative sustainability efforts.

With Dubai experiencing the biggest rainfall since weather data collection began, as an enterprise, we can no longer attribute all extreme weather events to natural disasters. As an enterprise, we must do something! Far Eastern SOGO Department Store always believes that goodness is our best investment! We will continue to spread the idea of common good to society and stakeholders.

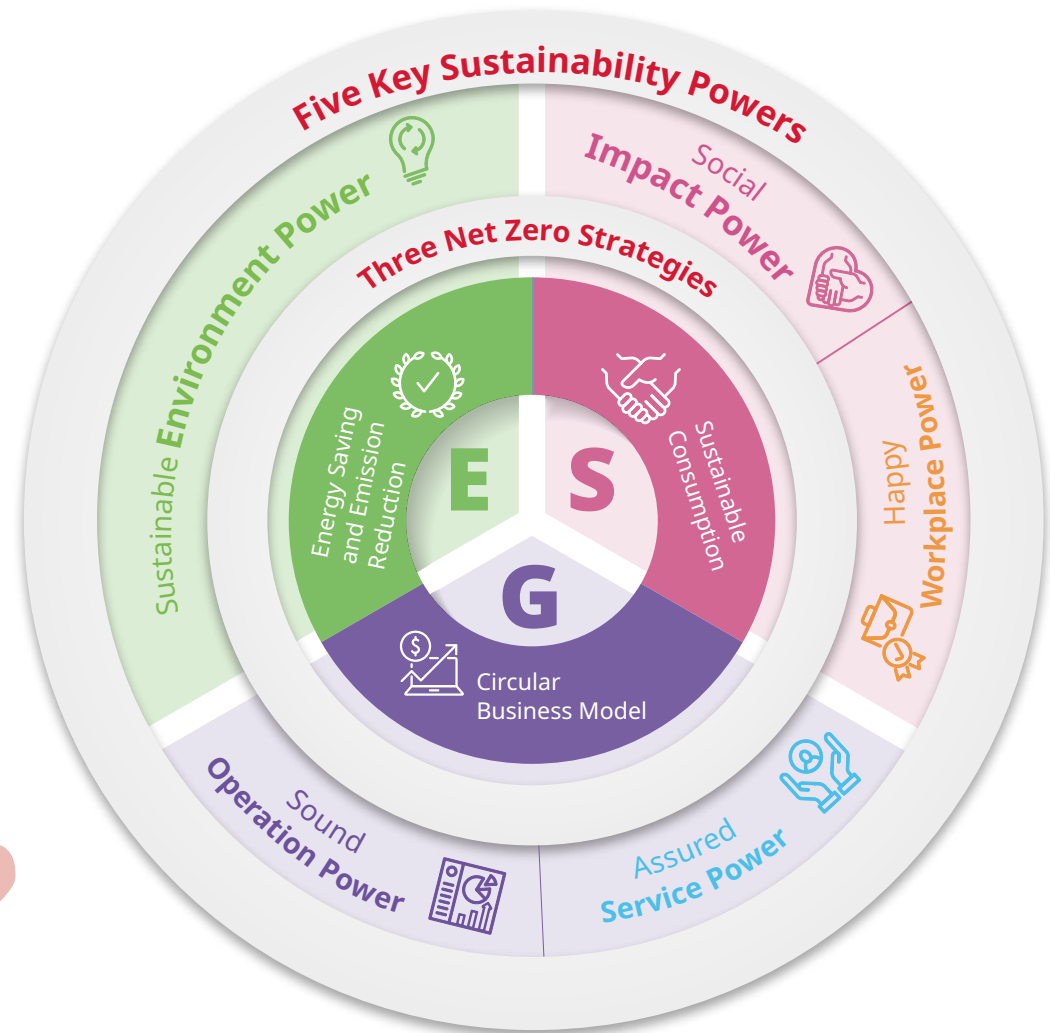




## Special Information on ESG











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
 <p><b>Sound Operation Power</b></p>	<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>The operating revenue was NT\$49.7 billion, the only double-digit growth in the department store. The net profit before/after tax, the earnings per share (after tax), and the return on shareholders' equity have all grown for six consecutive years.</li> <li>Earnings per share (EPS) of NT\$2.65, an annual increase of more than 57%.</li> <li>A complete and comprehensive information security management system has been introduced and passed ISO 27001: 2013 Information Security Management System certification.</li> </ul>	 	 <p><b>Circular Business Model</b></p>	<ul style="list-style-type: none"> <li>Strengthen the sustainability and resilience of suppliers, and all suppliers have signed sustainability clauses.</li> <li>We promoted sustainable selection of suppliers with the "SOGO Sustain" identification system, with 677 carefully selected products recommended throughout the year.</li> <li>Form the Carbon Reduction Alliance with our suppliers to guide them in establishing internal carbon reduction targets.</li> <li>We have implemented sustainable procurement principles such as green procurement, social innovation procurement, and renting instead of buying. General services are 100% on-site, and the total green procurement amount is NT\$36.7 million; other sustainable procurements are NT\$18.7 million, an increase of 88%. NT\$55.4 million, up 23% annually.</li> </ul>
 <p><b>Assured Service Power</b></p>	<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>97% of the food counters and restaurants in the food courts of our stores across Taiwan have passed the GHP certification, with 93% of them being "Excellent".</li> <li>Consumer Satisfaction over 90.7%.</li> <li>Won the silver medal in the Taiwan Service Sector Evaluation.</li> </ul>	   		











Five Key Sustainability Powers	Performance highlights	Corresponding SDGs 	Three Net Zero Strategies	Performance highlights
 <p>Happy Workplace Power</p>	<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>● The average monthly salary is NT\$48,309, which is 7.85% higher than the industry average.</li> <li>● Enhancing DEI, announced a sustainability declaration and a human rights policy.</li> <li>● To reward employees for practicing sustainable actions, the total prize money for the ESG Best Contribution Award and Innovation Proposal Award has been increased by 1.5 times.</li> <li>● Providing benefits superior to legal requirements, from 2023, parental leave with reduced working hours is now paid at 80% salary instead of being unpaid.</li> <li>● Employee training and education expenses have increased by 128% annually.</li> <li>● All Taipei stores have implemented the ISO 45001 Occupational Health and Safety Management System, with other stores designing management systems according to local conditions.</li> </ul>	<div>3 Good Health and Well-being </div> <div>4 Quality Education </div> <div>5 Gender Equality </div> <div>8 Decent Work and Economic Growth </div>	 <p>Sustainable Consumption</p>	<ul style="list-style-type: none"> <li>● Strengthening Employee Sustainability Awareness: In 2023, the employee sustainability awareness survey had a participation rate of 87.5%, with 52% achieving full marks.</li> <li>● This initiative advocates for sustainable consumption and collaborates with stakeholders to foster eco-friendly consumer awareness and actions:               <ol style="list-style-type: none"> <li>1. Invested NT\$11.29 million to organize 94 sustainability co-creation activities, with more than 90,000 participants and 270,000 beneficiaries.</li> <li>2. SOGO Sustain was held twice in the Taipei and Tianmu stores, which attracted 1.23 million visitors.</li> <li>3. Held 11 smallholder farmer-related markets throughout the year; the Season Selection Small Farmer Exhibition at the Zhongxiao Store has accumulated more than 90,000 purchases, with performance up 32.4%, and the unit price of the customer increasing year by year.</li> <li>4. Published 11 self-media sustainability advocacy articles, reaching over 160,000 people.</li> <li>5. Achieved 95% eco-friendly certification rate for our restaurants by the Environmental Protection Administration.</li> <li>6. 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 nine years can be stacked as high as ten Jade Mountains.</li> <li>7. Became the first department store in Taiwan to consolidate sales details and credit card slips, saving enough thermal paper annually to stretch the length of two Zhongshan Highways.</li> </ol> </li> </ul>
	<p>We build a sustainable ecosystem with the three common aspects of "Caring", "Sustainability" and "Reliability".</p> <ul style="list-style-type: none"> <li>● With each base across Taiwan as our influence base, we joined forces with 517 external partners to initiate 529 social engagement activities. The value of resources invested exceeded NT\$50 million, benefiting more than 3.7 million people.</li> <li>● In the past 11 years, a total of NT\$3.83 million of resources were distributed in "Children SO GOOD Role Model Selection and Recognition" to reward 313 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>	<div>10 Reduce inequality </div> <div>11 Sustainable Cities and Communities </div> <div>17 Partnership </div>		





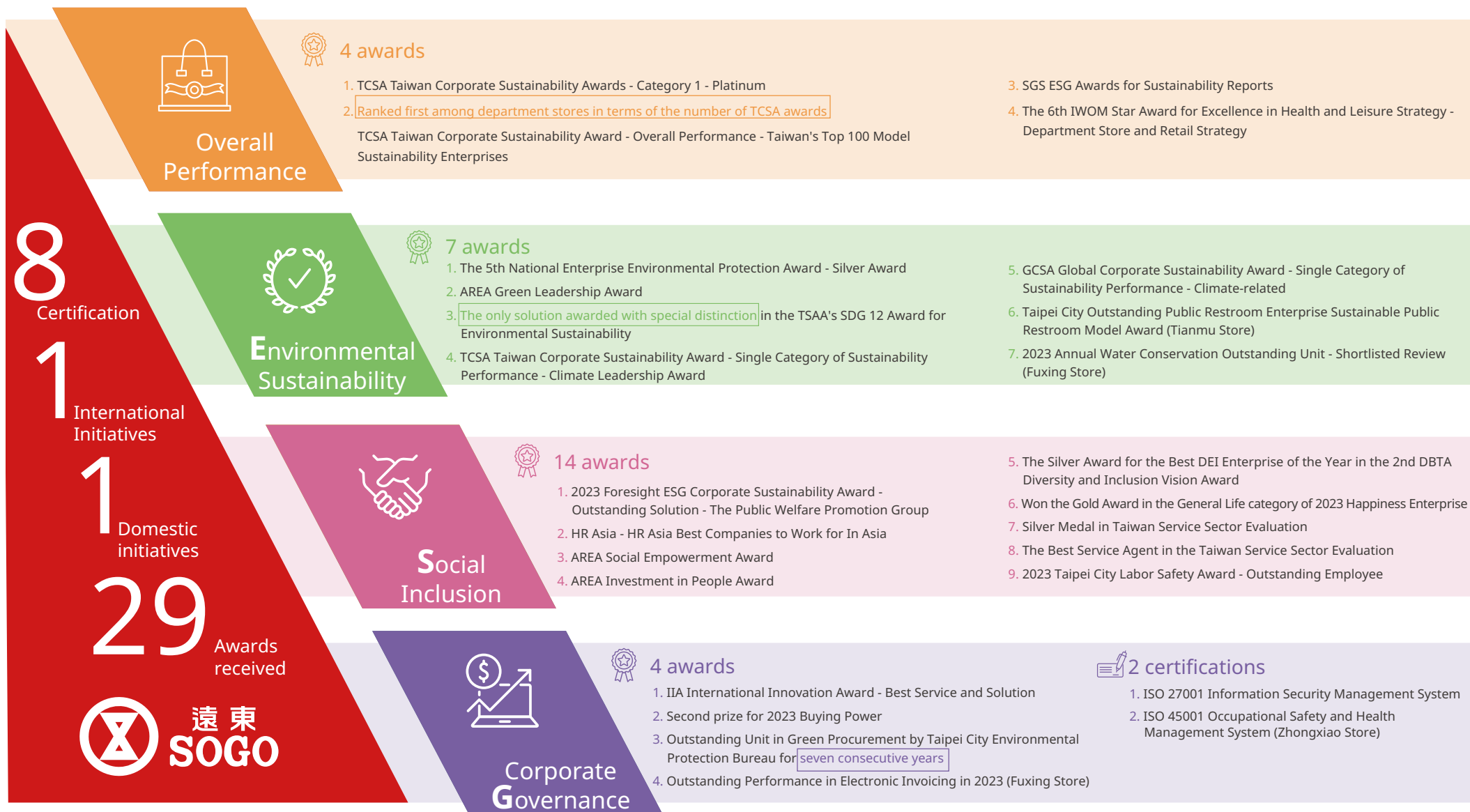
Five Key Sustainability Powers	Performance highlights	Corresponding SDGs 	Three Net Zero Strategies	Performance highlights
 <b>Sustainable Environment Power</b>	<p>Implement various energy-saving and energy-creation measures, aiming to build a one-stop green consumption platform and a benchmark for green department stores in Asia.</p> <ul style="list-style-type: none"> <li>The revenue per kilowatt-hour of electricity created was NT\$497.02, a growth of 10.94% from 2022 and 39.29% from the base year of 2018, a new high.</li> <li>The first TCFD Supporter for a domestic department store, completing the assessment and analysis of the linkage between climate risks and finance, and increasing the complete disclosure items from four to seven.</li> <li>The water consumption per floor area was 8.93%, which is 10% better than the recommended water consumption target value of the Water Resources Agency, Ministry of Economic Affairs in 2023.</li> </ul>	  	 <b>Energy Saving and Emission Reduction</b>	<ul style="list-style-type: none"> <li>The second phase of the solar energy panels in the Hsinchu Store was put into use, and the green energy ratio of each store reached 5.7%; the Hsinchu Store generated 1.88 million kWh of electricity and reduced 931 metric tons of carbon in three years.</li> <li>The Zhongxiao Store, Fuxing Store, Tianmu Store, Zhongli Store and Hsinchu Store completed the ISO 14064-1:2018 greenhouse gas inventory.</li> <li>Net zero goal: Signing the SBT commitment in 2024, carbon neutrality in one store in Hsinchu by 2028, carbon neutrality in Taiwan by 2040, and supporting the government's net zero policy by 2050.</li> </ul>







## Honors and Awards







IIA International Innovation Award



HR Asia - Best Companies to Work for in Asia



The 5th National Enterprise Environmental Protection Award - Silver Award



Second prize for 2023 Buying Power



TCSA Taiwan Corporate Sustainability Award

Top 100 Model Sustainability Enterprise Award

## 1 International Initiatives

1. The first department store in Taiwan TCFD Supporter

## 3 certifications

1. Taipei City Environmental Protection Bureau Indoor Air Quality Certification Center - Gold Class (Fuxing Store)
2. Taipei City Environmental Protection Bureau Indoor Air Quality Certification Center - Gold Class (Tianmu Store)
3. Taipei City Fire Safety Self-Managed Excellent Site (Tianmu Store)

10. TSAA Taiwan Sustainable Action Award - Social Inclusion SDG 10 - Silver
11. TSAA Taiwan Sustainable Action Award - Social Inclusion SDG 8 - Silver
12. GCSA Global Corporate Sustainability Award - related to social prosperity
13. TCSA Taiwan Corporate Sustainability Awards - Leadership in Workplace Well-being
14. TCSA Taiwan Corporate Sustainability Award - Leadership in Social Inclusion in the Sustainability category

## 3 certifications

1. Sports Business Certification
2. Confidential Site Certification
3. Healthy Workplace Certification

## 1 Domestic initiatives

1. 2023 Common Health Magazine Healthy Enterprise Pledge



2023 Global Views ESG Corporate Sustainability Award

Outstanding Program Public Welfare Promotion Group Model Award



DBTA DEI Enterprise of the Year Silver Award



TSAA Taiwan Sustainable Action Award

Environmental Sustainability SDG 12 Outstanding Award



TCSA Taiwan Corporate Sustainability Award - Platinum Level

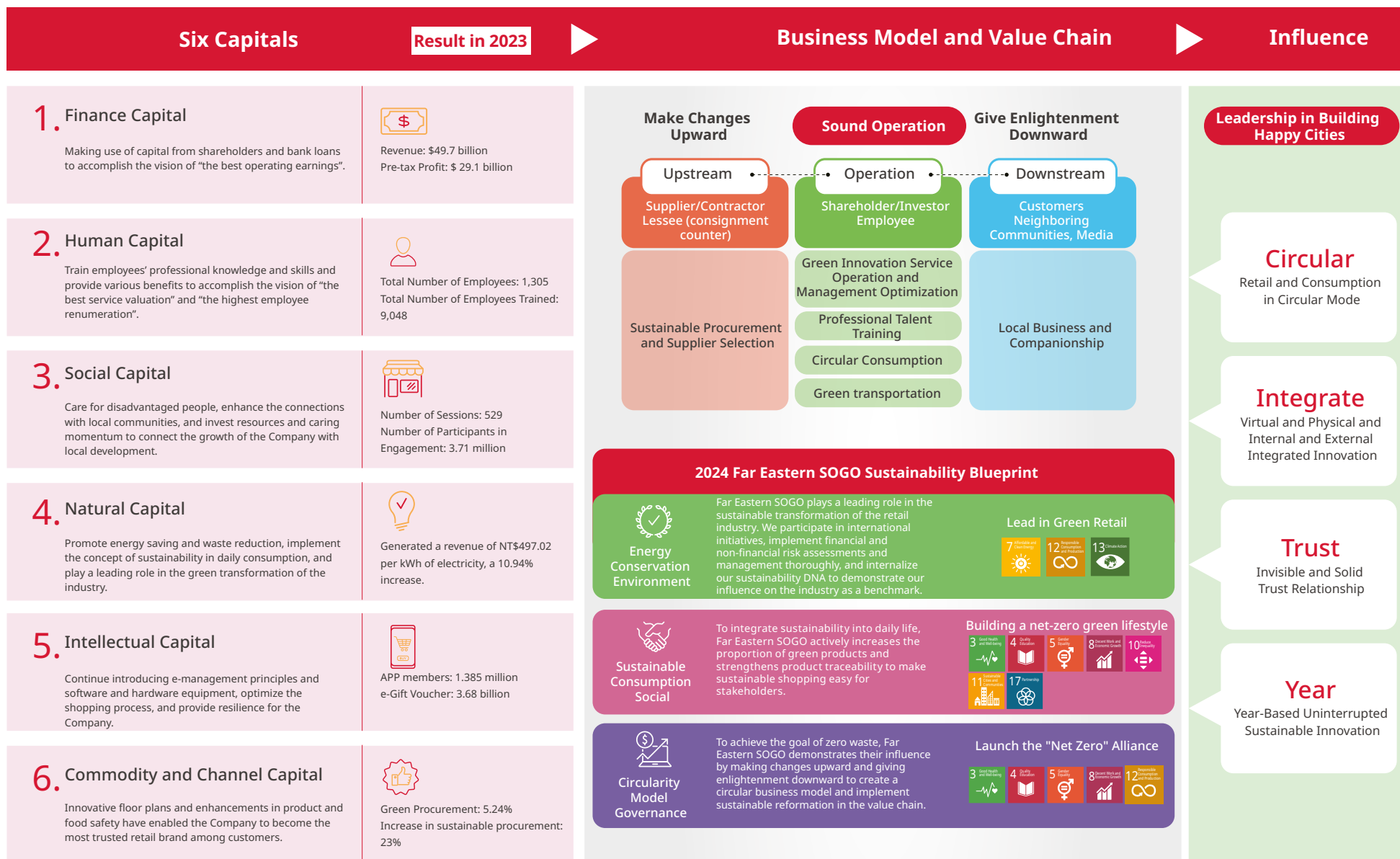


The 6th IWOM Stars Award - Strategic Excellence Award





# Sustainable Development Strategies and Creation of Values







## Far Eastern SOGO Vision Project

### Responding to the New Norm Start of the Vision Project

In order to paint a picture of the future and formulate forward-looking strategies, we launched the "Vision Project" in 2020 to promote our future operational policy with the three ESG aspects to reshape our corporate vision: Keeping up with the times, upholding a friendly and positive attitude, and becoming a benchmark retail company in the provision of a comprehensive and fashionable life experience for the public. At the same time, our mission is to bring happiness to all, based on four core values: "Reliable", "Inspire", "Sustain" and "Excellence", whose initial letters are combined into R.I.S.E., symbolizing SOGO's energy for positive recovery as we embrace the new normal.



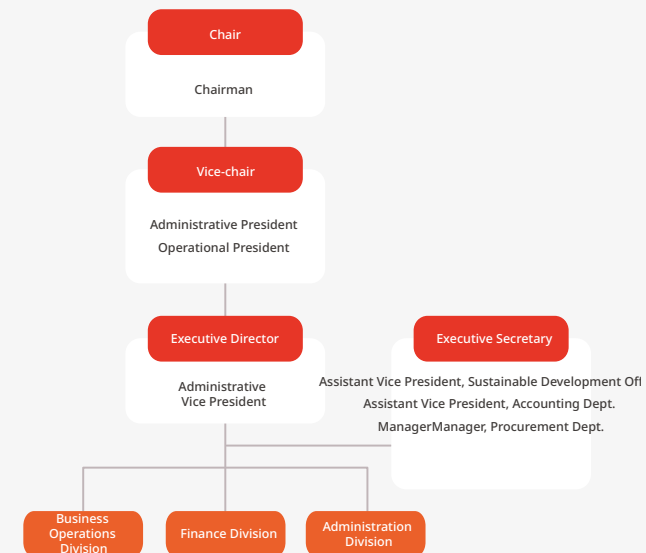
## III. Sustainable SOGO

### ESG Committee and Implementation Structure

► GRI 2-13 GRI 2-14 GRI 2-29

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 Chairlady. 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, accounting, 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 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 Chairlady 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.

Understand the context of organizational sustainability

### Step1 Identification of Stakeholders > 8 Categories of Stakeholders

With reference to the five principles of the AA 1000 Stakeholder Engagement Standards: dependency, responsibility, influence, diverse perspectives, and focus, Far East SOGO reviewed its business activities and the sustainability context. After confirmation by the supervisor, eight types of stakeholders were identified.

### Step2 Collection of Organizational Impact Factors > 51 Impact Factors

We made reference to GRI Standards, SASB, TCFD, ISO 26000 International Standards for Social Responsibility Guidelines, international industry benchmarking issues, United Nations SDGs, domestic and international industry issues, global trend issues, and media reports, to identify the impact projects and the positive and negative impacts they had on the Company. Fifty-one impact items were sorted out.

Identify Actual and Potential Impacts

### Step3 Integrate organizational impact factors into sustainability issues > 21 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 21 annual sustainability issues for subsequent identification.

### Step4 Analysis and Ranking of Material Topics > 1,451 questionnaires 19 for managerial personnel 1,432 for stakeholders

We conduct online surveys of internal and external stakeholders and distribute them through various functional groups and sales offices to understand the level of stakeholder concern on various sustainability issues. Then, according to the "level of stakeholder concern" and "level of impact on corporate operations", a high-, medium-, and low-intensity analysis is conducted to identify the importance.

Evaluate the significance of impacts

### Step5 Topic Impact Assessment > 11 Material topics

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 11 material issues with the corresponding GRI standards, taking into account the advice of external consultants, experts and academics.

Disclosure on material topics

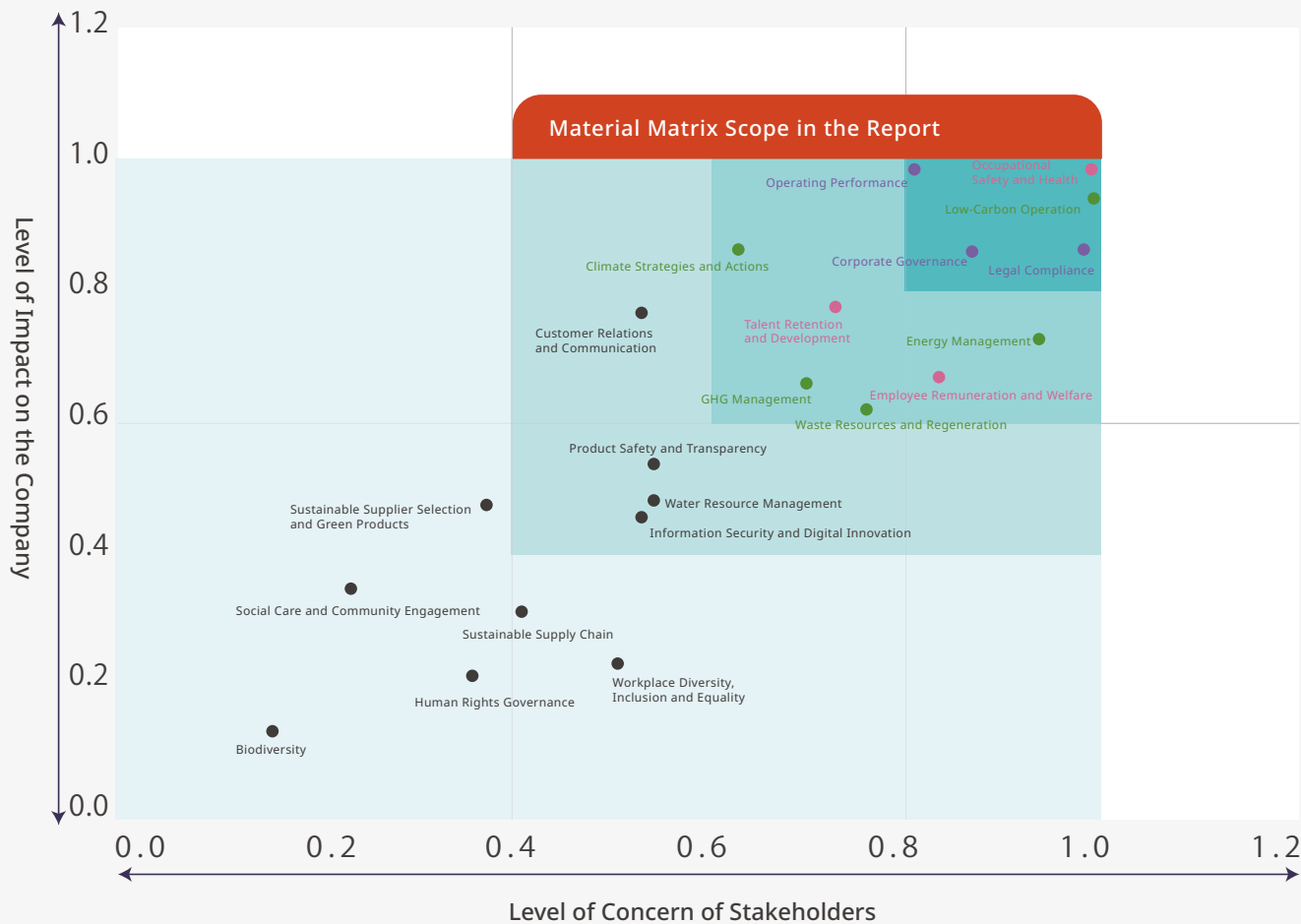
### Step6 Response and disclosure for the topics > 11 Material topics

After evaluation, the Company identified 11 material topics as the focus of disclosure in this report, and formulated the issue management policy. In the future, we will continue to review the importance of various sustainable issues, respond to stakeholders' expectations, and ensure that the contents disclosed in the report are transparent, reasonable, and balanced.





## Matrix of Sustainability Issues














### Issue of Medium-High Materiality

<p>Environmental Sustainability (E)</p>	<ul style="list-style-type: none"> <li>• Low-Carbon Operation</li> <li>• Waste resources and regeneration</li> <li>• Energy Management</li> <li>• Climate Strategies and Actions</li> <li>• GHG Management</li> </ul>	<p>High</p> <p>High</p> <p>High</p> <p>High</p> <p>High</p>
<p>Social Inclusion (S)</p>	<ul style="list-style-type: none"> <li>• Occupational Safety and Health</li> <li>• Employee Remuneration and Welfare</li> <li>• Talent Retention and Development</li> </ul>	<p>High</p> <p>Moderate</p> <p>Moderate</p>
<p>Corporate Governance (G)</p>	<ul style="list-style-type: none"> <li>• Legal Compliance</li> <li>• Operating Performance</li> <li>• Corporate Governance</li> </ul>	<p>High</p> <p>High</p> <p>High</p>





## Changes to the Sustainability Issues

Name of Topic	Materiality in 2023	Materiality in 2022	Adjustment Method	Reason for Change/Addition	Corresponding Page Number
Legal Compliance	High 	Moderate 		Far Eastern SOGO has intensified its focus on regulatory compliance in light of the uncertainties associated with new laws and regulations, as well as potential market changes, such as the proportion of renewable energy consumption by the Taiwan government in its pursuit of net zero emissions by 2050.	 1.2 Operation Performance p.35
Waste Resources and Regeneration	Moderate 	Low 		We increase our emphasis on refuse resources and regeneration in response to the circular business model in the three net zero strategies of Far Eastern SOGO, and we endeavor to achieve excellence in sustainable environmental forces.	2.5 Waste Management p.88
Energy Management	Moderate 	High 		Far Eastern SOGO has pledged to enhance energy management with tangible outcomes by participating in the international initiative EP100. For instance, while the significance of solar power plant construction has diminished marginally, it remains a significant issue for the year.	2.3 Energy Management p.83
Employee Remuneration and Welfare	Moderate 	High 		For an extended period, Far Eastern SOGO has implemented a sound employee remuneration system and has promoted innovative and diversified employee benefits. The active participation of employees has resulted in a minor decrease in concern for the topic; however, it remains the material topic of the year.	4.2 Remuneration and Welfare p.111
















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

Corresponding Chapter	Material Issue	GRI Standards	Level of Financial Impact			Value Chain Scope of Impact ○ Cause / △ Contribution / ✓ Direct Relationship									Correspondings SDGs 
			High	Moderate	Low	Upstream			Operation		Downstream				
						Government agencies	Lessee (consignment counter)	Supplier/ Contractor	Shareholders/ Financial Institutions	Employees	Customers	Society (Community and media)	Nonprofit and Non-Governmental Organizations		
 Sound Operation Power	Legal Compliance	GRI 2			✓	○	✓	✓	○	○	△	✓	✓		
	Operating Performance	GRI 201: Economic Performance			✓	○	△	✓	○	○	✓	✓	✓		
	Corporate Governance	GRI 2 GRI 205: Anti-corruption			✓	✓	✓	✓	○	✓	✓	✓	✓		
 Sustainable Environment Power	Low-Carbon Operation*	Industry Issue			✓	✓	△	△	✓	△	✓	✓	✓		
	Waste Resources and Regeneration	GRI 306: Waste			✓	✓	✓	✓	✓	△	✓	✓	✓		
	Energy Management	GRI 302: Energy			✓	✓	✓	✓	✓	△	✓	✓	✓		





Corresponding Chapter	Material Issue	GRI Standards	Level of Financial Impact			Value Chain Scope of Impact ○ Cause / △ Contribution / ✓ Direct Relationship									Development Goals (SDGs) 
			High	Moderate	Low	Upstream			Operation		Downstream				
						Government Agencies	Lessee (consignment counter)	Supplier/ Contractor	Shareholders/ Financial Institutions	Employees	Customers	Society (Community and media)	Nonprofit and Non-Governmental Organizations		
 Sustainable Environment Power	Climate Strategies and Actions	GRI 201: Economic Performance			✓	✓	✓	✓	✓	△	✓	✓	✓	  	
	GHG Management	GRI 305: Emissions			✓	✓	✓	✓	✓	△	✓	✓	✓	 	
 Happy Workplace Power	Occupational Safety and Health	GRI 403: Occupational Health and Safety			✓	✓	○	✓	✓	○	✓	✓	✓		
	Employee Remuneration and Welfare	GRI 401: Employment GRI 404: Training and Education			✓	✓	○	✓	✓	○	✓	✓	✓		
	Talent Retention and Development	GRI 405: Diversity and Equal Opportunity			✓	✓	✓	✓	✓	○	✓	✓	✓	  	

## Remarks

- The "\*" mark at the end of a sustainability issue indicates that it does not have a corresponding GRI Standards indicator, and is a material issue to the Company.
- Level of involvement: Cause (○): 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 (✓): The organization does not cause or contribute to negative impacts that may arise from its business relationships (operations, products or services).

- 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

<div>Phase 1</div> <div>Identification</div> <div></div>	Stakeholders Identification Methods and Results							
	Preliminary inventory of stakeholder groups		The group and definition of Far Eastern SOGO stakeholders were re-sorted based on international trends, industry peer profiles, and past stakeholder changes. A total of eight types of stakeholders are defined.				➤ Define eight types of stakeholders	
	Unit feedback	Questionnaire for senior executives	[Target] Senior management staff of Far Eastern SOGO Group Questionnaires were distributed to capture the status of executives' engagement with Far Eastern SOGO's existing and new stakeholders, as well as to gain an in-depth understanding of important communication partners in the category of feedback. A total of 21 copies were recovered.				➤ 21 questionnaires collected	
		Focus interview session	[Target] ESG Committee By referring to the AA1000 Stakeholder Engagement Standard (SES), we conducted a core group and consultant focused discussion meeting and assessed the importance of stakeholders through the five principles of dependency, concern, influence, responsibility, and diverse perspectives. Identify the categories, definitions, and outlines of the ultimate stakeholders. A total of eight types of stakeholders were identified.				➤ Establish eight types of stakeholders	
<div>Phase 2</div> <div>Ranking and Response</div> <div></div>	Prioritization of materiality and response to issues of concern		By conducting an analysis, we determined the significance of senior management to eight categories of key stakeholders, identified the responsible departments, and enhanced and intensified communication strategies in accordance with the primary concerns of stakeholders.					
<div>8 Categories of Stakeholders</div> <div></div>								
	Customers	Employees	Shareholders/ Financial Institutions	Lessee (Consignment Counter)	Supplier and Contractor	Government Agencies	Nonprofit and Non-Governmental Organizations	Society (Community and Media)










## Customers

Importance to Far Eastern SOGO		Responsible Department		Issues of concern	Corresponding Chapter
We assessed market development trends and introduced various brands and counters. However, only the personal consumption of the customer was crucial to identify whether Far Eastern SOGO has really understood the trend of consumption.		<ul style="list-style-type: none"> <li>Operations Department</li> <li>Human Resources Department</li> <li>Sustainability Office</li> <li>Sales Promotion Department</li> <li>Customer Service Center</li> </ul>		<b>Legal Compliance</b>  <b>Corporate Governance</b>	 <b>Sound Operation Power</b>
Communication channel and frequency		Effectiveness of discussion		Low-Carbon Operation	 <b>Sustainable Environment Power</b>
 [Regular]	 [Irregular]	<ul style="list-style-type: none"> <li>368 customer feedback</li> <li>1,068 people participated in the satisfaction survey</li> <li>41,000 visits to the sustainability website</li> <li>106 ESG fan posts on Facebook, reaching 30,283 person-times.</li> </ul>		Occupational Safety and Health	 <b>Happy Workplace Power</b>
Annually: Customer Satisfaction Survey	Digital marketing tools, customer comment cards, toll-free hotlines, online message boards			Employee Remuneration and Welfare	



## Employees

Importance to Far Eastern SOGO		Responsible Department		Issues of concern	Corresponding Chapter
When facing changes in consumption trends and diversification in channels and brands, all our employees held fast to their posts and adapted themselves with innovative thoughts to strive for the support of customers and pursue the best operating performance.		<ul style="list-style-type: none"> <li>Human Resources Department</li> <li>Labor safety office</li> <li>Employee Welfare Committee</li> </ul>		<b>Legal Compliance</b>	 <b>Sound Operation Power</b>
Communication channel and frequency		Effectiveness of discussion		Low-Carbon Operation	 <b>Sustainable Environment Power</b>
 [Regular]	 [Irregular]	<ul style="list-style-type: none"> <li>1,214 people participated in the satisfaction survey</li> <li>1,139 people participated • 135 people received the EAP service</li> <li>49 EAP seminars with 3,600 participants</li> <li>384 participants in sustainability training</li> </ul>		Occupational Safety and Health	 <b>Happy Workplace Power</b>
Annually: Employee Satisfaction Survey, Employee ESG Awareness Survey Quarterly: Labor-management Meeting Daily: Morning meeting and daily report	Internal system announcements, colleague feedback box, system revision briefings			Employee Remuneration and Welfare	





### Shareholders/ Financial Institutions

Importance to Far Eastern SOGO		Responsible Department		Issues of concern	Corresponding Chapter
Identify with the ESG philosophy and invest various resources in supporting the various activities of Far Eastern SOGO in promoting corporate sustainability, becoming a model in the department store industry.		<ul style="list-style-type: none"> <li>Secretarial Office</li> <li>Finance Department</li> <li>Accounting Department</li> </ul>		Legal Compliance	 <b>Sound Operation Power</b>
Communication channel and frequency		Effectiveness of discussion		Low-Carbon Operation GHG Management	 <b>Sustainable Environment Power</b>
 [Regular]	 [Irregular]	<ul style="list-style-type: none"> <li>3 meetings of the Board of Directors</li> <li>1 shareholder meeting</li> </ul>		Occupational Safety and Health Talent Retention and Development	 <b>Happy Workplace Power</b>
Annually: Shareholders' Meeting, Annual Report of the Parent Company Quarterly: Board of Directors					
Market Observation Post System					






### Lessee (Consignment Counter)

Importance to Far Eastern SOGO		Responsible Department		Issues of concern	Corresponding Chapter
As a leading brand in the department store industry, in addition to the joint efforts of all employees, Far Eastern SOGO relies on the services of counter partners and the support and cooperation of lessees to provide customers with the best consumption and service experience.		<ul style="list-style-type: none"> <li>Operations Department</li> <li>Sales Promotion Department</li> <li>Customer Service Center</li> <li>Sustainability Office</li> </ul>		Operating Performance	 <b>Sound Operation Power</b>
Communication channel and frequency		Effectiveness of discussion		Low-Carbon Operation	 <b>Sustainable Environment Power</b>
 [Regular]	 [Irregular]	<ul style="list-style-type: none"> <li>There are two SOGO Sustain stores in Taipei and Tianmu stores, with 677 sustainable product recommendations.</li> <li>3,081 lessors have signed the perpetual agreement; coverage rate is 99.8%</li> <li>Information was communicated through daily morning meetings</li> <li>Over 600 brands and suppliers joined the Earth Day Lights Off initiative.</li> </ul>		Occupational Safety and Health Employee Remuneration and Welfare	 <b>Happy Workplace Power</b>
Annually: Contract signing/exchange Quarterly: Supplier Meetup Daily: Morning meeting and daily report					
Telephone, email, written letter, explanation and coordination meetings (investment promotion briefing, timetable coordination meeting, briefing for floor remodeling construction, and presentation of brand achievements)					





## Supplier and Contractor

Importance to Far Eastern SOGO		Responsible Department	Issues of concern	Corresponding Chapter
The driving force behind the supply of the most competitive products and facilities in Far Eastern SOGO stores, and the creation of a rich variety of products and a comfortable environment together with Far Eastern SOGO.		<ul style="list-style-type: none"><li>• Operations Department</li><li>• Administration Department</li><li>• Construction and Engineering Department</li><li>• Procurement Department</li></ul>	Operating Performance	 Sound Operation Power
			Low-Carbon Operation	 Sustainable Environment Power
Communication channel and frequency		Effectiveness of discussion	Occupational Safety and Health  Employee Remuneration and Welfare	 Happy Workplace Power
 [Regular]	 [Irregular]	<ul style="list-style-type: none"><li>• Nearly 100% of suppliers signing the perpetual agreements</li><li>• Form a carbon reduction alliance with suppliers to guide them in establishing internal carbon reduction goals.</li><li>• Sustainable procurement amount increased by 88%</li></ul>		
Annually: Contract signing/exchange	Phone calls, emails, written letters, on-site visits, and various meetings (quality improvement meetings, sustainability initiative briefings, etc.)			



## Government Agencies

Importance to Far Eastern SOGO		Responsible Department	Issues of concern	Corresponding Chapter
Government institutions are critical to Far Eastern SOGO. They formulate regulations, supervise operations, provide infrastructure, and influence investment directions. Establishing a good relationship with the government and complying with laws and regulations contributes to the stable operation of the Company.		<div>• Operations Department</div> <div>• Construction and Engineering Department</div>	<div>• Legal Office</div> <div>• Sustainability Office</div>	<div>Sound Operation Power</div>
				<div>Energy Management</div> <div>Climate Strategies and Actions</div>
Communication channel and frequency		Effectiveness of discussion		Occupational Safety and Health
<div> [Regular]</div> <div>Annually: The parent company Far Eastern Department Store files financial statements and other related matters on the Market Observation Post System.</div>	<div> [Irregular]</div> <div>Conduct two-way communication by phone, email, official documents, and convening meetings; participate in symposiums, seminars, public hearings, and evaluation mechanisms organized by the competent authorities; comply with the laws and regulations of the competent authorities, and cooperate with the competent authorities in supervision and audits and proactively support government policies.</div>	<div>• National Enterprise Environmental Protection Award for five consecutive years</div> <div>• Outstanding unit in green procurement by Taipei City Department of Environmental Protection for seven consecutive years</div> <div>• Joined the Ministry of Environment's "Fashion Sustainable Alliance" members</div> <div>• Adopted Dingliao Beach as an exclusive beach cleanup lot</div>		





### Nonprofit and Non-Governmental Organizations

Importance to Far Eastern SOGO		Responsible Department	Issues of concern	Corresponding Chapter
<p>Far Eastern SOGO continues to collaborate with non-profit and non-governmental organizations to actively communicate public welfare issues with stakeholders, exert influence externally, and activate the power of social goodness. Internally, this approach increases the awareness and familiarity of colleagues with a variety of sustainable public welfare plans. Subsequently, they actively participate and have a significant impact.</p>		<ul style="list-style-type: none"> <li>• Operations Department</li> <li>• Legal Office</li> <li>• Sustainability Office</li> </ul>	Legal Compliance	<b>Sound Operation Power</b>
			Energy Management	<b>Sustainable Environment Power</b>
			Climate Strategies and Actions	
Communication channel and frequency		Effectiveness of discussion		
[Regular]	[Irregular]	<ul style="list-style-type: none"> <li>• 41,000 visits to the official sustainability website</li> <li>• 106 Facebook ESG fan posts, reaching 30,283 person-times.</li> </ul>		
Annually: World Earth Day initiative in April, year-end social care activities	Telephone, email, ESG website, self media, event collaborations, sustainability initiatives			<b>Happy Workplace Power</b>



### Society (Community and Media)

Importance to Far Eastern SOGO		Responsible Department	Issues of concern	Corresponding Chapter
<p>Implementing corporate social responsibility in the overall social environment will help to enhance positive social impact and work with stakeholders to create a home of mutual prosperity.</p>		<ul style="list-style-type: none"> <li>• Construction and Engineering Department</li> <li>• Legal Office</li> <li>• Media and PR Dept.</li> <li>• Digital Marketing Section</li> <li>• Sustainability Office</li> </ul>	Operating Performance	<b>Sound Operation Power</b>
			Low-Carbon Operation	<b>Sustainable Environment Power</b>
			Occupational Safety and Health	
Communication channel and frequency		Effectiveness of discussion		
[Regular]	[Irregular]	<p>Stores across Taiwan play an active role as a sustainability influence base, organizing various activities to practice social engagement based on the three major themes of "Caring," "Sustainability," and "Reliability." In collaboration with 517 external organizations, they initiated 529 social engagement activities, benefiting 3.7 million people.</p>		
Directors/Supervisors and General Meetings of the "Taipei Eastern District"	Phone calls, emails, letters, we media, meetings, on-site surveys, event collaboration			<b>Happy Workplace Power</b>





# 1. Sound Operation Power

For 36 years, Far Eastern SOGO has been a department store trusted by consumers to lead the way in fashion in Taiwan. 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.



Record-breaking annual revenue in Taiwan, the only department store with double-digit growth

Earnings before and after tax, earnings per share (after tax), and return on equity have all grown for six consecutive years.

**6** years of growth

Earnings per share (EPS) of NT\$2.65

Annual growth of over

**57** %

Construct a Sound and Complete Information Security Management System

Import and approved **ISO 27001**: 2013 Information Security Management System Certification



SDGs Corresponding in This Chapter



Supply Chain Management

Established **Supplier Carbon Reduction Alliance**: Guiding suppliers to establish internal carbon reduction goals

SOGO Sustain

Recommended over **677** sustainable products, reaching **1.23 million** people

Anti-Sexual Harassment

A gender-friendly workplace lecture was held in response to the "MeToo" storm.

**120** Supervisors were trained





# 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 36th 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.



## Policy and Commitment

Our operational guidelines are driven by the three pillars of ESG (Environmental, Social, and Governance), establishing our position as a leading department store and ESG leader.



## Organizational Vision

Keeping up with the times, being friendly with a positive attitude, and becoming a benchmark retail company in the provision of a comprehensive and fashionable life experience for the public.



## Material Issue

Legal Compliance	➤ Potential	Negative
Operating Performance	➤ Potential	Positive
Corporate Governance	➤ Actual	Positive



## International Frameworks and Indicators

[GRI] 201: Economic Performance, 205: Anti-corruption  
[SASB] Operation Indicator  
(CG-MR-000.A, CG-MR-000.B)







## Definitions and Impacts

Far Eastern SOGO's financial performance, financial impacts due to climate change, compensation and benefits, including the evaluation of diversity among internal directors and senior executives, and the assessment of the integrity, legal transactions, and penalties of business partners/suppliers that may affect the Company's reputation.

Management Actions	2023 Operational Performance Tracking	Management Actions	Achievement Description	Short-term Goals (1-3 years)	Medium- and Long-term Goals (over 3 years)
<b>Operating performance</b>	Record-breaking annual revenue in Taiwan; the only department store with double-digit growth.	Target Achieved	<b>Revenue was NT\$49.7 billion, 10% growth</b>	<ul style="list-style-type: none"> <li>▶ The Taipei Arena Store, the largest shopping mall in Taipei City, was inaugurated to generate revenue.</li> <li>▶ Identify risks and create business opportunities for the Climate Change Committee.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Each store develops operational features and e-commerce to create a leading market position.</li> </ul>
<b>Legal Compliance</b>	<ul style="list-style-type: none"> <li>▶ Ensure that there are no major violations.</li> <li>▶ Establish a complete and comprehensive information security management system.</li> </ul>	Target Achieved	<ul style="list-style-type: none"> <li>▶ Introduced and passed the certification of ISO 27001:2013 Information Security Management System.</li> <li>▶ Appropriate management of special crises.</li> </ul>	<ul style="list-style-type: none"> <li>▶ ISO27001:2022 passed the certification transition.</li> <li>▶ Passed the TPIPAS (Taiwan Personal Data Protection and Management System) verification and obtained the dp.mark.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Strengthen internal education and external audits to ensure that there are no major violations.</li> </ul>
<b>Corporate Governance</b>	Prevent fraud and corruption incidents, continue to follow up, and request improvement within a deadline.	Target Achieved	<b>No major cases; 0 corruption and bribery reported cases</b>	<ul style="list-style-type: none"> <li>▶ Strengthen internal anti-corruption education and training.</li> <li>▶ Improve the knowledge of the Board of Directors, continue to participate in external associations and take internal and external training courses.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Strengthen internal control and internal education to ensure no major violations.</li> <li>▶ The remuneration of directors and professional managers is linked to their sustainable performance.</li> </ul>





Stakeholder Group	 <b>Shareholders/ Financial Institutions</b>	 <b>Lessee (Consignment Counter)</b>	 <b>Employees</b>	 <b>Customers</b>
<b>Negotiation Channel</b>	<ul style="list-style-type: none"> <li>▶ Press release on performance during material periods</li> <li>▶ Regular Board Meetings and Shareholders' Meetings</li> </ul>	<ul style="list-style-type: none"> <li>▶ ESG website</li> <li>▶ Daily Morning Meeting Report</li> <li>▶ Supplier briefing</li> <li>▶ Education and Training</li> </ul>	<ul style="list-style-type: none"> <li>▶ Awareness of laws and regulations</li> <li>▶ Internal training</li> <li>▶ ESG Website</li> <li>▶ Internal audit</li> <li>▶ Audit Office Reporting Mailbox</li> </ul>	<ul style="list-style-type: none"> <li>▶ We media: Fan page, official website, IG, e-newsletter, DM and other communication channels</li> <li>▶ Physical/Store Service Counter</li> <li>▶ Telephone/Toll-Free Line</li> <li>▶ Internet/online message board</li> </ul>
<b>Communication Methods and Effectiveness</b>	<ul style="list-style-type: none"> <li>▶ Held three board meetings in 2023; the attendance rate of directors was 100%</li> <li>▶ The Company convenes the shareholders' meeting every year. In 2023, the total number of shares represented by attending shareholders and proxies accounted for 81.83% of the total issued shares of the Company</li> </ul>	<ul style="list-style-type: none"> <li>▶ Held two supplier sustainability courses, with a total of 22 manufacturers and 36 participants</li> </ul>	<ul style="list-style-type: none"> <li>▶ 0 major internal reporting cases</li> <li>▶ Nearly 95% agreed with the employee satisfaction survey.</li> </ul> <p>"Reliable" is the Company's core value</p>	<ul style="list-style-type: none"> <li>▶ Customer Satisfaction Survey: Over 90% of the respondents rated Far Eastern SOGO as a "trustworthy department store" based on its "overall impression on products and services is favorable".</li> </ul>





# 1.1 Corporate Governance ▶

## 1.1.1 Organization Overview GRI 2-11

Far Eastern SOGO has set up a Chairlady's Office, a President's Office for Business Operations and a President's Office for Administrative Affairs under the Board of Directors. The President for Business Operations is responsible for coordinating the operations of the first-line stores, and the President for Administrative Affairs is responsible for managing the administrative affairs for logistics. They support each other and engage in hierarchical management, and they follow the operational policies of the Company as the highest guiding principles to create maximum benefits for the Company.

## 1.1.2 Board of Directors GRI 2-9 GRI 2-10 GRI 2-15 GRI 2-16 GRI 2-17 GRI 2-19 GRI 2-21 GRI 2-26 GRI 2-28 GRI 405-1

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 Chairlady /Chairman is elected from among the Board members. A Board of Directors meeting is convened by the Chairlady, 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 2023, 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 14, 2023 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. Due to her long-term dedication to sustainability, Chairlady Sophia Huang, especially, has led the transformation and innovation of Taiwan's first department store to introduce international management experience. This has created the best business performance and highest corporate value in history, earning her the "Business Leader of the Year" award from the British Chamber of Commerce in Taiwan (BCCT) in 2023. She is the first in the retail industry to receive this honor since the award was established.



### • Operation of the Board of Directors



### • Operation of the Board of Directors in 2023

Meeting Count 3 times

Average attendance rate of directors 100%

### • Important Resolution Ordinary Resolution

Resolution		
Date and Session	Proposal	Resolution
12th meeting of the 14th term (February 24, 2023)	<ul style="list-style-type: none"> <li>Annual financial statements and accounts</li> <li>Proposal of annual directors' and supervisors' remuneration and earnings distribution</li> <li>Annual business report proposal</li> </ul>	Approved by all attending directors.
1st meeting of the 15th term (June 14, 2023)	<ul style="list-style-type: none"> <li>Proposal for discussion on annual dividend distribution</li> </ul>	Approved by all attending directors.
The 2nd meeting of the 15th term (December 19, 2023)	<ul style="list-style-type: none"> <li>Annual corporate budget proposal</li> <li>Establishment of Far Eastern Taipei Dome branch</li> </ul>	Approved by all attending directors.



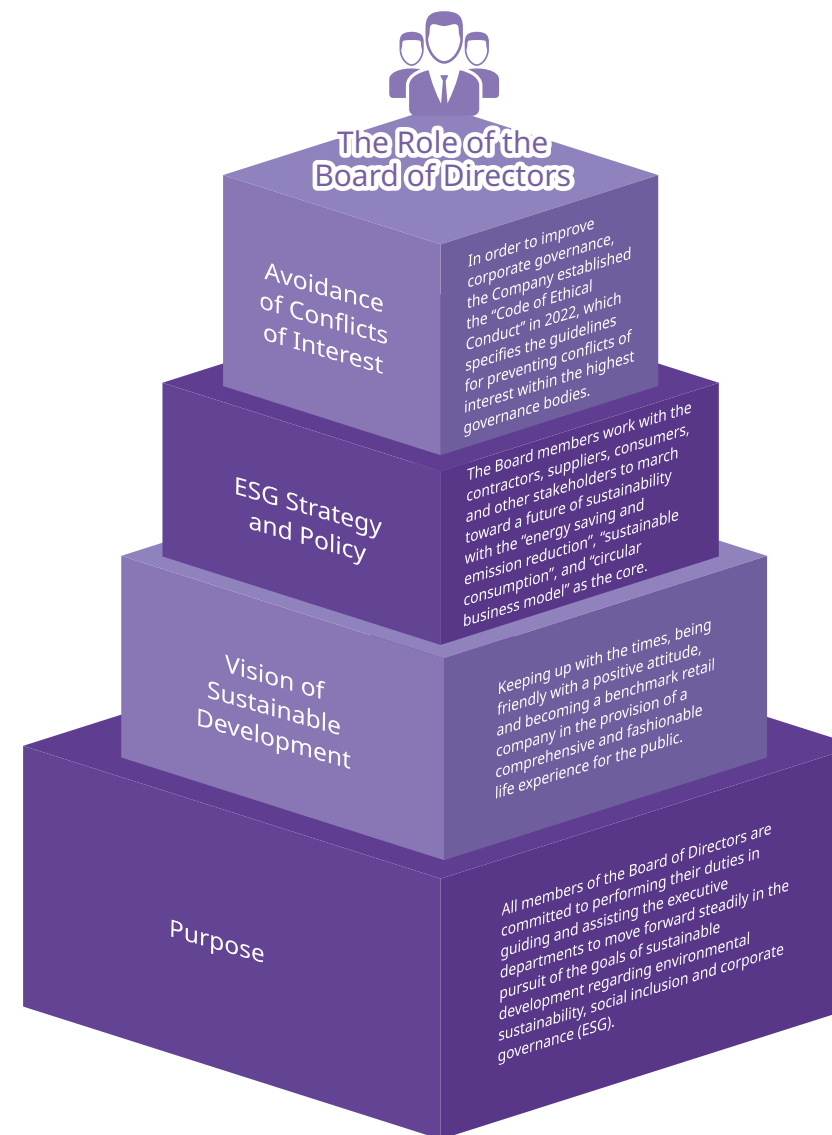


## Remuneration Policy for the Chairlady and Senior Managers

Remuneration Policy for the Chairman and Senior Managers of Far Eastern SOGO		
Target	Performance Review	Remuneration distributed
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, the actual percentage and amount of distribution of which 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 2023, Far Eastern SOGO paid a total of NT\$30,000 thousand as the remuneration for directors, which accounted for 1.3% of the Company's after-tax net profit.	Travel allowances, bonuses, etc..
Managers (general manager, vice general manager, 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.	<p>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".</p> <p>Retirement pay, severance pay, compensation and other remuneration for managers in special circumstances.</p>

Highest-paid Individual/Ethnic Group			
Item/Year	2021	2022	2023
Annual Total Remuneration Ratio	1,550%	1,947%	1,812%
Percentage of increase in annual total remuneration ratio	-100%	615%	6%

- Remarks**
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 Chairlady, the proposal will be submitted to the Chairlady 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			✓	<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 EasTone 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	✓			<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 Chongguang Culture and Education Foundation</li> <li>Chairman of Pacific Chongguang Social Welfare Foundation</li> </ul>
Board member	Shaw Y. Wang	Male			✓	<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	✓			<ul style="list-style-type: none"> <li>President of Far EasTone 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 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>
Board member	Min-Hsiung Tsai	Male	✓			<ul style="list-style-type: none"> <li>Senior Vice President of Far Eastern New Century Corporation</li> <li>Chairman of Ding Yuan International Investment Corp.</li> <li>Director of Yuan Ding Investment Corp.</li> <li>Director of Arcoa Communication Co., Ltd.</li> <li>Director of Yuan Ding Co., Ltd.</li> <li>Chairman of Yue Ding Industry Co., Ltd.</li> <li>Chairman of Shanghai Far Eastern It Co., Ltd.</li> </ul>
Supervisor	Ching-Yi Wang	Male			✓	<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> </ul>

For more information, please refer to "Corporate Governance" on the official website of Far Eastern SOGO ESG → "Investor Information"





## Sustainability Intellectual Development

Assisted directors in formulating annual continuing education plans and arranging courses based on the Company's industry characteristics and the directors' education and experience, so as to strengthen the professional functions of directors and supervisors and optimize corporate governance. Continuing education for four directors, totaling 30 hours.

			Issue-oriented				
Courses	Number of participants	Participation Effectiveness	 Environmental Sustainability	 Corporate Governance	Courses	Number of participants	Participation Effectiveness
Innovation and Necessary Actions under the Net Zero Trend	1 people	2 hours			Today and Tomorrow of Industrial AI - ChatGPT Impact and Enterprises' Responses	2 people	Total 6 hours
ESG - Sustainable Corporate Governance	1 people	2 hours			Analysis of the latest corporate governance policies, laws, and common deficiencies	1 people	3 hours
Carbon Tax and Carbon Business Opportunities that Department Stores Should Know	1 people	2 hours			Establish ESG Sustainability Strategies to Enhance Competitiveness	1 people	3 hours
Challenges and Opportunities in the Era of Global Net Zero Transformation	2 people	Total 6 hours			How to Correctly Understand the Evaluation Indicators of Corporate Governance	1 people	3 hours
					Legal Liability and Case Analysis of "Tax-related Crimes"	1 people	3 hours

## External Organization and Participation

Through participation in external associations and exchange with 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	Significance
1987-present	Retailers Association of Chinese Taipei	Managing Director	Sophia Huang, Chairlady	Support business promotion and provide advice to guide the upward improvement of the department store industry.
		Director	Ting-Sung Wang-Kuo, President	
		Managing Supervisor	Chin-Sen Tu, President	
1987-present	Taipei Department Stores Association	Director	Cheng-Yu Huang, Manager	Advice for the industry
2014-present	International Affairs Committee, Taichung City Government	Member	Sophia Huang, Chairlady	Provide suggestions for building Taichung into an international city
2017-present	Center of Corporate Sustainability (CCS)	Director	Sophia Huang, Chairlady	Exchange experience and forge partnerships on a sustainable basis
2018-present	Taiwan Women on Boards Association	Director	Sophia Huang, Chairlady	Women's Empowerment and Paradigm Shifting
2022-present	International Initiative EP100	Member	Far Eastern SOGO	Create successful cases and become a model retailer in Asia-Pacific
2022-present	R20 Regional Climate Action Groups	Member	Far Eastern SOGO	Exchange experience and forge partnerships on a sustainable basis
2023-present	International Initiatives for TCFD Supporter	Member	Far Eastern SOGO	Reinforce determination in climate governance and become a model retailing company in Taiwan





## Sustainability International EP100, R20, TCFD Supporter

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 (global corporate energy efficiency initiative), the first retail department store in the Asia-Pacific to do so, and 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.

Since 2021, Far Eastern SOGO has voluntarily disclosed climate-related financial information in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), strengthening its internal climate governance framework based on four core elements: governance, strategy, risk management, and metrics and targets. In 2023, Far Eastern SOGO became the first department store in Taiwan to formally sign on as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). The Company endeavors to enhance its commitment to internal climate governance and more effectively mitigate climate risks by voluntarily engaging in climate-related financial information disclosure.



**CLIMATE GROUP**  
**EP100**



REGIONS OF  
CLIMATE ACTION

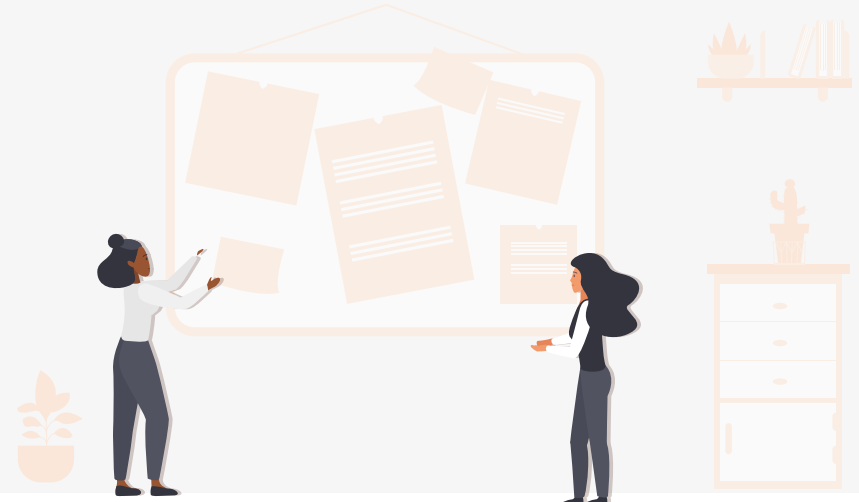


## Promotion of Women's Empowerment

Women's power drives the “Her Economy”. The Chairlady of Far Eastern SOGO, Sophia Huang, acts as the managing director of the Taiwan Women on Boards Association (WOB). In addition to publishing the Whitepaper on Female Governance and organizing international forums on a regular basis, it promotes the establishment of the WOB Academy to train outstanding female leaders of the next generation. Chairlady Sophia Huang has participated in many activities of the Association of WOB Academic and acted as a special guest at forums. She has shared her experience in corporate governance and promoted women's empowerment. She has been the instructor for the “Female Elite Leadership Training Program” of the Women Directors Academy for three consecutive years since 2021.



Chairlady Sophia Huang (back row, fifth from the left) serves as a lecturer for the third session of the Women Directors Academy, assisting female leaders in planning corporate strategies with sustainable thinking.







## 1.1.3 Internal Control Mechanism GRI 2-12

### Functional Committee

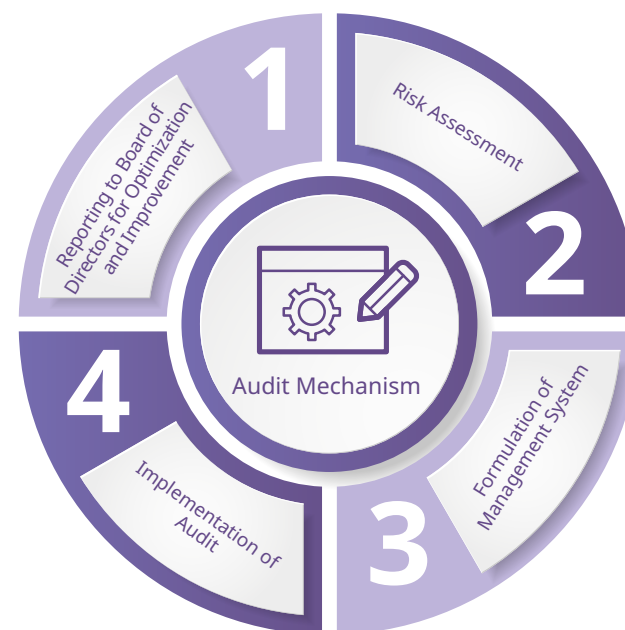
Far Eastern SOGO sets up eight committees to ensure sound operation and management of business and enhance the governance power of the Company.

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 also 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		<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		<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 the 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>
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		<ul style="list-style-type: none"> <li>The highest guiding unit for the Company's operations and strategic planning.</li> <li>Committee members include the Chairperson of the Board, the President, and officers above the Vice President level.</li> <li>The Committee discusses the status of the operation including profit and loss as well as business strategies at the meeting held at the beginning of the month. Improvement plans on the goals of the business in the future and potential operating problems are proposed at the meeting.</li> <li>A meeting is held every one to two weeks.</li> </ul>
Corporate Sustainability Committee (ESG Committee)	2015	<ul style="list-style-type: none"> <li>The head of each department at the headquarters serves as a member of the Executive Secretary Task Force, which holds monthly meetings. The Sustainability Office reports to the Chairperson on a regular basis; meetings at the level of the vice president and above are held every six months.</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; and the "Climate Change Committee" is responsible for assessing and business opportunities.</li> </ul>
Vision Project Committee	2020	<ul style="list-style-type: none"> <li>Shaping the Company's vision, promoting digital transformation, optimizing customer and employee experience, and reinforcing the Company's brand identity.</li> </ul>

**Remarks** Far Eastern SOGO is not a public 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, please visit the "Corporate Governance" on the official website of Far Eastern SOGO ESG → "Investor Information"

### 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 audit operation report is submitted to the Board of Directors on an annual basis; the 2023 annual report has been submitted, and subsequent improvement results will be continuously tracked.







## 1.1.4 Ethical Management

GRI 2-25 GRI 2-27 GRI 205-1 GRI 205-2 GRI 205-3

### 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 2023, 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 Corporate Management and Anti-corruption System					
Supreme Guiding Principles	Integrity	Ethical Management	Description	Implementation	Implementation Performance
Code of Conduct	The Code of Ethical Conduct has been approved by the Board of Directors to explicitly stipulate fair trade, prevention of conflicts of interest, personal gain through improper means, strict adherence to business secrets, and compliance with laws and regulations.	Anti-discrimination	We formulate fair, reasonable, and competitive systems regardless of gender, age, race, and religion. We encourage the 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 workers.	<ul style="list-style-type: none"> <li>Employee Handbook</li> <li>eWork APP</li> <li>Internal meetings</li> <li>Daily Morning Meeting Report</li> <li>Internal Letter</li> <li>Bulletin Board</li> </ul>	Promote social inclusion and create a happy workplace with Diversity, Equity and Inclusion (DEI). Won the DEI Enterprise Silver Award of the Year in 2023.
Management system	<ol style="list-style-type: none"> <li>Articles of Incorporation</li> <li>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.</li> <li>Regulations for Reporting and Punishment of Violations of Ethical Conduct and Ethical Corporate Management</li> <li>Internal control system and operating procedures</li> <li>The "Supplier Social Responsibility Commitment" in the joint procurement contract with the Group clearly stipulates the "anti-bribery clause", which prohibits bribery, corruption, extortion, theft, abuse of power and improper gains in any form.</li> </ol>		Established the "Gender Equality Regulations" in 2018. Internal rules were amended in line with the laws and regulations of the central government, such as menstrual leave. For example, the most recent amendment providing menstrual leave was conducted in the "Sexual Harassment Prevention Regulations" announced in 2020. In order to create a diverse and inclusive workplace, Far Eastern SOGO has made it necessary for all employees to take courses on both genders by taking a proactive approach to building a foundational awareness.		<ul style="list-style-type: none"> <li>Sexual harassment prevention posters are posted in the office and all stores, and the notification email and phone number are announced to protect the privacy of the concerned parties.</li> <li>When a series of Me Too incidents occurred in Taiwanese society in 2023, Far Eastern SOGO promptly empowered key personnel by offering "Gender-Friendly Workplace Seminars" for supervisors. The objective of these seminars was to enhance the capacity to manage workplace sexual harassment complaints. Gender equality education courses were completed by 120 supervisors, which is nearly 60% of the total.</li> </ul>
Publicity Method	<ul style="list-style-type: none"> <li>Employee Handbook</li> <li>eWork APP</li> <li>Internal meetings</li> <li>Daily Morning Meeting Report</li> <li>Internal Letter</li> <li>Bulletin Board</li> </ul>	Gender Equality			
Complaint channel	Visit the "Stakeholders' Section" and "Corporate Integrity" section of the official website of Far Eastern SOGO ESG.	Link	"Employee Formation and Rights" Section		

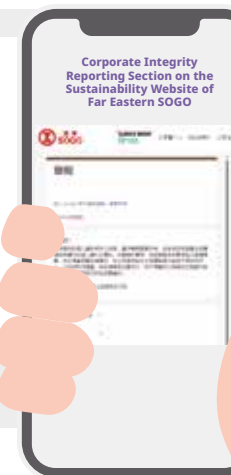




## Corporate Integrity Clauses



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 audit operation report is submitted to the Board of Directors on an annual basis; the 2023 annual report has been submitted, and subsequent improvement results will be continuously tracked.



## Excerpt from the Employee Handbook: Chapter 6 Discharge and Dismissal

Article 6. Dismissal: Employees who meet any of the following criteria shall be dismissed based on the facts of each case and shall be dismissed in accordance with the law. The Company does not require prior notice or provide severance pay.  
Paragraph 21: Taking advantage of his/her duties to seek gain for himself or herself or others, with serious circumstances.  
Paragraph 22: Engaging in similar business activities outside the Company without the Company's permission, resulting in impacts on the performance of the labor contract.

## 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 Far Eastern SOGO in 2023 are described as follows. The total amount of the fines for the entire year was NT\$180,000. Improvements to a single case have been completed. We enhanced internal dissemination to avoid recurrence.



2023  
Non-compliance  
incidents  
Society Aspect

Business Location	Law	Content of violation	Improvement measures
Zhongxiao Store	Building Act	The photo of the original building in the unloading area is green space, but it is used as a truck unloading area.	▶ Already applied for the provision of green space and legal loading and unloading parking spaces, and with the approval of the Urban Development Bureau, Taipei City Government, a change of use license was issued to our company on November 13, 2023.
Zhongli Store	Building Act	Fines for violations of public security checks	▶ Improvements completed by the end of 2023
Zhongli Store	Violation of the Food Sanitation Control Act	Fines for overdue merchandise	▶ We will strictly implement the procedures of product arrival acceptance, signature for receipt, warehousing, shelf release, and shelf inspection, and remove products with more than three-quarters of validity from the date of manufacture.





## 1.2 Operation Performance ▶

### 1.2.1 About Far Eastern SOGO GRI 2-1 GRI 2-6

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

Far Eastern SOGO fulfills corporate social responsibilities while pursuing operating performance. We implement our future operation guidelines and reshape corporate vision with the three ESG dimensions (Environmental, Social, Governance) as the core. 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.

For details, see the “Sustainable Vision” on the official website of Far Eastern SOGO ESG

Company Name	Pacific SOGO Department Stores Co., Ltd.	Business Locations	Taiwan (seven business premises; also the important business locations of the Company)
Date of Foundation	1987		Zhongxiao Store: No. 45, Sec. 4, Zhongxiao E. Rd., Taipei City
Paid-up capital	NT\$8.28 billion		Dunhua Store: No. 246, Sec. 1, Dunhua S. Rd., Taipei City
Location of headquarters	No.45, Section 4, Zhongxiao East Road, Da'an District, Taipei City		Fuxing Store: No. 300, Sec. 3, Zhongxiao E. Rd., Taipei City
Products and Services	Department Store		Tianmu Store: No. 77, Sec. 6, Zhongshan North Road, Taipei City
Number of Employees	1,305 employees in 2023.		Taoyuan Zhongli Store: No. 357, Yuanhua Road, Zhongli District, Taoyuan City
Company Type	Non-listed company.		Hsinchu Store: No. 239, Zhongyang Road, Hsinchu City
			Kaohsiung Store: No. 217, Sanduo 3rd Road, Kaohsiung City

#### 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; the stores create their individual features for the predefined target customers in the hopes of presenting the best service quality and providing products and services satisfactory to customers.

##### Taipei Zhongxiao Store

Fashionable Flagship Store in Eastern Taipei and Mazu Temple of Beauty

Year of business operation **1987**

American-style with Japanese aesthetics, presenting Zhongxiao Store's “simple and warm” characteristics. Selling the latest fashion products for the entire customer base, digitizing the retail experience and optimizing the customer's consumption journey, it is the trendy flagship department store in Eastern Taipei.



##### 2023 Business Overview

- From mid-April 2023, when the mask mandate was lifted, sales increased during the Mother's Day and mid-year sales periods. The increase in the number of foreign tourist arrivals has driven sales growth.
- To further improve the image, some of the storefronts were renovated, and the counters were adjusted and new brands were introduced, such as TOD'S and KENZO.
- We encourage ourselves to organize various life experience activities to attract new customers and enhance the loyalty of our main customers, such as participating in the Taiwan Lantern Festival, setting up a Year of the Rabbit art installation to clock in, holding classic railway model exhibitions, parent-child activities, and more.
- The supermarket continues to hold smallholder exhibitions to provide consumers with fresh and delicious foods.
- The “East District Corridor Project” in Taipei City, including the construction of the Liu Gong Greenway behind the Zhongxiao Store Building, took place from August 2023 to May 2024. The project aimed to create a green corridor space through reducing parking spaces and planning open spaces, fostering integration between the Far Eastern SOGO landmark and the community in Taipei City.

##### Taipei Dunhua Store

The Low-Profile and Luxurious Store for Socialites

Year of business operation **1994**

The low-profile luxurious style makes the Store the origin of the fashion in Eastern Taipei with local customers as the focus. High-quality honorable services are favored and recognized by major customers. The Store focuses on care products in a salon of skincare services for high-end customers. The luxurious environment is the best choice for customers who need a special experience. The store builds an image of a premium restaurant among department stores in Eastern Taipei, sharing elegance and deliciousness.



##### 2023 Business Overview

- The business performance in 2023 was stable, and the performance of the catering industry continued to grow.
- Strengthen various types of experiential activities to consolidate customer loyalty.
- Collaborate with Fuxing Store to stream the show to attract new customers.







## Kaohsiung Store

A Place for Fashion, Arts and Culture

Year of business operation **1996**

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

### 2023 Business Overview

Over the past 26 years, we have cultivated the neighborhood and strengthened friendships and mutual benefits with local business circles, providing customers with close emotional connections and local connections, echoing SDG 4 Quality Education, SDG 1 No Poverty, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action and SDG 15 Life on Land. We organize various public welfare activities and build a public welfare base in southern Taiwan, such as holding a mobile library, black bear conservation activities, disaster prevention awareness, smallholder market, parent-child second-hand market, and more.



## Taoyuan Zhongli Store

NEW FAMILY • NEW LIFE Department Store

Year of business operation **1998**

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

### 2023 Business Overview

- Creating digital services, trendy experiences, and common good in the community
- The supermarket has transformed into a new look and provided a better shopping environment
- Store remodeled and added a restaurant for more dining options
- The Volunteer Club continues to participate in volunteer and social welfare activities.



## Tianmu Store

Demonstration Store for Green Department Store

Year of business operation **2009**

- 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.

### 2023 Business Overview

- Enhancing the green influence of Taiwan's first green department store: In March 2023, a green education campaign was conducted throughout the store, advocating green procurement to 700 brands and publicly listed companies. The display of SOGO Sustain products in the store was strengthened, with two special publications released annually to introduce the store's green facilities and sustainable products.
- Transforming the store into a base for social impact, various experiential activities and advocacy campaigns were organized with the Taipei City Government, police and fire departments, various bureaus, and the Nurses Association; Deepening local roots, collaborating with the local baseball team, the Wei Chuan Dragons, to offer promotional activities and fan meetings; Enhancing interactions with the community, participating in the Tianmu Store Halloween parade and offering discounts and services to nursing personnel.



## Taipei Fuxing Store

Top boutique fashion faucet

Year of business operation **2006**

- 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”.

### 2023 Business Overview

- The actual sales in 2023 reached NT\$18.912 billion (tax excluded), setting a new high!
- The largest renovation in history was initiated: expansion of boutique stores/upgrading of women's clothing stores. The renovation achieved remarkable results. We are making comprehensive preparations to achieve an annual revenue of 20 billion.



## Hsinchu Store

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

Year of business operation **2012**

- 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.
- Create the friendliest department store space by integrating ESG issues
- The indoor premium performance Store 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.

### 2023 Business Overview

- Collaborate with the Health Bureau of Hsinchu City Government to promote the egg freezing activity and the “Happy GO” project.
- Integrating art into activities: For the first time, we held an exclusive big monster exhibition in collaboration with Taiwanese artist Mr. Lin, Kai-En, using local resources to achieve the benefits of low-carbon exhibitions.
- Rooting high-quality education, promoting the cultivation of children's reading interest and language abilities, collaborating with the Hsin-Yi Foundation to hold a parent-child picture book interactive exhibition. Collaborating with LEGO to transform THANQ CLUB into a LEGO paradise, inspiring children's unlimited creativity.
- Promoting digital upgrades, using EDMs instead of paper DMs to realize the core value of paperless operation.





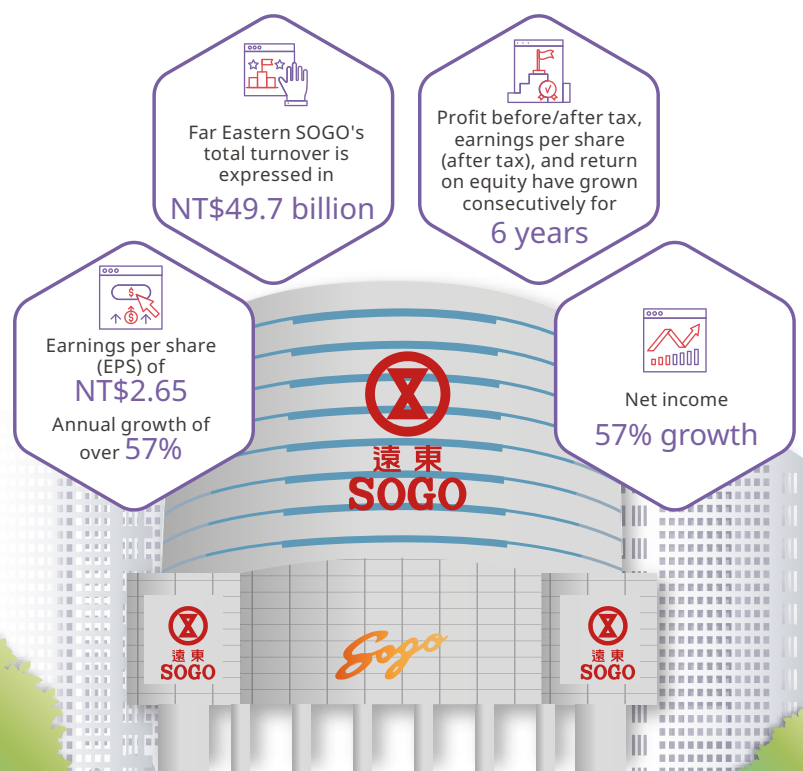


## 1.2.2 Operating Performance

GRI 201-1 GRI 201-4

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.

### 2023 Operational Performance of Far Eastern SOGO



#### Historical Financial Information of Far Eastern SOGO

The unit is in NTD thousand; the earnings per share (after-tax) is in NTD

	2021	2022	2023
Operating Revenue (IFRS) Gross Method	41199368	45013913	49661966
Pre-tax profits	1459163	1824575	2914351
After-tax Profits	1160502	1398046	2193039
EPS (after tax)	1.40	1.69	2.65
Return on equity (%)	9.76	11.43	16.82
Capital	8280000	8280000	8280000

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

#### Historical Revenue and Expenditures of Far Eastern SOGO

Unit: NTD thousand

	2021	2022	2023
Operating Revenue (IFRS) Gross Method (A)	41199368	45013913	49661966
Operating cost (B)	37685751	41078942	44893775
Employee Salary and Benefits (C)	1256000	1343106	1507295
Payments to funders (D)	1001880	1043280	1904400
Payments to government (E)	826072	850119	951030
Donation (F)	13615	12578	16573
Retained economic value (G) = (A-B-C-D-E-F)	416050	685888	388893
Total financial assistance from the government	168424	94397	17280

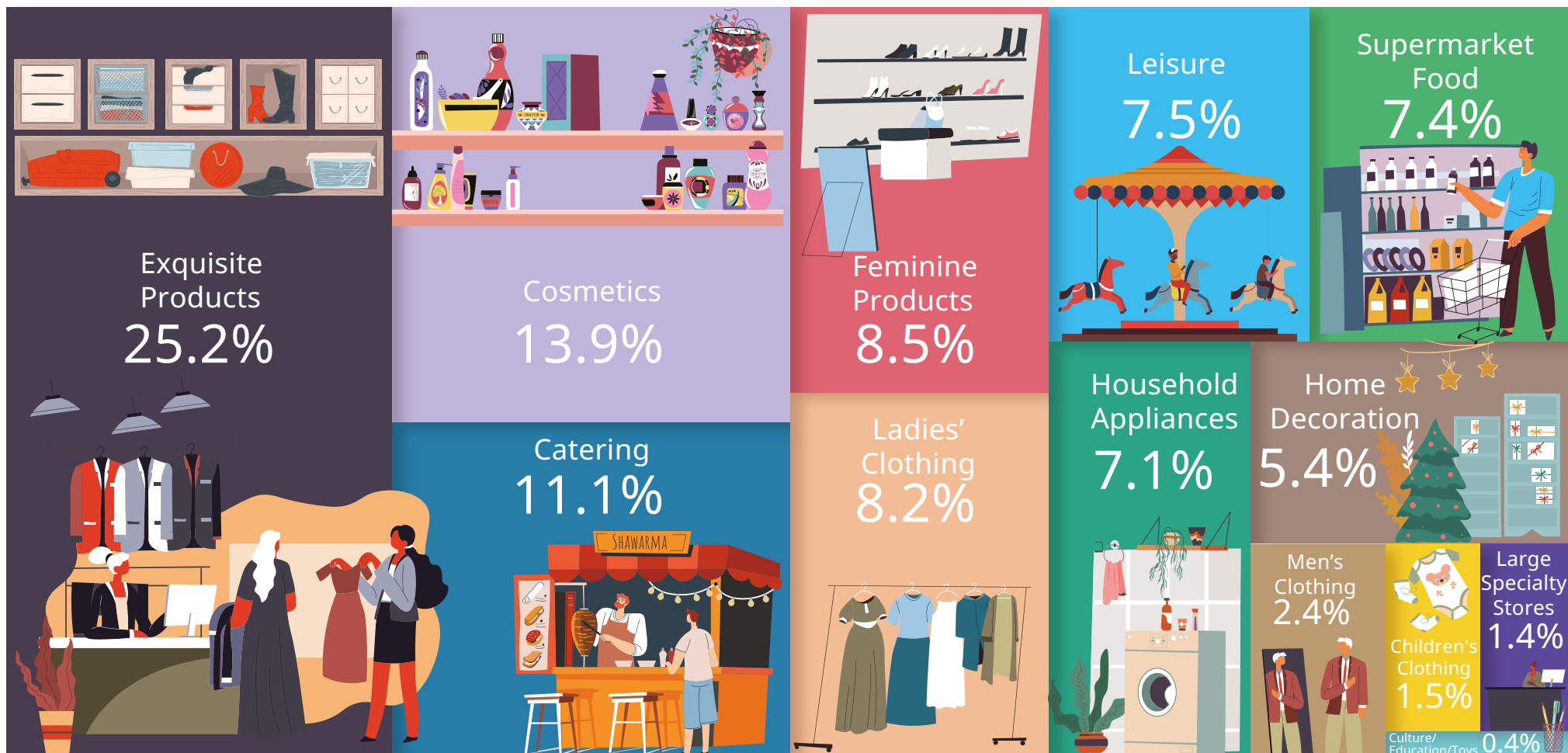
- Remarks
1. Employee Compensation and Welfare: Including non-normal salaries for employees and other employee benefits.
  2. Payments to investors: Total amount of dividends distributed.
  3. Payments to the government: Including taxes and fines.
  4. Total financial assistance from the government: 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 2022, with higher amounts in 2021. In 2023, it was mainly energy conservation project subsidies, accounting for 96%.





## Product Categories and Their Percentages in Revenue

Far Eastern SOGO sells a wide range of products. In 2023, boutiques, catering, and cosmetics were the main sources of revenue, accounting for 50.2% of the total revenue. Emerging from the shadow of the pandemic, the domestic consumption market has become vibrant. The top three categories with the highest growth compared to 2022 are dining, with a growth of nearly 27%; men's clothing with 23% growth; and women's clothing with 14.6% growth. However, home appliances are lagging behind, as the easing of the epidemic has led to a decline in air purifier sales, and disposable income available for consumption has shifted from domestic to overseas, decreasing by 0.67%.







## 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 for 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 stakeholders’ digital privacy, improvement of shopping quality, and management of the consumption journey.

Since the revamped SOGO APP in 2020, Far Eastern SOGO has actively established an online-merge-offline (OMO) marketing strategy and launched real-time, high-quality, and sustainable shopping services. As of the end of 2023, the number of members has grown to more than 1.385 million, an increase of 19% from 2022.

### Two Strategies

#### [Real-Time Digital Communication, Implementation of Precision Marketing]

- 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.
- Supplier information platform: Integrating the information of brand suppliers as a database for investment and crisis/public opinion management.

#### [Enhancing System Resilience]

- Introduced ISO 27001 information security management.
- Obtained SOGO APP Basic Information Security mark certification.
- Included information security as a required course for all employees.
- To strengthen information security and prevent hackers, we regularly conduct system vulnerability scanning and disaster recovery drills, encrypt all personal data, and apply for information security mark certification.

### Result in 2023

- Far Eastern SOGO started the implementation of the ISO 27001 information security management system in May 2023. It took half a year for the third-party organization ARES to verify and pass the information security management system.
- Pass the MAS mark L3 retest of “Data Union Information Security”.
- A total of seven sessions on information security education and promotion were held, with a total of 174 participants.



#### [Shopping experience upgrade]

- In 2020, Far Eastern SOGO completely upgraded its APP and POS machines, changing the previous restriction of redemption of discounts with paper receipts. The APP enables Happy GO members collection, parking credit, e-coupons/coupons/in-store gifts, and other electronic gifts, supporting customers to perform one-button trial calculation and one-button redemption with the SOGO APP through cloud computing.
- Continue to deepen the customer data platform. Collect customer behavior through topic screening, AI labeling, and we-media posting to generate positive feedback for the customer data platform and strengthen the SOGO® APP focus marketing.

#### [e-Payment]

- As the first department store in Taiwan to introduce electronic gift certificates, the Far Eastern SOGO APP reduces the environmental costs caused by traditional gift certificates by distributing them and encouraging gift certificates to be used.
- SOGO supports 11 mobile payment methods to simplify the customer payment process, of which the SOGO APP supports four types.

### Result in 2023

Leverage the powerful computing power and flexibility of cloud services to effectively control data and handle the various needs of the huge volume of visitors during the anniversary celebration, such as redeeming gifts, gifts with a minimum of spend, and gifts from banks, to facilitate the Taipei store's 12-day anniversary celebration. Twelve-billion business performance.



### 2024 Targets

- Transition to ISO 27001:2022.
- Passed the TPIPAS (Taiwan Personal Data Protection and Management System) verification and obtained the dp.mark.
- Complete digital transformation of Office 365 to create a mobile office and enhance the flexibility and efficiency of team collaboration.
- The BPM business process management system is introduced to improve administrative efficiency; business processes are automated to automatically generate reports and monitoring to reduce human errors.







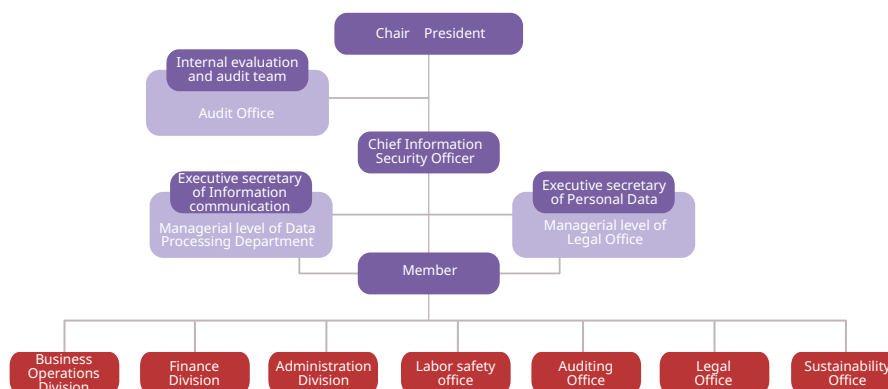
## 1.3 Information Security Protection ►

### 1.3.1 Information Security Management Committee

Since the department store can access a large amount of personal data, we observe laws strictly to protect the personal data of customers and employees and their privacy of property. The Company has set up the "Information Security Management Committee" with the President serving as the chair. The departments that have access to personal data are appointed as committee 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. In 2023, the structure of the Information Security Committee was changed. The Information Telecommunications Team and the Personal Data Protection Team were established, and the role of Chief Information Security Officer was created. Yeh, Wei-Li, the Company's Assistant Manager of IT Department, is responsible for formulating information security strategies, assessing information security risks, and responding to information security incidents, etc. In May 2023, the ISO 27001 information security management system was introduced to improve management efficiency and build a complete and comprehensive information security management system to ensure the security of information assets and reduce the possibility of data leakage.



#### Two Strategies

##### Action Plan

- Introduce the ISO27001 Information Security Management System.
- Promote the cloudification of information systems, improve data security and system load capacity, and use the AWS cloud security protection mechanism to conduct regular vulnerability scanning and disaster recovery drills for information systems.

##### Result in 2023

- Introduced and passed the certification of ISO27001 Information Security Management System.
- Migrate information systems to the cloud to strengthen information security resilience, allowing SOGO APP to ride through the peak of 1,500 requests per second, facilitating business opportunities for Far Eastern SOGO to celebrate its anniversary.
- Introduce the MFA authentication mechanism for VPNs and replace the firewalls of each store; every six months, the AWS Wellness Audit is conducted to review whether the cloud architecture meets the six major indicators of operational excellence, high security, high reliability, high system efficiency, cost optimization, and sustainable operations.



##### Action Plan

- 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. Send employees to participate in the "Taiwan Personal Information Protection and Administration System (TPIPAS)" administrator course training and pass the exam.
- The Company reinforced information security testing, introduced the information security management system, and launched information security courses for all employees in 2022. A total of 887 people attended the courses, accounting for 70% of all employees.

##### Result in 2023

- Obtained the "TPIPAS Personal Data Management Specialist" certificate. The number of employees will increase from one to two in 2023 to comprehensively improve information security management capabilities.
- In 2023, we focused on information security related departments and new employees. A total of seven sessions of information security education and promotion were held, with a total of 174 participants.





## 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
Contents of implementation	<ul style="list-style-type: none"> <li>The Audit Office interviewed the IT Application, IT Development, and IT Management Teams at the headquarters in the first half of 2023, obtained data query permission for each system, reviewed the type and content of personal data, and evaluated the adequacy of internal control. In June, the audit report was published.</li> <li>The Audit Office evaluated the adequacy of the process by reviewing the purchase order, the payment receipt for acceptance inspection, and related attachments during the second half of the year. The Audit Office also obtained the acceptance work documents to verify the accuracy of the purchase acceptance payment. In November, the Audit Office published an inspection report.</li> </ul>	<ul style="list-style-type: none"> <li><b>Passed MAS mark L3</b> SOGO APP for iOS and Android obtained the Mobile Application Security (MAS mark L3) certification in 2022. Re-testing was conducted after the certification expired.</li> <li><b>Audit by an accounting firm and information security review</b> The Company appointed an accounting firm to conduct computer audits and information security audits every two years to evaluate the effectiveness of internal control over the Company's information operations.</li> </ul>
Implementation Results	<ul style="list-style-type: none"> <li>During the audit process, the items that need to be improved have been discussed with relevant personnel and they have been urged to study for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>In December 2023, the Company passed the L3 retest of the MAS mark for "Datalian Information Security".</li> <li>In February 2023, a computer audit and information security review were performed. External audit unit: Deloitte Taiwan.</li> </ul>







### 1.3.3 Protection of Personal Data

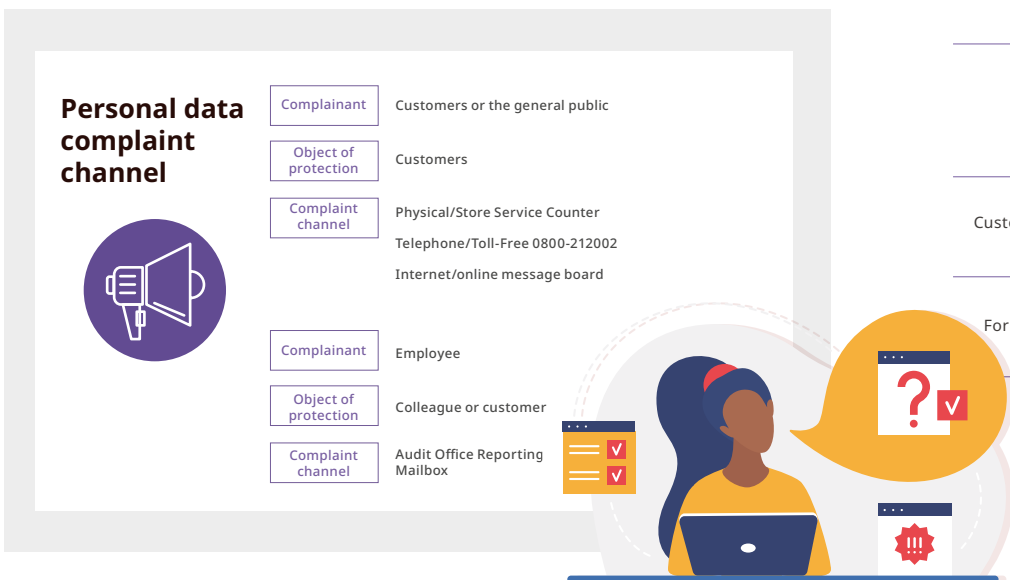
Far Eastern SOGO saves customer data on the HAPPY GO points platform - Ding Ding Integrated Marketing Service Co., Ltd. It has obtained the ISO 27001 Information Security Management System (ISMS) certification, adhered to the requirements of the Taiwan Personal Information Protection and Administration 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 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 2023, there were no major customer privacy, customer data, or personal data leakage incidents. However, we received one report of suspected personal data leakage. The case is under investigation. As the perpetrator's identity could not be confirmed, the transaction was closed in 2024.

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	Each counter shall hand it over to the cashier before the store closes every day. The receipt shall be kept in the warehouse or vault for one year and shall be destroyed upon expiry.	Cashier Section
Name List of Participants	Destroyed after the event.	Sales Promotion Dept.
Personal data related to exchange of gifts.	Destroyed after the event.	Sales Promotion Dept.
Personal Data of Employees	1. Set the access permission for the in-service employee personal data system. 2. The personal data of resigned employees shall be sealed in accordance with regulations and stored for five years before being destroyed.	Human Resources Dept.
Customer's Stock Transfer Data	Destroyed after one year.	Individual Sales Departments
Petition Data	1. In-store physical appeal materials will be retained for one week after the case is closed, and then destroyed. 2. The electronic petition is to be created with a form file in the system, archived after the case is closed, and the access permission is set.	Customer Service Section
Customer Rental Service	All the information provided on loan will be destroyed on the same day it is returned.	Customer Service Section
Form of Lost Property	Destroyed after two years.	Customer Service Section







## 1.4 Risk Control ▶

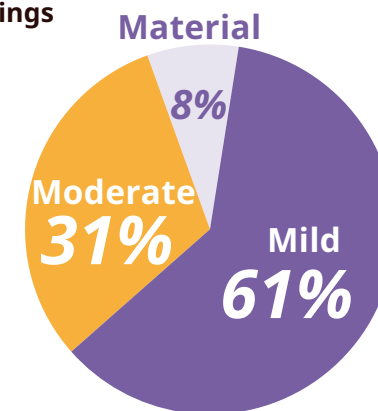
### 1.4.1 Risk Management

In the context of globalization, economic and trade issues around the world are closely related. In recent years, geopolitical complexities, severe challenges posed by climate change, ongoing wars, and lurking cybersecurity crises have brought about drastic changes and external environmental risks, presenting huge challenges to the department store retail industry in terms of market dynamics.

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. The functional committees hold regular meetings to ensure the effectiveness of relevant risk management strategies. Far Eastern SOGO also evaluates its internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory Commission. In the internal audit for the year 2023, a total of 129 audit recommendations were made. Nearly 60% of the deficiencies were relatively minor, while there were ten significant deficiencies (8%), mainly related to improper documentation or processes.

#### 2022 Audit Findings

Level of impact  
on internal  
control



#### Summary of 2023 Internal Control Deficiencies



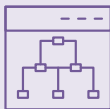
Unit: Quantity of Deficiencies Checked

No.	Internal control cycle	Deficiencies in internal control planning	False statement of record	Impact on finance/goodwill	Improper documentation/process	Failure to comply with regulations	Inadequate security	Inadequate automation	Total
1	Sales and payment	6	2	16	30	5	1	-	60
2	Procurement and payment	2	3	5	26	17	2	-	55
3	Payroll and personnel	-	-	-	5	-	5	-	10
4	Information security	1	-	-	1	-	-	-	2
5	Fixed assets	-	-	-	2	-	-	-	2
6	Investment activities	-	-	-	-	-	-	-	-
7	Legal Compliance	-	-	-	-	-	-	-	-
Total		9	5	21	64	22	8	-	129








The “Decision Implementation Committee” is the highest decision-making unit of Far Eastern SOGO. Being formed by the heads of the sales, sales promotion, administration, and finance departments, the Committee is responsible for developing the Company's operation guidelines on a regular basis. It may formulate projects if necessary and take follow-up actions to understand the effectiveness of the implementation. The Audit Office conducts an assessment of various internal and external risks of the Company. The internal risks in 2023 are controlled as follows:

Risk Type	External Environmental and Risk	Countermeasures
 <p><b>Operational Risk</b></p>	<p>Department stores are known for catering to customers and the provision of high-quality products. If a product or food safety incident occurs, it will endanger the life and health of customers, damage the company's reputation, and cause economic losses.</p>	<ul style="list-style-type: none"> <li>• Implement voluntary safety inspections for cosmetics/catering products/sanitation.</li> <li>• Conduct annual audits of the food safety and sanitation management of specialty catering counters.</li> <li>• Conduct an inventory check for self-operated products that are past the expiry date, damaged packaging, or inconsistent with labels.</li> <li>• Implement inventory management and regularly review the supply process with suppliers and lessees (counters).</li> </ul>
 <p><b>Human Resources Risk</b></p>	<p>There has been a significant increase in digital reward-giving activities to strictly prevent operational abuse and avoid losses for the company. The department store business is busy and under high pressure, and it is not easy to retain outstanding talent, which can easily lead to professional competence gaps.</p>	<ul style="list-style-type: none"> <li>• Checking the accuracy of redemption information in the prize-giving system.</li> <li>• We conduct an employee satisfaction survey every year to analyze the willingness to stay, work performance, and emphasis on work needs.</li> <li>• The Company's priority is to cultivate and retain talents, enhance colleague cohesion, and implement the colleague education and training mechanism.</li> <li>• Optimize the rights and benefits of employees, and strengthen the communication channels and participation mechanism.</li> <li>• Create a happy corporate field and provide guidance to employees on a healthy life.</li> <li>• Randomly check the accuracy of employee salaries.</li> </ul>
 <p><b>Supply Chain Risk</b></p>	<p>Commodity safety issues are gaining more and more attention from the government and consumers, and there are more laws and regulations to regulate them. However, as the operation and sustainability leader of Taiwan's department store industry, Far Eastern SOGO will be subject to more stringent scrutiny.</p>	<ul style="list-style-type: none"> <li>• Strictly implement the supply chain management mechanism, strengthen the integration with external evaluation, and manage the supply chain according to objective standards.</li> <li>• Conduct an inventory check for self-operated products that are past the expiry date, damaged packaging, or inconsistent with labels.</li> <li>• Conduct price negotiation and acceptance meetings, and sign off for approval. Ensure that all operations comply with regulations and provide consumers with an environment where they can shop with peace of mind for quality gifts.</li> </ul>
	<p>The annual revenue is considerable, and dealings with the counter manufacturers and suppliers are prone to disadvantages.</p>	<ul style="list-style-type: none"> <li>• Establish a corruption prevention and reporting mechanism.</li> <li>• Regularly educate and inform employees to prevent the occurrence of improper behavior.</li> </ul>





Risk Type	External Environmental and Risk	Countermeasures
 <b>Information Security Risk</b>	<p>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 stages. They must be controlled accordingly.</p>	<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, and payment processes, and protected the personal transaction information of customers.</li> <li>• Enhanced the awareness education of the employees and consignment counter lessees and fulfilled the reminding and alerting obligations.</li> <li>• Checking the appropriateness of system development and program modification.</li> <li>• Check the effectiveness of information security and the adequacy of system maintenance and acceptance.</li> </ul>
 <b>Environmental Disaster Risk</b>	<p>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.</p>	<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>
 <b>Legal Compliance Risk</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>• Execute 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>









## 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 Chairlady, 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 Crisis Events in 2023

Event Title	Content Summary	Treatment Method	Incident outcome
 <p><b>June 2023</b> <b>SOGO Cathay United</b> <b>Co-branded Card</b> <b>branches</b></p>	<p>The SOGO co-branded card jointly issued by Cathay United Bank and SOGO Department Store has been jointly issued for more than 20 years and has reached 600,000 cardholders. However, the contract between this card and Cathay United was signed by the previous operator without specifying the validity period of the card. Far Eastern SOGO considered it against common sense and exercised its right to terminate the contract in June 2023 based on the outcome of the arbitration. According to the court's arbitration, Cathay United must notify all cardholders two months in advance.</p>	<ol style="list-style-type: none"> <li>1. Know in advance the time and summary content that Cathay United intends to announce.</li> <li>2. Prior to Cathay United's press conference, the Company formulated its internal response statement.</li> <li>3. Simultaneously monitor Cathay's press conference on the day of the event, and immediately release our press statement to the public once the conference concludes.</li> </ol>	<p>The purpose of media coverage is to ensure that our statements are balanced, so that the outside world can fully understand the actual situation and we can maintain the Company's image.</p>
 <p><b>June 2023</b> <b>A girl was sexually</b> <b>harassed by a man</b> <b>in the toilet area of</b> <b>Tianmu Store</b></p>	<p>The younger sister, who was using the toilet alone on the seventh floor of the Tianmu Store, was picked up at the entrance of the toilet by a stranger who was neither an employee nor a supplier/lessee. Fortunately, the older sister screamed and frightened the man away. The victim's family used a department store surveillance camera to call the police and file a complaint. The man has been apprehended by the Shihlin Branch of the Taipei City Police Department, and the case is under investigation under the Sexual Harassment Prevention Act.</p>	<ol style="list-style-type: none"> <li>1. We reassure customers as soon as possible, consult the surveillance footage, conduct security alerts looking for suspects based on their characteristics, and escort customers to the police station to report the crime.</li> <li>2. We will subsequently strengthen floor maintenance and increase the frequency of restroom inspections; strengthen restroom patrols on high floors such as the 5th to 8th floors; provide photos of suspected offenders to employees on all floors to memorize, report back when discovered, and monitor.</li> </ol>	<ul style="list-style-type: none"> <li>• Tianmu Store fully cooperated with the police in the area under its jurisdiction, apprehended the suspects in the shortest time, and explained the information to the media to reduce the outside world's doubts about the safety of the department store.</li> <li>• Tianmu Store cooperates with the police in the jurisdiction and promotes safety precautions, and uses various media to demonstrate its determination to safety protection.</li> </ul>

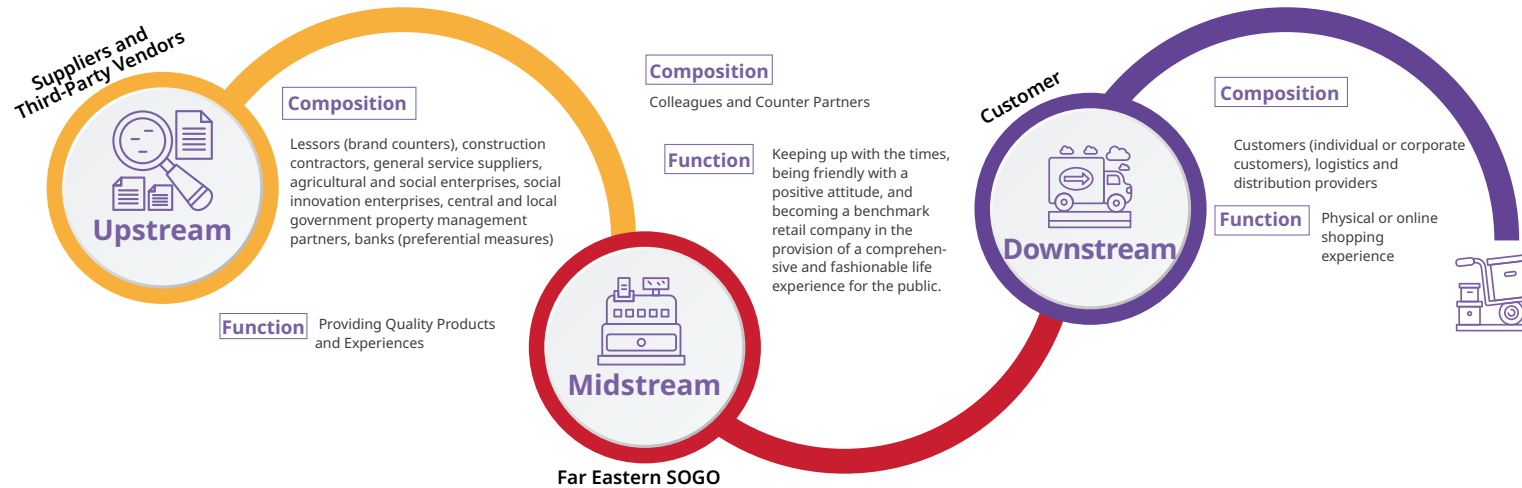




## 1.5 Supply Chain Management GRI 2-6

Far Eastern SOGO, a pioneer in introducing international management experience to Taiwan's department store industry, distinguishes itself with its excellent leasing capability, collaborating with reputable tenants to provide customers with exquisite experiences and reliable products through professional store management and supply chain guidance. It also creates a new paradigm of trendy and environmentally sustainable living that is relevant to the moment. In 2023, there will be no significant change in the supply value chain.

### Far Eastern SOGO Supply Chain



Since the formulation of the supplier terms and conditions in 2016, Far Eastern SOGO has continued to improve the sustainability performance of its brand counters and suppliers through supply chain management and sustainable supplier selection. Additionally, suppliers of engineering and general affairs are categorized based on the contract amount, with priority given to guiding business partners with high transaction amounts with SOGO. This includes first-tier suppliers with transactions over NT\$5 million and second-tier suppliers with transactions between NT\$2.5 million and NT\$5 million.

### Supply Chain Statistics

Level	Category	Engineering			General affairs					Total	Percentage
		Engineering	Labor service	Design category	Gifts	Information Category	General service items	Art Promotion	Labor service		
Level 1	Over NT\$5 million	9	3	2	3	2	5	3	2	29	31%
Level 2	NT\$3-5 million	2	2	0	2	4	0	3	0	13	14%
Level 3	NT\$1-3 million	4	2	0	2	5	3	13	1	30	32%
Level 4	NT\$500,000 to NT\$1 million	2	0	0	6	1	4	8	0	21	23%
Number of suppliers		17	7	2	13	12	12	27	3	93	100%




**Remarks**

- Filtering criteria: The number of annual transactions is three (inclusive) or above, and the total annual transaction amount is more than NT\$500,000.
- All of them are domestic manufacturers.





## Supply Chain Management Strategy

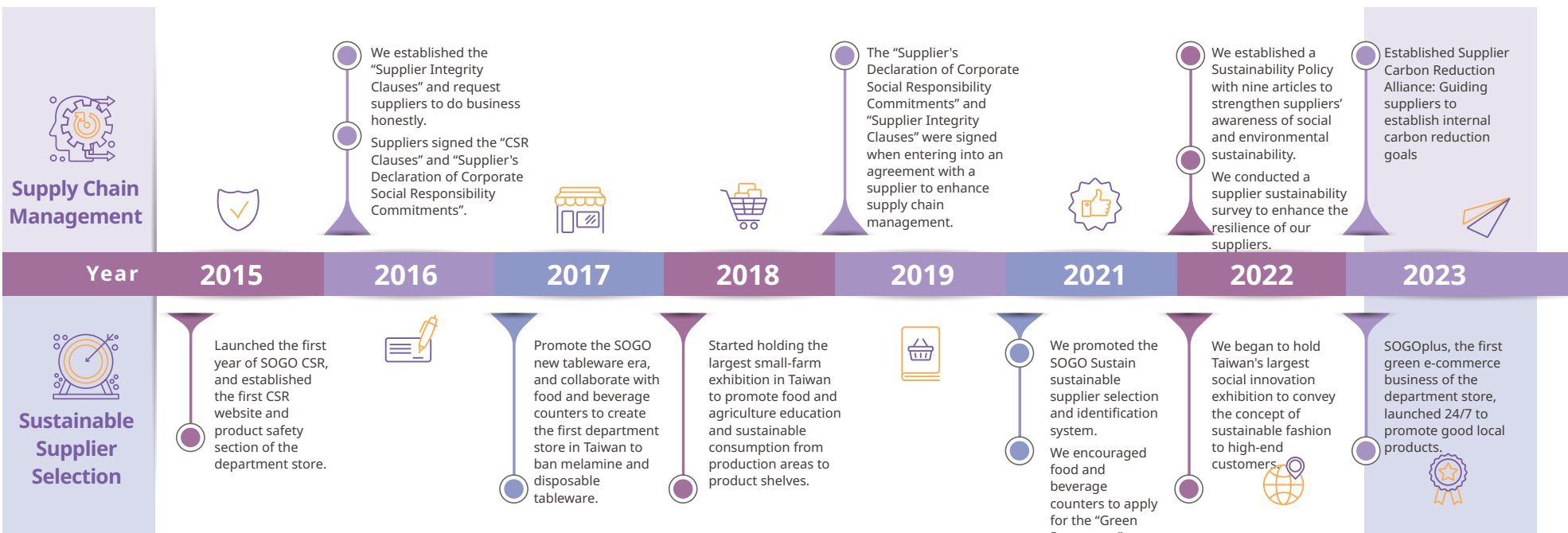
Aspect	Purpose	Result in 2023	Future Goal
 <b>Local Procurement</b>	As a retailer, Far Eastern SOGO demonstrates the power of the channel in the encouragement of consumers to buy local products. We encourage local industries to make further development and realize carbon reduction in supply.	100% local procurement for general services.	<b>Start of the Net Zero Alliance</b> <p>➔ We collaborate with the supply chain and lessors to carry out the "one green initiative for one container" to practice a circular economy.</p>
 <b>Enhancement of Sustainable Supplier Selection</b>	Provide guidance for counters to launch sustainable products to achieve differentiation of competitors' products and services.	<ul style="list-style-type: none"> <li>Hosted Taiwan's largest small farmer exhibition (Zhongxiao Store) for six consecutive years.</li> <li>Held the largest social innovation exhibition (Fuxing Store) in Taiwan for two consecutive years.</li> <li>With the help of SOGO Sustain, we recommended over 677 sustainable products at our counters across Taiwan, reaching 1.23 million visitors.</li> <li>The number of shipments of SOGO Sustain accounted for 10.5% of the green e-commerce business SOGOplus.</li> </ul>	<b>Promotion of the Circular Business Model</b> <p>➔ Introduced and approved the ISO 20400 sustainable procurement guidelines, incorporating sustainable standards into the procurement process and supply chain management.</p>
 <b>Enhancement of Supplier's Resilience</b>	Reduce negative impacts and implement supplier sustainability management.	<ul style="list-style-type: none"> <li>Respect for human rights and protect the fundamental human rights of stakeholders by promulgating human rights policies.</li> <li>Establish the Supplier Carbon Reduction Alliance to guide suppliers through a three-year supply chain management plan (questionnaire survey, accompanying consultation/course guidance, and outcome publication) step by step to guide suppliers in establishing internal environmental protection policies.</li> </ul>	<p>➔ Launch the ESG survey of the leased counters and provide guidance at different levels.</p>

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 SDG 12 "Responsible Consumption and Production", we launched the "SOGO Sustain" 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.





## Supply Chain Chronicle







## Far Eastern SOGO Mentoring Program for Strengthening Supplier Resilience

### Develop “SOGO Sustain” and collaborate with brand counters to promote sustainable products

Far East SOGO have launched “SOGO Sustain”, a sustainable product selection identification system. We work with special counters to carefully select sustainable products that comply with environmental protection and try to solve social problems. The promotion is made to customers through on-site decorations and physical DM/eDM, etc., so as to build a one-time sustainable consumption platform, so that customers can “make good choices easily with every purchase.”

Since 2022, Far Eastern SOGO Taipei Hall 3 has set up two SOGO Sustain slots a year, one in April before Mother's Day and the other in October before the anniversary. Externally, it focuses its resources on marketing sustainable products to customers; internally, Far Eastern SOGO's lessees, suppliers, and colleagues further understand the concept of sustainable product selection and officially “incorporate sustainability into the daily operation of department stores”. Each DM at the outside shop also includes 1-2 pages of SOGO Sustain recommendations to expand the influence of sustainable supplier selection. In 2023, the SOGO Sustain period was launched at the Tianmu Store to combine the characteristics of the store as the “No. 1 green department store in Taiwan” and collaborate with the brand counter to promote sustainable products.



### Counseling suppliers of counters and employee cafeterias to apply for “Green Restaurant” certification from the Environmental Protection Agency.

Since 2017, Far Eastern SOGO has been promoting the new SOGO tableware era. Together with the food and beverage counters, we are the first department store in Taiwan to ban melamine and disposable tableware. Following this, we organized a series of New Era of Tableware activities. Whether in the promotion of a traceless diet or complete prohibition of plastic straws, we played a leading role in the department store industry in Taiwan and do not provide “one-off dining utensils” free of charge. These were the environmental protection and food safety activities that we promoted in cooperation with suppliers and consignment counter lessees.



In 2021, Far Eastern SOGO extended attention to the popular restaurants in the stores and assisted them with the acquisition of the “Green Restaurant” certificate. As of the end of 2021, all three stores in Taipei (Zhongxiao, Fuxing, and Dunhua) have passed the certification; in 2022 and 2023, in addition to the newly launched food and beverage counters, all light food stands and food and beverage counters (restaurants) will be certified green; in the second half of 2023, the restaurant was converted into an “eco-friendly restaurant” in line with the policy of the Ministry of Environment.

### Coaching social and entrepreneurial enterprises to successfully enter department stores during the last mile

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 six 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 about 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.



遠東  
SOGO



### Expanding the social influence of SOGO Sustain

Based on the Business for Social Good (B4SI) international influence framework, the template was created. In the first stage, the Tianmu Store was set as a statistical target, the input, output and influence were quantified, and the project was regularly tracked and optimized. In 2023, for the two SOGO Sustain stores in Tianmu Store (April and November), nearly 30% of the employees were invested, 84 brands reached 490,000 person-times, generating a business of NT\$680 million, and 3,300 person-times actually participated in the interactive game of the APP sustainability initiative.

In the future, we will expand our analysis to cover all sustainable product selections at the Taipei store throughout the year, continue to engage stakeholders, and expand the social impact of “SOGO Sustain,” shaping a new culture of green consumption.







## 1.5.1 Supplier Regulations

Tenants and suppliers comprise Far Eastern SOGO's principal partnerships. In 2016, Far Eastern SOGO established a precedent in the department store industry by mandating the signature of the "Corporate Social Responsibility Clause" and the "Supplier Corporate Social Responsibility Commitment" to guarantee that these partners adhere to sustainable practices. In 2019, the standards were further elevated by the inclusion of these CSR clauses in all standard contracts for suppliers and tenants. In 2022, these were elevated to "Sustainability Clauses", which encompass nine comprehensive provisions that address labor rights, environmental sustainability, and the care of pregnant and breastfeeding women, among other topics. Suppliers are required to execute these clauses when they execute their initial contracts, renew their contracts, or submit invoices. If there is any violation that affects the goodwill or equity of Far Eastern SOGO, we can terminate the contract to become binding on the suppliers with such clause. The lessee and the supplier have a signing rate of nearly 100%. For the rest of the purchases with a relatively low amount, they must tick the box to agree to the Far Eastern SOGO sustainability terms on the supplier information form when requesting payment.

### 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	First-time supplier registration
Administration Department	Related Units/Merchandise Department at Each Business Location	Procurement Dept.	Procurement Dept.	Finance Dept.
Status of Signature	Signature is required at the time of initial contract or periodic contract exchange.	Signature for purchases over NT\$500,000	Procurement of NT\$1 million or more that is jointly purchased by the Group is required to sign the "Supplier Social Responsibility Commitment"	To create a file for the first time, a supplier needs to fill in the Supplier Information Form, which contains the information about the supplier's sustainability clauses and their agreement to sign.
No. of Contracts Completed in 2023	3,081 contracts	180 contracts	190 contracts	534 contracts
Coverage	99.8%	100%	100%	100%

For sustainability clauses and Supplier Social Responsibility Commitment, visit "Stakeholders Section" on the official website of Far Eastern SOGO ESG — "Supplier Sustainability Clauses"

### Supplier Acceptance

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.

	Procurement and Engineering	General service
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.	



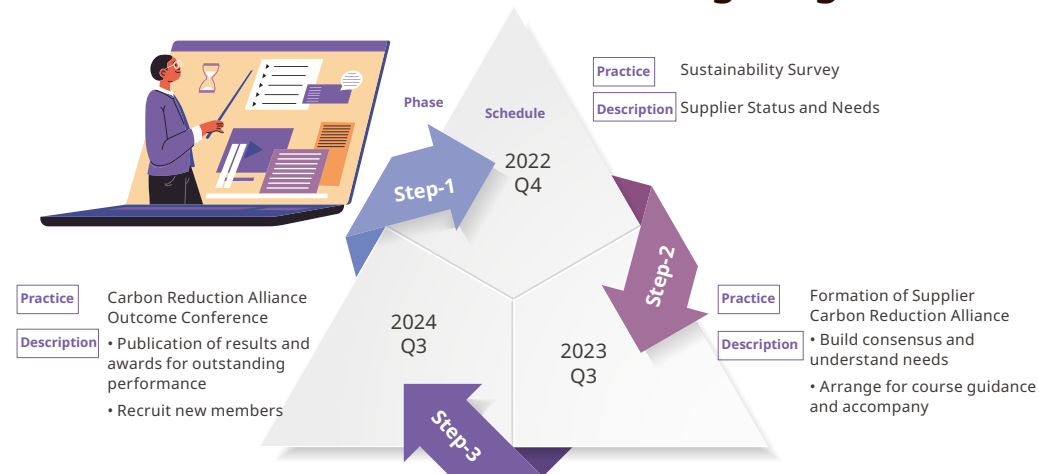


## Circular Business Model and Enhancement of Supplier Resilience

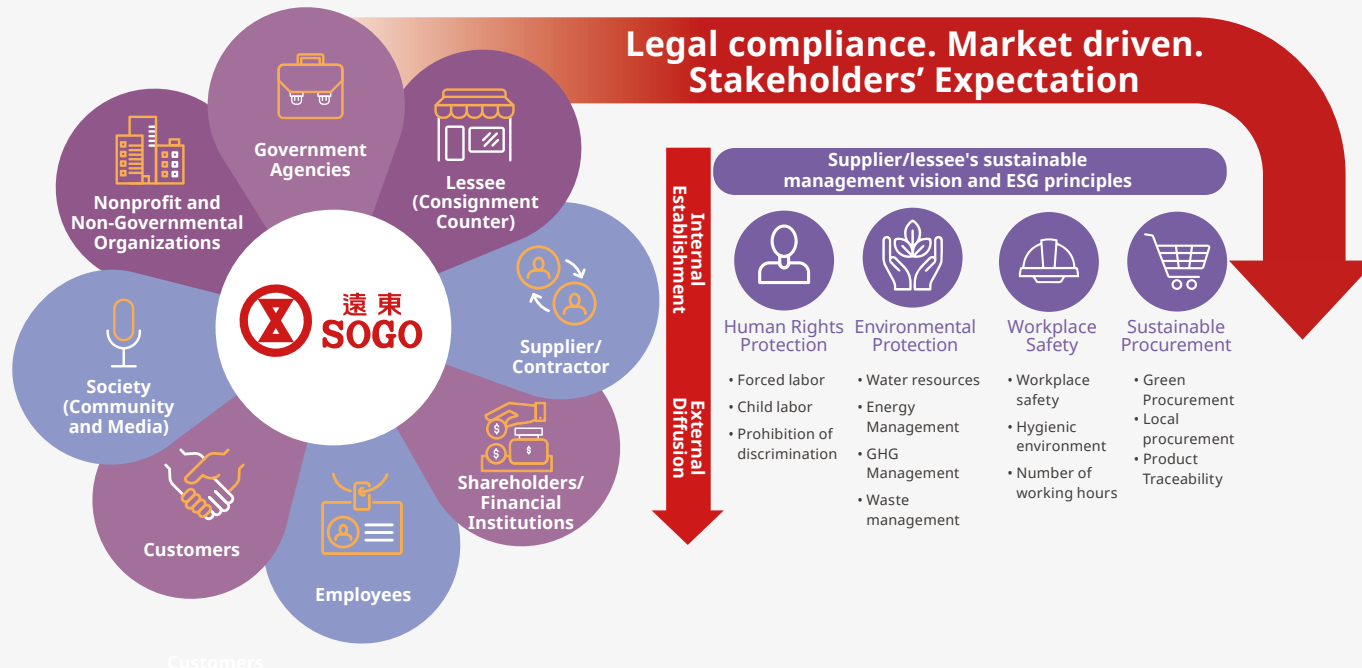
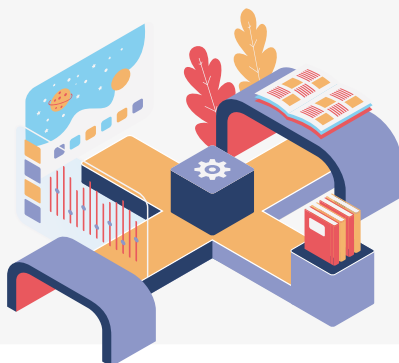
For the first time in October 2022, Far Eastern SOGO distributed a sustainability self-assessment form to suppliers of engineering and general affairs with procurement quantities exceeding NT\$100,000. The purpose of this was to identify sustainability risks and examine the sustainability practices of the suppliers. 199 out of 229 suppliers responded, resulting in a response rate of 86.9%. The supplier sustainability risk survey and identification are conducted biennially, with the subsequent round scheduled for 2024.

Suppliers are classified according to the value of their contracts with SOGO, with a preference for those with greater transaction amounts: first tier (over NT\$5 million), second tier (NT\$3 million to NT\$5 million), and those who are in alignment with the company's vision. Suppliers will gradually establish internal environmental policies with the assistance of a three-year supply chain management plan that encompasses questionnaires, advice support, and results presentations.

## Far Eastern SOGO Three-Year Mentoring Program



The ISO 20400 Sustainable Procurement Guidelines will be adopted and passed by Far Eastern SOGO, which will incorporate sustainability criteria into supply chain management and procurement processes. The objective of this ongoing endeavor is to fortify supply chain management policies, support and connect the upstream and downstream value chains, and foster a net-zero alliance for sustainable transformation. Continuous sustainability guidance will guarantee that contractors and suppliers adhere to ESG principles in the areas of environmental protection, workplace safety, human rights protection, and sustainable procurement.










## 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. Candidates who have a higher assessment score will have the collaboration opportunity. The unit needs the vendors to 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	
 <p><b>Merchandise and Supermarket</b></p>	<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> <li>• Standard operating procedures for finished product recycling and disposal</li> <li>• Regulations on Return and Exchange of Cosmetics</li> </ul>	<ul style="list-style-type: none"> <li>• Commodity price label inspection</li> <li>• Inspection of Expiring Goods</li> <li>• Inspection of Cosmetics Permit</li> <li>• Inspection of gifts in stores (refer to the "Safety of Serviceability" section)</li> </ul>
 <p><b>F&amp;B Consignment Counter</b></p>	<p>Inspection of Environment and Sanitation:</p> <ul style="list-style-type: none"> <li>• Daily self-inspection of counters</li> <li>• Weekly inspection of Far Eastern SOGO Catering Course</li> <li>• Monthly Rating; granting "Outstanding Award".</li> <li>• Provide guidance for food and beverage counters in applying for Good Hygiene Practice (GHP) certification.</li> </ul>	<p>Related Testing:</p> <ul style="list-style-type: none"> <li>• Counter ice inspection</li> <li>• Drinking water inspection</li> <li>• Inspection of take-out vegetables for New Year's Eve</li> </ul>
 <p><b>Supplier (general affairs, engineering projects)</b></p>	<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 procurement projects that can demonstrate the synergy of the Group and are implemented by the joint procurement center of the Far Eastern Group, 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, visit "Sound Operation Power" on the official website of Far Eastern SOGO ESG → "Supply Chain Management"





## 2. Sustainable Environment Power

In order to cultivate a green operational culture, Far Eastern SOGO implements energy management, identifies climate change risks and opportunities, and establishes energy-saving and energy-creating measures to practice environmental sustainability in its daily operations. Far Eastern SOGO's objective is to establish a comprehensive green consumption platform by utilizing its market influence to increase awareness of sustainable consumption and environmental education, as indicated by the specific action plans proposed by a variety of stakeholders. 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.



SDGs Corresponding in This Chapter



The first of its kind in a department store in Taiwan

A Model of Green Department Stores in Taiwan

*TCFD supporter*

No. 1 in domestic department stores

- Won the Silver Award or above in the "National Environmental Protection Award for Enterprises" five times
- The accumulated paper saved by e-gift vouchers over nine years is equal to the height of ten Jade Mountains
- Consolidation of sales details and credit card receipts saved paper annually, equivalent to nearly two expressways.
- Paper coupons use FSC-certified paper.

Increased energy efficiency

- Generate NT\$497.02 in revenue per kWh, a **10.94%** annual increase
- Invest NT\$80 million annually in equipment upgrades
- Since 2018, cumulative electricity savings of **86 million kWh**, saving **NT\$226 million** in electricity costs





## 2.0 Strategic Results and Planning

Far Eastern SOGO actively practices environmental protection in its daily operations, implementing energy management and energy-saving measures to build a culture of green operations. It proposes concrete action plans for various stakeholders: engaging in sustainable vendor selection and sustainable procurement with counters and suppliers; providing sustainability education for employees; and creating a one-stop green shopping platform for customers, promoting sustainable consumption awareness through its channel power.



### Policy and Commitment

Implemented the TCFD climate-related financial disclosure framework earlier than the regulatory requirements; joined the EP100 international initiative to strengthen climate governance; set clear goals, and strictly implemented carbon reduction actions, including the voluntary introduction of ISO 14064-1 greenhouse gas, ISO 14067 carbon footprint, ISO 50001 Energy Management System, etc.; actively promoted energy conservation and generation; committed to "reduce energy and resource consumption", "improve energy productivity", "increase the proportion of renewable energy", "realize sustainable consumption", and promote Net Zero Green Living aims to achieve carbon neutrality by 2040 and net-zero emissions by 2050.



### Organizational Vision

By incorporating the three primary net-zero strategies of energy conservation and emissions reduction, sustainable consumption, and circular business models, Far Eastern SOGO expands its commercial influence to have a sustainable impact. This encourages customers to alter their consumption patterns, drives suppliers toward green transformation, and initiates low-carbon operational opportunities with leased counters, thereby leading Taiwan's retail industry toward net-zero.



### Material Issue

Low-Carbon Operation  
Climate Strategies and  
Actions  
GHG Management



Actual Positive



### International Frameworks and Indicators

[GRI] 201: Economic Performance, 305: Emissions



### Definitions and Impacts

Far Eastern SOGO's management mechanism and practices for creating low-carbon operations internally and providing green services to the outside world

1. Mitigation and adaptation to reduce the impact of climate change risks on operations
2. Set greenhouse gas emissions management measures and related carbon reduction targets

Management Actions	2023 Operational Performance Tracking	Achievement Status	Achievement Description	Short-term goals (1-3 years)	Medium- and Long-term Goals (over 3 years)
<b>Strengthening Climate Governance</b>	Increase the disclosure of TCFD climate risks.	Target achieved	<ul style="list-style-type: none"> <li>▶ Signed to become a TCFD supporter.</li> <li>▶ The number of relatively complete disclosures has been increased to seven.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establish an inter-departmental communication mechanism and review and optimize climate management guidelines on a yearly basis.</li> <li>▶ The Committee on Climate Change has been empowered and expanded to cover departments.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Improve the climate governance mechanism.</li> <li>▶ Continue to incorporate climate change-related proposals into board of directors' decision-making.</li> <li>▶ Top executive compensation is linked to climate performance indicators.</li> </ul>
<b>Building a Green and Low-Carbon Operation Store in the Store</b>	Initiate carbon inventory across Taiwan.	Target not met	<ul style="list-style-type: none"> <li>▶ Completed the GHG audit of Zhongxiao Store, Fuxiao Store, Tianmu Store, Zhongli Store and Hsinchu Store.</li> <li>▶ We plan to conduct a carbon footprint inventory and verification in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In 2024, all stores in Taiwan will complete a greenhouse gas inventory.</li> <li>▶ Achieve all carbon reduction labels by 2025 and promote green procurement declaration.</li> </ul>	<ul style="list-style-type: none"> <li>▶ All stores in Taiwan continue to conduct greenhouse gas inventories.</li> </ul>





Management Actions	2023 Operational Performance Tracking	Achievement Status	Achievement Description	Short-term goals (1-3 years)	Medium- and Long-term Goals (over 3 years)
Building a Green and Low-Carbon Operation Store in the Store	The proportion of renewable energy is increasing year by year.	Target achieved	<ul style="list-style-type: none"> <li>The second phase of the solar power plant in the Hsinchu Store was put into operation, and the percentage of green power per store increased from 0.6% to 5.7%.</li> <li>Tianmu Store obtained a renewable energy certificate.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to increase the proportion of renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>The Hsinchu store reached carbon neutrality in 2028.</li> <li>Achieve carbon neutrality for one store every two years.</li> <li>In 2040, all seven stores in Taiwan are carbon neutral.</li> </ul>
	The proportion of sustainable procurement is increasing year by year, and the number of products is increasing.	Target achieved	<ul style="list-style-type: none"> <li>The green procurement amount nearly reached NT\$36.7 million, accounting for 5.24%, an increase of 0.17 percentage points.</li> <li>The amount of social innovation procurement and rent-for-buy-in-place was nearly NT\$18.7 million, an increase of 88%.</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, the proportion of environmental protection gifts and gifts (including recycled materials) in the procurement amount will increase from 1.83% to 5%.</li> <li>Eco-friendly materials to be adopted for women's winter uniforms in 2024</li> <li>Complete the ISO 20400 sustainable procurement management system certification in 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct comprehensive due diligence and provide guidance to suppliers; build Taiwan's No. 1 Net Zero Retail Alliance.</li> </ul>
	Make use of digital tools in marketing and operations to reduce paper consumption.	Target achieved	<ul style="list-style-type: none"> <li>In 2023, 86.51% of the DMs issued will be eDMs, up by 0.28 percentage points.</li> <li>We encourage invoice storage in the cloud. In 2023, 59% of all purchases in Taiwan were invoiced in the cloud.</li> <li>We are the first department store in Taiwan to introduce consolidated credit card signatures for invoices. In 2023, we will have saved 295 kilometers of paper, and the length of two expressways in the next year.</li> </ul>	<ul style="list-style-type: none"> <li>The EDM ratio of all stores in Taiwan is &gt; 90%.</li> <li>In 2024, the proportion of cloud-based invoices in Taiwan will increase to 60%.</li> <li>All stores in Taiwan responded to the Ministry of Environment's green office policy.</li> </ul>	<ul style="list-style-type: none"> <li>Completely paperless DM.</li> <li>The proportion of cloud-based invoices in Taiwan has increased to 70%.</li> </ul>
Lead Sustainable Consumption and Promote Net Zero Green Living	Cultivate a sustainable consumer base year by year through sustainable eating, sustainable product selection, and sustainable actions.	Target achieved	<ul style="list-style-type: none"> <li>A total of 11 smallholder farming/market/friendly environment activities were held in each store, with a total of 64,000 visitors throughout the year.</li> <li>31,000 energy-saving home appliances were sold, with an annual growth rate of 16%.</li> <li>With the help of SOGO Sustain, we recommended over 677 sustainable products at our counters across Taiwan, reaching 1.23 million visitors.</li> <li>Nearly 77,000 people participated in the SOGO APP online rice planting and tea picking to acquire sustainable knowledge through games.</li> </ul>	<ul style="list-style-type: none"> <li>A green product zone is set up, the SOGO Sustain product identification is reinforced, and sustainable activities are organized so that customers can start their green consumption journey when they walk into Far Eastern SOGO.</li> </ul>	<ul style="list-style-type: none"> <li>Respond to the government's net zero green lifestyle and guide consumers to purchase green products and experience green services through various channels.</li> <li>100% Eco-friendly Restaurant Certification.</li> </ul>





## Material Issue



## International Frameworks and Indicators



## Definitions and Impacts

Energy Management  
Waste resources and  
regeneration

➤ Actual **Negative**  
➤ Potential **Negative**

[GRI] 302: Energy, 306: Waste  
[SASB] Energy Management in Retail and  
Distribution


According to the status and demand of internal and external energy consumption, Far Eastern SOGO classifies renewable energy and non-renewable energy as well as the total amount of waste discharged during the operation process, the extent of the impact on the environment and the management mechanism.

➤ Actual **Negative**

Management Actions	2023 Operational Performance Tracking	Achievement Status	Achievement Description	Short-term goals (1-3 years)	Medium- and Long-term Goals (over 3 years)
<b>Saving energy and improving energy efficiency</b>	The revenue per kilowatt-hour of electricity consumption is growing year by year.	<b>Target achieved</b>	<ul style="list-style-type: none"> <li>▶ The electricity revenue in 2023 was NT\$497.02/kWh, an increase of 39.29% over 2018.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continue to replace outdated equipment.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In 2028, the revenue per kilowatt-hour of electricity increased by 50.52% compared to 2018.</li> </ul>
<b>Waste reduction and enhancement of recycling and reuse</b>	Gradually introduce food waste disposal machines in each store.	<b>Target achieved</b>	<ul style="list-style-type: none"> <li>▶ In 2023, the opening of Zhongxiao Store was completed.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The opening of the Fuxing Store is expected to be completed in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Promoted to all stores.</li> </ul>
<b>Reduction of resource consumption on the consumer side</b>	Encourage them to bring their own shopping bags/tableware for recycling.	<b>Target achieved</b>	<ul style="list-style-type: none"> <li>▶ The supermarkets gave away their own shopping bags and gave away 6,442 paper bags after each purchase.</li> <li>▶ Eco-friendly straws were promoted at the food court, and 578 sets of natural rushwood straws were distributed during the event.</li> <li>▶ A total of 198,000 empty cosmetic bottles were recycled, a growth of 1.7%.</li> <li>▶ Second-hand clothing recycling activities were held at the Dunhua Store and Tianmu Store in Taiwan with 663 participants; 3,020 kilograms of clothing were collected and donated to the Eden Social Welfare Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The supermarket has set up a used paper bag collection section to encourage reuse.</li> <li>▶ Organize activities or set up recycling bins to promote the reuse of textiles and clothing.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase the proportion of sales of recycled materials.</li> </ul>
<b>Reduction of resource consumption on the operator side</b>	Recycled cartons or recycled packaging are used for plastic reduction and home delivery in supermarkets.	<b>Target achieved</b>	<ul style="list-style-type: none"> <li>▶ In the supermarket, we reduced plastic by 1.1 tons per year for containers and packaging materials for eggs, fruits and vegetables, cakes and bread.</li> <li>▶ The supermarkets use about 29,000 cartons for home delivery, and 66% of the original cartons are reused.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Add incentives and discounts to encourage customers to bring their own shopping bags.</li> <li>▶ Reduce the amount of plastic used in pallets, and actively seek environmentally friendly alternatives.</li> <li>▶ Promote the recycling and reuse of second-hand paper bags.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Research the payment mechanism for paper bags and encourage consumers to bring their own shopping bags.</li> </ul>
	Reduction of packaging materials for e-commerce.	<b>Target achieved</b>	<ul style="list-style-type: none"> <li>▶ SOGOplus' shipments comply with the Ministry of Environment's "Packaging Reduction Regulations for Online Purchases", and we provide incentives to encourage customers to pick up goods in stores. In 2023, pick up in stores accounted for 10%; shipments in original boxes accounted for 69%.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Introduce recycled packaging, increase the utilization rate of recycled packaging materials, and increase the weight reduction rate of packaging materials.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continue to introduce products suitable for delivery in original boxes and for pick-up in stores. Besides reducing quantity at the source, we also create an image of the department store as a green e-commerce company.</li> </ul>





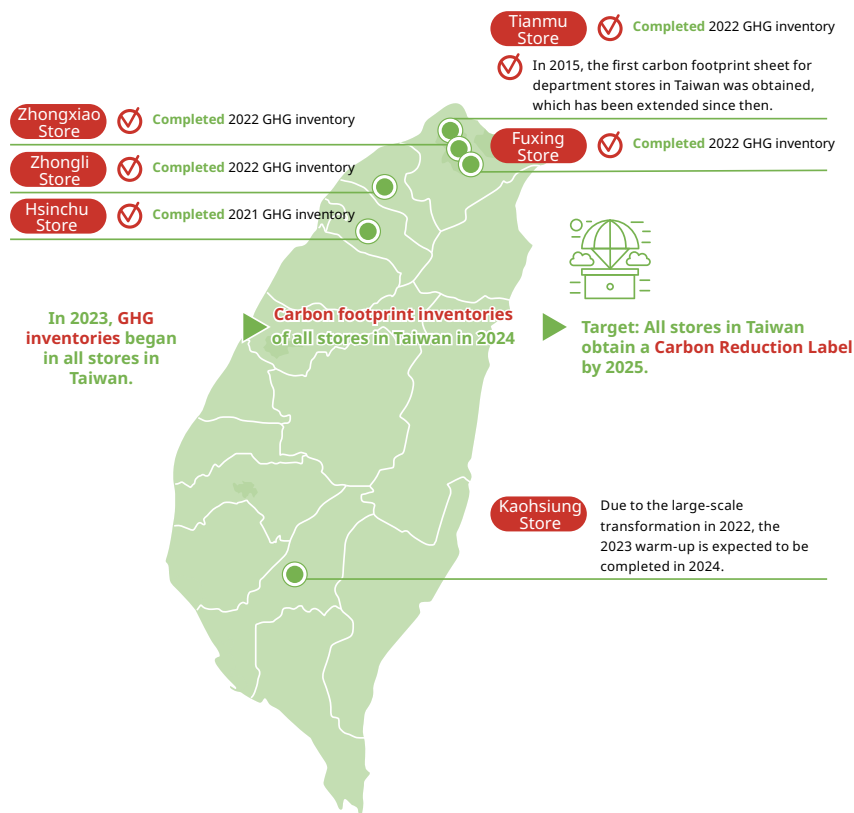
Stakeholder Group	 <b>Employees</b>	 <b>Customers</b>	 <b>Lessee (Consignment Counter)</b>	 <b>Supplier and Contractor</b>
<b>Negotiation Channel</b>	<ul style="list-style-type: none"> <li>Employee Sustainability Awareness Survey (annual): 1,139 people, accounting for 87% of the total number of employees, are surveyed.</li> <li>Taiwan-wide public affairs meeting (monthly): Review the energy and resource consumption status of each store.</li> <li>Daily Morning Meeting Report: Release of sustainable information from time to time</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction Survey (annual): 1,068 respondents, 77.3% satisfied with Far Eastern Sogo's environmental protection efforts</li> <li>SOGO Sustain Special Issue (six months): Published twice each in Taipei and Tianmu Stores.</li> <li>Self-media Sustainability Initiative (monthly): reaching a total of 160,000 people in 11 sessions.</li> <li>ESG website (as needed): 41,000 pageviews</li> <li>Small farmers' markets: Throughout the year, stores held a total of 11 small farmers' markets, reaching 64,000 people.</li> </ul>	<ul style="list-style-type: none"> <li>3,081 counters signed the perpetual agreement</li> <li>95% of our restaurants have obtained the Green Restaurant Certification.</li> <li>97% of the food court has obtained the GHP certification, and 93% are rated as excellent.</li> </ul>	<ul style="list-style-type: none"> <li>Signed 370 perpetual agreements</li> <li>Cooperate with counters to launch SOGO Sustain, recommend over 677 sustainable products</li> </ul>

In response to net zero, Far Eastern SOGO has developed sustainability strategies - "energy saving and emissions reduction", "sustainable consumption" and "circular business model" - to build a low-carbon channel from the core functions of the department store. Far Eastern SOGO was one year ahead of the 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 2023, the Sustainability Office was established under the direct administration of the Chairlady, serving as a dedicated department for the promotion of corporate sustainability, and becoming the first TCFD supporter of a department store in Taiwan.

To accelerate the realization of the vision of energy conservation and carbon reduction, 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 savings 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.

The Tianmu store is a seed for green operations of Far Eastern SOGO. 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 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 invoice amount of their procurement from the Tianmu Store during 2021 to 2026, based on the demand of government agencies' procurement targets.

Since 2022, Far Eastern SOGO has implemented the EP100 plan. Since 2023, it has initiated the Taiwan-wide greenhouse gas inventory, and will conduct a carbon footprint inventory in 2024. It is expected that each store will obtain a carbon reduction label in 2025.







## SOGO x EP 100

### Targets of Far Eastern SOGO

Taking 2018 as the base year, the cumulative power saving rate by 2028 will reach 40.30%, and the revenue per kWh of power consumption will grow by 50.52%.

2023

In year five of the ten-year plan, energy productivity has increased by 39.82% compared to the baseline year.



### Actions of Far Eastern SOGO After Joining EP100

1. Check the status of the existing ALC energy management system of each store, introduce an AI energy management system, and promote energy saving of power motors. The system is displayed on the mobile APP for monitoring, control, and printing. It is expected that the Tianmu store will be the first to introduce the new product in 2024, followed by other stores.
2. In 2023, we completed the GHG audits of our Zhongxiao, Fuxing, Tianmu, Zhongli, and Hsinchu stores, and expect to cover all stores in Taiwan by 2024.
3. The ultimate goal is to lead the upstream, mid-stream, and downstream to engage suppliers, contractors, customers, colleagues, and consumers to work together towards Net Zero by 2050.



### Membership

More than 125 members worldwide.

### 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 emissions reduction with the international community.

### 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.



## Milestones in Far Eastern SOGO's Low-Carbon Operations

2015

- The first department store in Taiwan to obtain the Carbon Label and define product category rules for the department store retail service industry (Tianmu Store)
- The first department store in Taiwan to issue electronic gift vouchers.



2016

- A great deal of green procurement starting from paper.



2017

- The first department store in Taiwan to pass the ISO 50001 certification (Dunhua Store).
- The first department store in Taiwan to ban disposable and melamine tableware, two years ahead of the government's policy.



2018

- The first department store in Taiwan to receive a carbon reduction label (Tianmu Store).
- The first department store in Taiwan to conduct ISO 14064-1 GHG inventory (Fuxing Store).
- The Fuxing Store applied for BOE ESCO replacement of water chiller units and has good energy saving effectiveness.



2019

- 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.



2020

- Dunhua Store ISO 50001 extension.
- Proposal to launch the second solar power generation equipment in Hsinchu.



2021

- Introduced TCFD for the first time and disclosed it in the 2021 Sustainability Report
- The first department store in Taiwan to receive the carbon reduction label for the second time (Tianmu Store).
- The first department store to promote a sustainable supplier selection and identification system by launching "SOGO Sustain".
- The first department store in Taiwan to advise food counters on application for certification as green restaurants.
- The first department store that the Environmental Protection Administration incorporated for green procurement under the service-based carbon label (Tianmu Store).
- 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".



2022

- The first department store retailer in Asia Pacific to join EP100.
- Tianmu Store won the Special Award for Low-Carbon Products from the Environmental Protection Administration (now the Ministry of Environment) and the Water Conservation Unit of the Water Resources Administration, Ministry of Economic Affairs
- The first department store to undertake green time deposit.
- 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.
- We launched the second phase of the solar panel construction project of the Hsinchu Store.
- We established the Climate Change Committee, and the TCFD completed an assessment and analysis of climate risk and financial links.



2023

- The Only TCFD Supporter in Taiwan's Department Store
- We won the National Enterprises Environmental Protection Award for 5 consecutive years.
- Launching the second phase of the solar power project of the Hsinchu Store.
- Tianmu Store obtained a renewable energy certificate.
- Zhongxiao Store applied for a subsidy from the Ministry of Economic Affairs to replace the chilled water main unit to improve energy conservation performance (expected to be completed in 2024)
- All stores activate Scope 1 to 3 audits
- The first department store in Taiwan to combine credit card signatures with sales statements, saving two expressway-lengths of paper every year.







## 2.1 Green Department Store ▶

### 2.1.1 Green Marketing

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. Since then, we have implemented the TCFD international framework and adjusted our strategy to four aspects: “energy management”, “green marketing”, “green actions”, and “climate change adaptation”, working together with stakeholders to move toward net zero.

#### SOGO Channel Digital Marketing

For Far Eastern SOGO, a dedicated planning team is dedicated to developing a social media platform that leverages the power of digital instant warfare and provides real-time information. All bases in Taiwan are gradually digitizing the publicity page of the library to reduce the use of paper and consumables, reduce the impact on the environment, and enable more effective message communication.

Year	Number of followers (person)	Number of followers (person)	Number of friends (person)
2021	272,259	21,213	119,384
2022	276,455	22,387	139,628
2023	281,071	24,956	149,325

Remarks The aforementioned data is the sum of the Zhongxiao Store, Fuxing Store, and Dunhua Store in Taipei City.

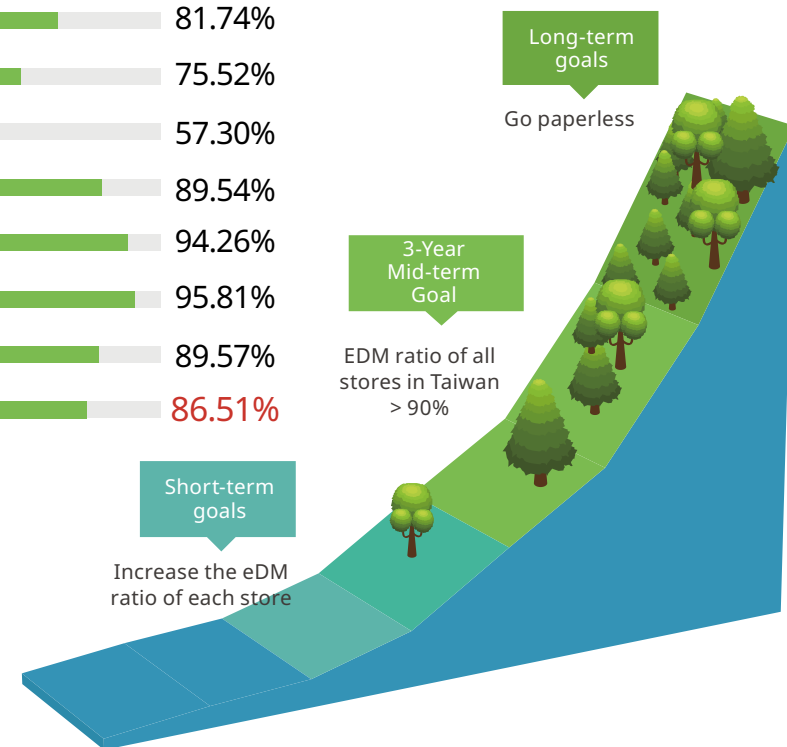
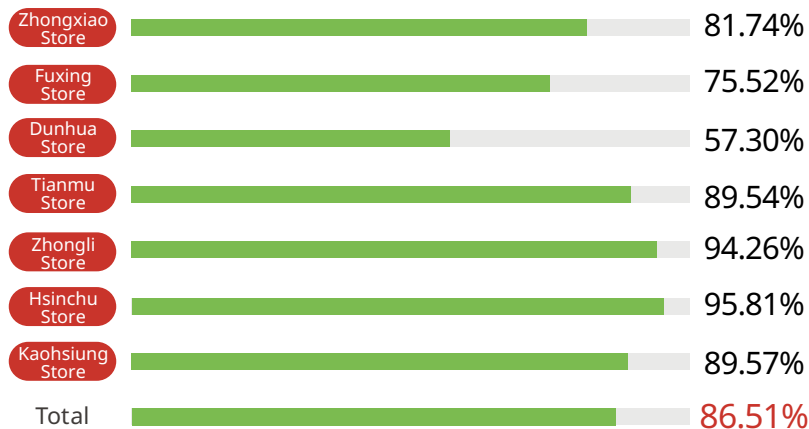


#### SOGO APP Digital Integration Service

The Far Eastern SOGOAPP plays an important role in green marketing. Consumers can grasp the timetable for promotion through the APP and participate in gift giving. In 2023, nearly 43.68 million eDMs were issued, accounting for 86.51% of the DMs issued throughout the year. This significant reduction in paper consumption is equivalent to saving 60,000 trees from being harvested.

Remarks One DM is calculated based on 12 sheets of A4 paper. One box of A4 paper is about 25 kg (5,000 paper sheets) and about 0.6 trees are needed. References were taken from Cultural and Educational Foundation for Environmental Quality.

#### in 2023 Far Eastern SOGO Percentage of eDM in Each Store







The SOGO APP offers integrated digital services that reduce paper printing and save labor costs, aligning with the spirit of mobile sustainability. These services include: online DM, online shopping, point accumulation, point redemption for shopping credits, mobile payment, in-store gifts, prize activities, restaurant reservations and waitlisting, food delivery, and parking services, providing consumers with over 75% savings in transaction time. Additionally, in 2023, Far Eastern SOGO launched online games for rice planting and tea picking, linking digital services with green marketing. These games enhance customer engagement, allowing customers to learn about sustainability through gameplay and practice sustainable habits in their daily lives.

### Service Highlights of Far Eastern SOGO APP Digital Integration in 2023



## SOGO Digital Sustainability Innovation Project - Online Rice Transplanting and Tea Picking

In April and October, Far Eastern SOGO launched the "Online Rice Transplanting" and "Tea Picking" games on its app. Members who completed the missions could receive crops from duck-rice cohabitation organic cultivation and products made from Taiwan's native tea leaves. Through the free exchange of high-quality, environmentally friendly products, the initiative encourages consumers to participate in activities to learn about biodiversity.

### Online rice transplanting interactive process



### Performance highlights

Nearly 77,000 person-times;  
Gifted a total of  
6,000 Yuan Ya rice and  
5,626 tea saponin







Far Eastern SOGO offers Happy GO points as gift options to reduce carbon emissions generated during the packaging and transportation of physical gifts. In 2023, 635 million points were issued, a 14% increase over 2022. The distribution of Happy GO points has been increasing year by year, forming the habit of customers requesting electronic points to replace physical gifts.

### Far Eastern SOGO replaces physical gifts with Happy GO points

2021 >  558 million

2022 >  555 million

2023 >  635

**Remarks** Earn 1 point for every NT\$100 in purchase; NT\$10 can be redeemed for every 35 points.

**HAPPYGO Pay**



Far Eastern SOGO is the first department store in Taiwan to issue e-gift vouchers. In addition to supporting energy conservation and carbon reduction and continuously promoting mobile payment, the Company also promotes the digitalization of gift voucher products and full integration of the APP. In 2023, a total of NT\$3.68 billion worth of e-gift vouchers were issued, with an annual increase of 66.2%, which accounted for Nearly 50% of gift certificates were issued. For nine years, NT\$10.1 billion worth of e-gift vouchers have been issued, replacing the paper gift vouchers that, if piled up, would be equal to the height of ten Jade Mountains.

**Remarks** The Jade Mountain calculation was made by converting the issued amount into NT\$500 gift certificates, each of which is 0.2cm thick. The height of Jade Mountain is 3,952 meters.

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

Category	Ticket Xpress	e-Gift voucher	e-Voucher
Featured	<ul style="list-style-type: none"><li>A new option is provided for customers to enjoy right after redemption.</li><li>Reduce pollution caused by the printing and mailing of paper gift certificates.</li></ul>	<ul style="list-style-type: none"><li>Gift vouchers are in the SOGO APP, and you can shop with your mobile phone!</li><li>Reduce pollution caused by the printing and mailing of paper gift certificates.</li></ul>	<ul style="list-style-type: none"><li>No need to wait in line or search for redemption counters, just one-click redemption with the SOGO APP! Consumers can avoid going upstairs and downstairs to find the prize-giving counter.</li></ul>
Description	SOGO and Edenred jointly launched the SOGO Ticket Xpress (hereinafter "Ticket Xpress"), which was the first example of electronic gift vouchers in department stores and provided a variety of reward options. Customers can purchase products by showing the QR code or serial number in the mobile phone message.	In addition to distributing the electronic gift coupons issued by SOGO to employees, they are also sold on SOGO's gifting system and on the Pay Easy website.	It is distributed in conjunction with sales promotions such as 10,000 to 1000,000. Present the SOGO APP membership QR code, and the consumption information will automatically be loaded for redemption and use.

In 2023, over 90% of the vouchers were distributed instead. As a result, the amount of vouchers increased significantly by over 112% compared to 2022.

### Amounts of e-Gift Vouchers Issued in Past Years

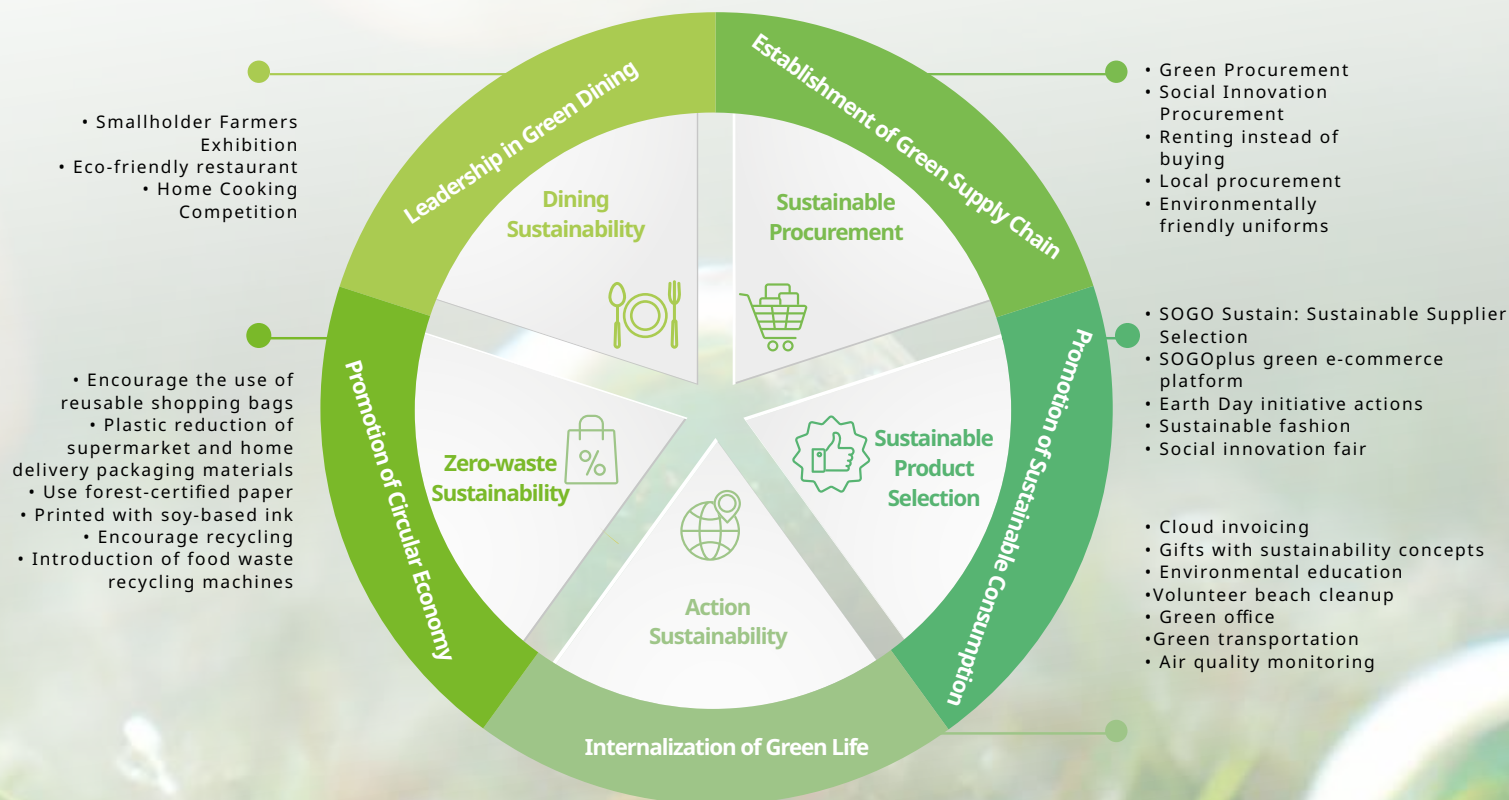
Year	Ticket Xpress	e-Gift voucher	e-Voucher	Total
2021	345396745	238740204	499000000	1880695174
2022	540988000	331850000	331014980	2215981765
2023	499000000	331014980	2852167575	3682182555





## 2.1.2 Green Actions

Combining creativity with marketing channels, Far Eastern SOGO integrates the concepts of sustainable consumption and low-carbon living into its organizational operations and service processes. The sustainable consumption journey is designed based on five major dimensions: Sustainable Procurement, Dining Sustainability, Sustainable Product Selection, Action Sustainability and Zero-waste Sustainability.







## Sustainable Procurement

### 1. Procurement Reveals Influence

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 2023, the amount of green procurement exceeded NT\$36.7 million, accounting for 5.24% 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 seven consecutive years.

The products and services of social innovation teams are preferred for gifts and cross-industry cooperation. In 2023, Far Eastern SOGO was awarded the second 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\$18.7 million, a significant increase of 88% from 2022.

### 2. Environmentally friendly uniforms

Uniforms for female employees and supervisors of Far Eastern SOGO are tested according to the OEKO-TEX® 100 standard of the European Union's textile mark, and are produced from fabrics that have been tested and which are harmless to human health. In 2023, adhering to the spirit of a circular economy, we purchased recycled and remanufactured fabrics and produced about 889 polo shirts and uniforms for the Sales Promotion Department, Business Administration Section, Gift Coupon Section, and Public Works Section to reduce carbon emissions and production in the petrochemical industry.

Year		2021	2022	2023
Green Procurement	Amount	NT\$25,387,484	\$35,048,931	NT\$36,696,928
	Percentage	3.96%	5.07%	5.24%
Social innovation procurement	Amount	NT\$8,000	NT\$2,387,461	NT\$10,069,467
Renting instead of buying	Amount	NT\$5,682,467	NT\$7,014,708	NT\$7,972,685
Local procurement	Percentage	100%	100%	100%
Other eco-friendly products	Amount	-	\$530,974	NT\$657,601
Award		<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>	<ul style="list-style-type: none"> <li>Honored by the Taipei City Government for green procurement.</li> <li>Buying Power - Social Innovation Products and Services Procurement Second Prize</li> </ul>
Scope of Sustainable Procurement		1. Paper wrapping (FSC) 2. Photocopy paper (FSC) 3. Photocopiers (green label) 4. Sanitary products (FSC)	1. Paper wrapping (FSC) 2. Photocopy paper (FSC) 3. Sanitary products (FSC) 4. Computer (green label) 5. Photocopiers, cash deposit machines, official cars (rental instead of buying) 6. Gifts and gifts with environmentally friendly materials (social innovation procurement) 7. Education and training (social innovation procurement) 8. Uniforms made of eco-friendly materials (others)	1. Paper wrapping (FSC) 2. Photocopy paper (FSC) 3. Sanitary products (FSC) 4. Paper gift vouchers (FSC) 5. Computers (green label) 6. Photocopiers, cash deposit machines, official cars (rental instead of buying) 7. Gifts with environmentally friendly materials (social innovation procurement) 8. Education and training (social innovation procurement) 9. Uniforms made of eco-friendly materials (others)

#### Remarks

- 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.
- 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.
- 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 smallholder farmer exhibition in Taiwan for six consecutive years to promote local high-quality agricultural products and reduce the carbon footprint of food miles. For specialty dining counters, the SOGO brand has held the Green Restaurant Certification from the Environmental Protection Agency since 2021. In 2022, we expanded our efforts to assist employees in the transformation of the restaurant. In 2023, we cooperated with the Ministry of the Environment to restructure and transform the restaurant into an eco-friendly restaurant. Far Eastern SOGO connects the road, F&B counters, and small-scale farmers to customers, exerting influence of the brand and contributing to sustainability in the food industry.

### 1. No. 1 brand at the Small Farmers Show in Taiwan: Promotion of local ingredients

Far Eastern SOGO pays attention to food milestones and strives to promote “Drink Local, Eat Sustainable”. Since 2018, Zhongxiao Branch has collaborated with the social innovation enterprise Season Selection to collaborate on the small farmer exhibition every year to promote local, seasonal, low-carbon diets. In the marketing of the cultural and creative concepts, the “Taiwan Department Store’s Largest Small Farmer Show” was successfully launched and cultivated a sustainable consumer segment that is growing stronger year by year. A total of 95,000 purchases were made, and the unit price per customer is increasing year by year. In 2023, we invited more than 80 farmers’ specialty products to two stalls for four days, attracting more than 13,000 visitors. The average unit price per customer exceeded NT\$650 to support local agricultural development with substantial economic benefits.

“Cooking at Home for Health” has become a trend in the post-pandemic era. So SOGO has taken on a new mission: it not only builds a shopping platform but also shares the stories of production areas to convey sustainable food and agriculture education and local culture, emphasizing “from production to fork”. Through workshops and courses, we guide consumers to eat healthy and sustainably, learn more about Taiwan through diet, and reverse the climate crisis.

Based on the experience of Zhongxiao Store, each store also plans smallholder markets according to local characteristics. In 2023, each store held a total of 11 related activities to help participating smallholders connect the last mile from “the Place of Origin to the Shelf”. Consumers, through interaction with producers, transition from enthusiasts of friendly agricultural products and green living to long-term supporters and promoters.



### From “The Place of Origin to The Shelf” - Promotion of Local Ingredients at the Small Farmers’ Fair of Far Eastern SOGO

#### Achievements in 2023

Far Eastern SOGO and the “Tri-small Market”, a food and agriculture platform, held the “Local Food Power - Spring Local Products Exhibition” on the 9th floor of the Fuxing Store during Earth Day in April. By bringing together 23 small farmers from Yunlin, Chiayi, and Tainan, we promoted the spirit of local craftsmanship. There were 8,000 visitors, 2,532 transactions, and a revenue of over NT\$1.5 million during the one-week period.

Far Eastern SOGO not only generates revenue but also actively addresses social and environmental issues by transforming popular channels into a sustainable consumption platform. It has established itself as the “Leading Brand of Department Store Small Farmer Exhibitions”, empowering social innovation enterprises through a rigorous business selection and guidance mechanism, cultivating a growing sustainable customer base, and winning the “2024 CommonWealth Magazine ESG Corporate Sustainability Award” for outstanding social innovation projects.







## 2. New Era of Sustainable Dining 5.0, Advocating for “Eco-friendly Restaurants” with Food Counters

In response to the Net-Zero Green Living Plan of the Ministry of Environment, SOGO provided guidance for in-store dining counters to apply for eco-friendly restaurant certification. For the sustainable transformation from food counters to staff canteens, we have implemented three directions for environmental protection:

### The Ministry of Environment’s “Green Restaurant” Three Key Points



As of the end of 2023, a total of 87 restaurants in Taiwan had passed the certification, of which 95% were eco-friendly; others were newcomer restaurants that need to be guided or scrutinized, or chain specialty stores which have other plans in place; 100% of the employee restaurants (Zhongxiao, Zhongli, and Hsinchu) passed the certification, and served a total of 5,675 counter and self-operated employees in 2023.

### New Era of Sustainable Dining Milestones



8 stores in Taiwan stopped using melamine tableware, ushering in a new era of tableware.

We promoted “traceless dining” and advocated a new sustainable life with reduced plastics and zero burden.

We completely banned the use of plastic straws ahead of the policy of the Environmental Protection Administration.

We took the lead in the department store industry not to provide disposable tableware for free.

- 95% of our restaurants have obtained the Green Restaurant Certification.
- 100% of our employee cafeteria have obtained the Green Restaurant Certification.





## Sustainable Product Selection

### 1. SOGO Sustain

In November 2021, Far Eastern SOGO launched “SOGO Sustain”, a special issue published twice a year, in which the products are carefully selected to comply with environmental protection and sustainable products that seek to solve social problems, so that customers can easily make good choices every time they spend. The 2023 “SOGO Sustain” magazine was published in April and October at the Taipei store and in April and November at the Tianmu Store. The magazines were designed with diverse themes and collected sustainable action stories from our counters, consumers, suppliers, and colleagues to make sustainable consumption a priority. For daily life, each store has also planned its DM page to recommend more than 677 sustainable products that have reached 1.23 million people. In addition, we collaborate with the brand to recycle 391 pieces of old underwear and turn them into fuel rods to reduce the use of fossil fuels.

Environmentally friendly and sustainable products in the store are labeled “SOGO Sustain” for easy identification. A green product section is set up to create a sustainable consumption area. The “Energy Saving Mark” is reinforced on the appliance floor along with promotional instructions. Promotions are held from time to time to provide substantial incentives. In 2023, a total of 30,906 energy-saving/water-saving/green product labels were sold.

### 2. SOGOplus - the first ESG online concept store in Taiwan

In the post-pandemic era, as consumers have changed their shopping behaviors, Far Eastern SOGO has expanded its sales field and established a brand-new concept shopping website SOGOplus on April 18, 2023. It is the first green e-commerce platform in Taiwan's department store. It does not bid for prices and focuses on ESG. The concept is that you can “BUY GREEN” on SOGOplus and make good choices for the world through consumption.

SOGOplus continues the SOGO Sustain sustainable product selection principle of brick-and-mortar department stores. It values local connections with Taiwan and has created a section for “local goods”. It promotes the online smallholder farmer's exhibition and Farm to Table online shopping of fresh vegetables and fruits. It cooperated with the Pingtung County Government to launch hot-button products such as chocolate and coffee.

Summarizing the sales of SOGOplus in 2023, the number of shipments of SOGO Sustain accounted for 10.5%, and the sales amount accounted for 12.2%. In addition to complying with the Ministry of Environment's “Packaging Reduction Regulations for Online Purchases”, SOGOplus' shipments also encourage customers to pick up goods at the store to reduce the number of home delivery cartons and packaging materials. In 2023, in-store pick-up accounted for 10%.

SOGOplus has optimized its interface, offering diverse payment options, as well as delivery and online purchase with in-store pickup. This ensures a frictionless shopping experience, which has been well-received by consumers, earning it the 2023 Internet Thermometer “Internet Word-of-Mouth Star” award for outstanding strategies in the department store retail category.



### 7 Major Indicators

SOGO Sustain  
Carefully selecting sustainable products based on seven major indicators, so that each purchase can easily be friendly to the earth.

#### Green diet



Vegetable foods and local seasonal ingredients with a reduced carbon footprint

#### Eco-friendly packaging



Some have launched refill packs or reusable and recyclable packaging.

#### Sustainable Certification



Water- and electricity-saving products with environmental protection or energy-saving labels

#### Sustainable materials



Made of environmentally friendly or recycled materials, and recycled and reused.

#### Safe ingredients



The ingredients are friendly to the environment and organisms, reducing environmental impact.

#### Innovative technology



Use of cutting-edge technology to conserve energy and resources

#### Biodiversity



Focus on non-toxic and ecologically-friendly ingredients and products.

SOGOplus: <https://www.sogo.com.tw/>

**Sogo+ Spirituality**  
The First Green E-commerce Platform for Department Stores in Taiwan



Featured

#### 1. SOGO Sustain Product Selection Principle

Develop Taiwan's high-quality agricultural and animal husbandry products, support small-scale farmers and young farmers with their products, continue to invite B-type enterprises to join the sales, and create a business cycle that is friendly to society and the environment.

#### 2. Sustainable subscription model

Ahead of department stores, the Company launched the new business model of “one-time delivery” for suppliers to ship in original containers to reduce the excessive waste of home delivery packaging; also offered discounts and encouraged in-store pickup to reduce carbon emissions from home delivery packaging materials and transportation.

Outcome

We advocated “meaningful consumption” and created online buzz through marketing and experiences. We won the 2023 IWOM Star Award for Excellence in Health and Leisure Strategy in the Department Store and Retail Strategy.





### 3. Sustainable Consumption · “Love for Earth” Actions

On World Earth Day in April 2023, Far Eastern SOGO held the “Love for Earth” event by integrating online communities with offline activities to expand influence.



### 4. Sustainable Fashion: Promoting new eco-friendly fashion experiences

As a base for promoting sustainable fashion, Fuxing Store collaborated with Taipei Fashion Week in 2023 to gather more than 40 Taiwanese designer brands to open pop-up stores, focusing on eco-friendly yarns, functional fabrics, products dyed with natural plants, recycled fabrics, and recycled materials, interpreting the trend of sustainability combined with fashion. A total of 108 purchases were made between the two levels, generating a sales revenue of NT\$600,000. The average unit price per customer was NT\$4,693.

At the end of the year, Far Eastern SOGO invited Far Eastern New Century's “Innovative Green Textile Technology Exhibition”, which received great acclaim at the TITAS International Textile Exhibition, to be showcased in the atrium of the Taipei Fuxing Store's 9th floor. The exhibition featured multiple award-winning works using innovative green textile technology and environmentally friendly recycled materials, along with international brands such as Nike and adidas launching items made from these materials, including globally popular FIFA World Cup jerseys, overturning the stereotype that “environmental protection lacks design appeal” and presenting a variety of stylish clothing. Simultaneously, all stores launched the “SOGO 36th Anniversary 360,000 PET Bottle Recycling Collection”, giving back up to 30 points for happy purchases and collecting nearly 12,000 PET bottles.

HAPPY EARTH DAY



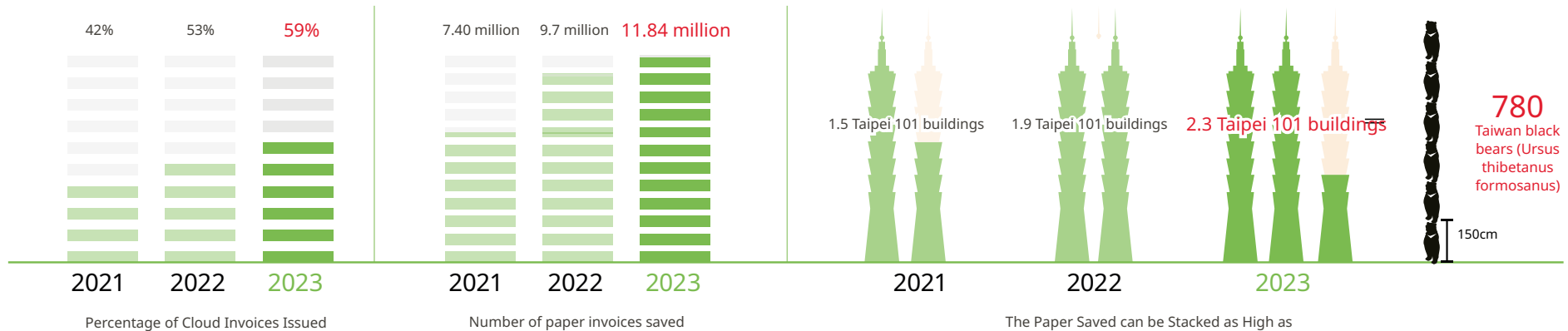




## Action Sustainability

### 1. Cloud Invoice

In response to the Ministry of Finance's launch of cloud invoicing, Far Eastern SOGO issued cloud invoices for 59% of the total consumption in Taiwan in 2023, which is already higher than the target of 55% for cloud invoicing by the Ministry of Finance in 2024. Nearly 11.84 million pieces of paper invoices were saved in 2023, enough to produce 2.3 Taipei 101 towers (101 towers are 509 meters high), equivalent to 780 black bears standing on their hind legs (Taiwan black bears are 150 cm tall); the goal for 2024 is to increase the proportion of cloud-based receipts to 60%.



### 2. Eco-friendly gift

Far Eastern SOGO is committed to promoting green consumption. Reusable cups, thermoses, shopping bags, crispy boxes, and reusable tableware are selected as gifts in priority to encourage "reuse" to replace disposable items.

In 2023, we deepened the concept of sustainability by purchasing recycled materials or small agricultural products as gifts and giving out 128,000 units throughout the year. For example, to encourage low-carbon behaviors such as the use of public transportation and receipt storage, Far Eastern SOGO purchased 100% bulrush straws from the social innovation company "Wonder Greener" to advocate for biodiversity at the source and prioritize the hiring of disadvantaged groups. Employees can redeem green products with a single purchase of NT\$500 or more and using the cloud-invoice. A total of 578 sets of green products were redeemed. In the future, we will purchase eco-friendly gifts and gifts that focus on habitat protection and recycled materials.

### 3. Beach Cleanup by Volunteers

Far Eastern SOGO's volunteer club adopted an area with the demand of "cleaner sea". It visits the beach once each quarter on average to clean up and 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.



- In 2023 Co-organized by the headquarters and Zhongli Store four beach cleanups were attended by 110 people.
- From 2017 to 2023 (not held in 2019 due to COVID-19), a total of 14 beach cleanup events were held over four years, with 1,317.5 hours invested and more than 2.7 tons of waste removed.





## 4. Green office

Far Eastern SOGO responds to the Ministry of Environment's Net Zero Green Living initiative, "Green Office," by using the headquarters building as a base to promote the five major indicators: "energy saving", "reduction at the source", "sustainable procurement", "environmental greening" and "advocacy".

### 1. Saving Energy and Resources

#### Action Plan

- Turn off the lights for one hour during the lunch break
- Reuse of used paper bags
- Double-sided photocopy
- Set the computer to power saving mode

#### Quantified Results

- About 120 employees from the headquarters
- In 2023, a total of 151 second-hand "good" paper bags were recycled

### 2. Reduction From the Source

#### Action Plan

- Monthly Vegetable Day, which will be changed to Sustainable Food Day in October, 2023, to provide meat/vegetarian options with recycled lunch boxes.
- All employee cafeterias have obtained eco-friendly restaurant certifications.

#### Quantified Results

- In 2023, 11 sessions were held with 136 participants, reducing carbon by 72.54kg based on vegetable lunch boxes.
- 5,675 colleagues and counter staff benefited

### 3. Sustainable Procurement

#### Action Plan

- Implementing sustainable procurement principles such as green procurement, social innovation procurement, and renting instead of buying, and 100% local procurement for general services.

#### Quantified Results

- In 2023, green procurement accounted for 5.24%
- The total amount of other sustainable procurement exceeds NT\$18,699,753, with an annual growth rate of 88%.

### 4. Environmental Greening and Beautification

#### Action Plan

- Hydroponic vegetable rack experience

#### Quantified Results

- In December 2023, a two-week hydroponic vegetable experience was held, with 89% of colleagues agreeing that growing hydroponic vegetables has the effect of greening and relaxing. In addition, on the Sustainable Food Day, a total of 25 people participated by making salads for colleagues to add vegetables

### 5. Promotion and Advocacy

#### Action Plan

- Promoting experiential environmental education in conjunction with the Company's clubs or external green events.
- Organizing the Far Eastern SOGO ESG Best Contribution Award and Innovative Proposal Award.
- All employees respond to the rewards of sustainability (Sustainability Awareness Survey)

#### Quantified Results

- 2 environmental education sessions, attended by 56 people
- There were 49 applications for the Far Eastern SOGO ESG Best Contribution Award and Innovative Proposal Award, of which 51% were in the environmental category. The Company launched the Sustainable Action Essay for colleagues to share their sustainable practices. Thirty-five articles were selected for publication in the morning bulletin.
- 1,139 people participated in the prize-based questionnaire, achieving a participation rate of 87%.







## 5. Green transport

The fourth Far Eastern SOGO Store in Taipei (Zhongxiao, Fuxing, Dunhua, and Tianmu) stopped using paper parking coupons in 2012, and introduced the smart parking system in 2019 to reduce the time for ticket collection and parking. While optimizing the consumer shopping journey, Far Eastern SOGO has reduced over 30 tons of CO<sub>2</sub> emissions and 1.8 million paper parking tickets annually.

In response to the government's net-zero emission goals, Far Eastern SOGO has implemented green transportation initiatives. In 2023, key actions included continued collaboration with logistics companies that have obtained carbon reduction labels and the installation of electric vehicle charging stations.

Collaboration with the first logistics company in Taiwan to obtain a "Product Carbon Label" enables home delivery services at all stores nationwide, reducing the carbon footprint of product distribution.

Far Eastern SOGO has installed ten electric vehicle charging stations (each equipped with two charging head specifications) at the Zhongxiao, Fuxing, and Tianmu stores in Taipei. The charging efficiency is three times that of home chargers. Customers can scan QR codes with their mobile phones for on-the-go charging, integrating convenient payment, customer service hotline, supervision, and barrier repair services. In 2024, six more charging stations will be added at the Fuxing, Zhongli, and Kaohsiung stores.

### Far Eastern SOGO Green Transport

#### Zhongxiao Store, Fuxing Store

- Close to MRT Zhongxiao Fuxing Station; customers are encouraged to take public transport.
- Charging piles set up in the parking lot (2 blocks in Zhongxiao Store; 4 blocks in Fuxing Store)
- Smart parking

#### Dunhua Store

- Close to Zhongxiao Fuxing Station and Zhongxiao Dunhua Station; customers are encouraged to take public transport.
- Smart parking

#### Tianmu Store

- Close to MRT Zhishan Station; customers are encouraged to take public transport.
- 4 charging stations in the parking lot
- Smart parking

#### Zhongli Store

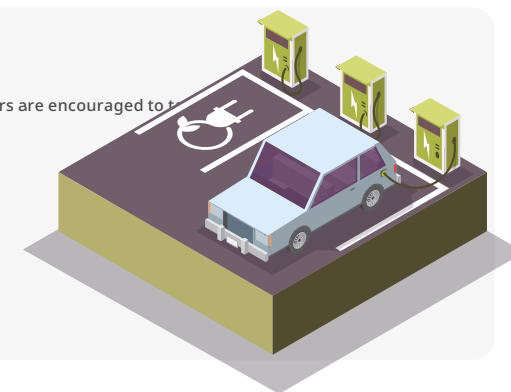
- Smart parking

#### Hsinchu Store

- A shuttle bus is available to shuttle customers between the train station (Hsinchu North Bus Station) and the Hsinchu Store.
- Parking facilities are managed by Big City

#### Kaohsiung Store

- Close to Kaohsiung Metro Sanduo Shopping District Station; customers are encouraged to take public transport.
- Smart parking



In order to maintain the fleet's age within a decade, Far Eastern SOGO leases its official vehicles. It maintains 11 leased vehicles for executive transportation and cargo, one of which is a hybrid vehicle designed to enhance energy efficiency and reduce air pollution emissions. Far Eastern SOGO will progressively transition to green vehicles as the leases for these vehicles expire.

The majority of Far Eastern SOGO's locations are located in busy areas. In order to resolve this issue, the Zhongli and Hsinchu stores, which are not situated in close proximity to transportation centers, offer complimentary shuttle buses to both employees and customers. These shuttles are primarily used to travel to and from train stations, resulting in an annual reduction of 100 tons of carbon emissions. This reduction is equivalent to approximately 82% of the carbon emissions produced by driving small vehicles. In comparison to 2021, the number of shuttle passengers at the Hsinchu store increased by 44.9%, indicating a gradual return to pre-pandemic levels (1.085 million passengers in 2020 and 1.333 million in 2019).

### The Numbers of Shuttle Bus Passengers and the Amounts of Carbon Reduction over the Years

Year	2021	2022	2023
Zhongli Store (10,000 passengers)	9.2	0.8	--
Hsinchu Store (10,000 passengers)	73.2	79.6	106.1
Total (10,000 passengers)	82.6	80.4	106.1
Estimated amount of carbon reduction (tonnes-CO <sub>2</sub> e)	96.7	95.0	125.5

## 6. Air Quality Control

Far Eastern SOGO adheres to the regulations for indoor air quality management. It conducts monthly combustible gas checks, biennial indoor air quality tests, and environmental health and safety checks, all of which adhere to established standards. The health of consumers and employees is guaranteed by the installation of "Air Quality Information Boards" in the Tianmu and Hsinchu stores, which provide real-time carbon dioxide levels on each floor. The Taipei City Indoor Air Quality Venue Certification awarded gold-level certification to the Tianmu store and Fuxing store in 2023.

Item	Combustible Gas (gas) Inspection	Air Conditioner Filter Cleaning	Cooling Tower Cleaning and Sterilization
Frequency	Every Day	Every three months	Every six months
Item	Major Maintenance of Air Conditioner Units		Indoor Air Quality Testing
Frequency	Yearly		Every two years





## Zero-waste Sustainability

### 1. Supermarket and home delivery packaging with reduced plastics

In the self-operated supermarkets of Far Eastern SOGO, we have comprehensively promoted packaging reduction for vegetables, fruits, or root produce, fulfilling the three main goals of “reducing plastic packaging materials”, “promoting friendly shopping”, and “actively engaging with consumers”.

#### The Plastic Reduction Achievements of Far Eastern SOGO in 2023

 Reduction From the Source	 Shopping bags	<ul style="list-style-type: none"> <li>▶ Encouraging consumers to use eco-friendly shopping bags</li> <li>▶ Fresh Club members bring their own shopping bags and are given a gift of points for each purchase. In 2023, 64,000 points were given, with 6,442 participants. 5,427 reusable shopping bags have been given to users joining the Fresh Club.</li> <li>▶ During the anniversary celebration at Zhongxiao Store, supermarket customers who spend more than NT\$2,500 on fresh products will receive a free insulated bag. The promotion resulted in the distribution of 4,500 bags.</li> </ul>
	 Packaging at supermarkets	<ul style="list-style-type: none"> <li>▶ For products that require the use of plastic pallets, we systematically select partners to increase the recyclability rate and reduce the use of multiple plastic pallets for packaging a single product.</li> <li>▶ Replace plastic trays with mesh bags in 2021; use pulp boxes for eggs in 2023.</li> <li>▶ Some consumers will return undamaged pallets, and our supermarket colleagues clean, disinfect, and reuse them.</li> </ul>
 Recycling	 Home delivery and others	<ul style="list-style-type: none"> <li>▶ Home delivery service mainly focuses on the reuse of packaging materials.</li> <li>▶ In 2023, Zhongxiao Supermarket used about 29,000 cartons for home delivery, of which 19,000 were recycled, accounting for 66%.</li> </ul>

The self-operated supermarkets replace the packaging of vegetables and fruits every year, and the replaced items will not be double-counted, so the amount of plastic reduction decreases year by year.

#### Plastic Reduction Amount in Supermarkets Over the Years

Year	2021	2022	2023
Metric ton	1.61	1.16	1.10

#### Remarks

1. 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.
2. The figure for 2021 is renumbered to the same number of decimal places.







## 2. Sustainable Paper (Bags, Gift Vouchers, Toilet Paper, Paper Towels and DMs)

The most frequently purchased item by consumers at a department store is “paper”. All Far Eastern SOGO stores in Taiwan prioritize the acquisition of products with eco-friendly labels and certifications to enable consumers to collectively safeguard the environment.

Electronic gift vouchers have been successfully implemented by Far Eastern SOGO. Nevertheless, Far Eastern SOGO has implemented practical measures to motivate industry colleagues to participate, in light of the enduring demand for paper gift cards and the goal of establishing a positive operational and consumption cycle. Since October 2023, all paper gift cards have been manufactured using FSC-certified paper, with 1.6 million cards produced.

Shopping bag	All paper materials are certified by the FSC (Forest Stewardship Council).
Toilet paper	
Paper gift certificate	
DMs	Reduce paper copy DMs and adopt digital marketing. If physical copies are required, they are printed with soy eco-friendly ink. Soybean ink is more environmentally friendly than traditional petroleum-based inks and is beneficial to the recycling and regeneration of waste paper.
Toilet Paper	Use recycled and eco-friendly pulp for paper recycling.



## 3. Encouragement to recycle

In recent years, Far Eastern SOGO's cosmetics industry revenue has accounted for about 1.5% of the total revenue. In Taiwan, the “Love Yourself, Love the Earth · Recovery of Empty Cosmetic Bottles” campaign was launched. Customers brought authentic empty cosmetics and fragrance bottles to the counter for recycling. Each bottle can be exchanged for three HAPPY GO points. In 2023, 272 counters across Taiwan responded, recycling 198,000 empty bottles, an increase of 6.29% over 2022, and rewarding a total of 593,000 points. In addition, various stores gave out points to encourage the recycling of used batteries, and a total of 1,457 people participated.

Year	2021	2022	2023
Number of Empty Bottles Recycled	145,000 pieces	186,000 pieces	198,000 pieces
Reward Points	440,000 points	558,000 points	593,000 points

## 4. Consolidation of sales details and credit card signatures

Far Eastern SOGO processes nearly 10 million credit card transactions annually, publishing at least one sales slip and one sales detail for each transaction. The thermal paper utilized in these documents is not recyclable. Starting in August 2023, Far Eastern SOGO and the National Credit Card Center of R.O.C. collaborated to consolidate the sales receipt and credit card signature content onto a single document in order to mitigate environmental impact. This results in a seven centimeter reduction in the thermal paper used for each transaction, which will save 295 kilometers of paper by the end of 2023. This is equivalent to the length of two Sun Yat-sen Freeway.





## 2.2 Climate Change Mitigation and Adaptation

### 2.2.1 Climate Change Management Strategy GRI 201-4

Climate change is an important issue for businesses around the world to face, and our scrutiny has expanded from a focus on “negative risk impact and prevention” to the “new business opportunities” that it brings. In 2021, Far Eastern SOGO led the Financial Supervisory Commission's timeline by implementing the “Task Force on Climate-Related Financial Disclosures” (TCFD). Internally, the company promoted and integrated measures for climate change mitigation and adaptation, enhancing operational resilience. Externally, it aimed to drive industry transformation. In 2022, we established Taiwan's first climate change committee, established a cross-departmental climate governance mechanism, and linked financial impacts to climate risks. In 2023, we became Taiwan's first TCFD Supporter.

Framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)				
	Governance	Strategy	Risk Management	Indicators and Goals
<b>Management Strategies and Action Plans</b>	<b>Responsible department ▼</b> Supervised by the Board of Directors and led by the Sustainability Committee, they regularly review the organization's climate change vision, strategy, and long-term goals. <b>Operation of the organization ▼</b> Under the Sustainability Committee is the Climate Change Committee, which is managed exclusively by the Finance Department and includes specific actions for relevant departments; major climate risk and opportunity issues are managed by senior executives directly under the chairperson. Reports are made to the Board of Directors and the executive at the vice president level and above once every six months.	With “sustainable environmental strength” and “energy saving and emissions reduction” as the strategic cores, the three major policies put into practice sustainable actions and develop Green Department Store 2.0. <ul style="list-style-type: none"> <li>• Low-Carbon Operation</li> <li>• Green Marketing</li> <li>• Green Actions</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporate climate risks into corporate management processes.</li> <li>• Collaborate across departments to review climate-related risks and opportunities in the value chain.</li> <li>• Continue to assess the linkage between climate risks and finance, and formulate countermeasures.</li> </ul>	<b>Assessment Indicators ▼</b> Greenhouse Gas Emissions Intensity Revenue generated per kWh of electricity Water Consumption per Unit Floor Area <ul style="list-style-type: none"> <li>• Regularly track the progress of the action plan.</li> <li>• All stores undergo ISO 14064-1 greenhouse gas inventory and ISO 14067 carbon footprint verification.</li> <li>• Disclose the greenhouse gas emissions of Scope 1 to 3 in the Sustainability Report every year.</li> </ul>
<b>Performance</b>	The implementation results were presented at the ESG executive strategy meeting in August 2023 and February 2024.	<ul style="list-style-type: none"> <li>• Identification of short-, medium- and long-term, physical, and transition risks</li> <li>• Completion of corresponding strategic action plans by relevant departments</li> <li>• Strengthened supplier sustainability guidance and organized the Carbon Reduction Alliance</li> <li>• Become a TCFD Supporter</li> </ul>	<ul style="list-style-type: none"> <li>• Estimation of hidden costs of courses of action</li> <li>• Link climate risks and complete the identification of financial impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Formulate short-, medium- and long-term goals and action plans, which are included in the Sustainability Committee's routine tracking items and reported at the ESG Team's monthly meeting</li> <li>• Each store will receive a Carbon Reduction Label by 2025</li> <li>• In 2028, the revenue per kilowatt-hour generated increased by 50.52% compared to 2018; the Hsinchu store became the first carbon neutral department store</li> <li>Carbon neutrality by 2040</li> <li>• Responding to the government's net zero policy by 2050</li> </ul>
<b>Corresponding Chapter</b>	2.2 Climate Change Mitigation and Adaptation	2.2 Climate Change Mitigation and Adaptation 2.3 Energy Management	2.2.2 Identification of Climate Change Risks and Opportunities 2.2.3 Climate Change Risks and Opportunities Issue Management	2.2.3 Climate Change Risks and Opportunities Issue Management 2.3 Energy Management





## 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 with risks of moderate and high materiality, and we developed and optimized management measures.

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

#### Step1 Define the analysis items and scope

##### Scope of Analysis:

Covers Far Eastern SOGO's operational building and 7 business locations (including the Zhongxiao, Fuxing, Dunhua, Tianmu, Zhongli, Hsinchu and Kaohsiung Stores).

##### Analysis Items:

Understand the significant risks that may have an impact on the operations of Far Eastern SOGO in the face of climate change.

#### Step2 Risk collection and identification

Collect SOGO transformation and physical risk items based on market conditions, policy directions in Taiwan, and international sustainability trends. Furthermore, through high-level interviews, we can understand Far Eastern SOGO's awareness of climate risks and establish risk topics at the same time.

#### Step3 Comparison of Risk Assessment and Ranking Opportunities

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

#### Step4 Management Measures

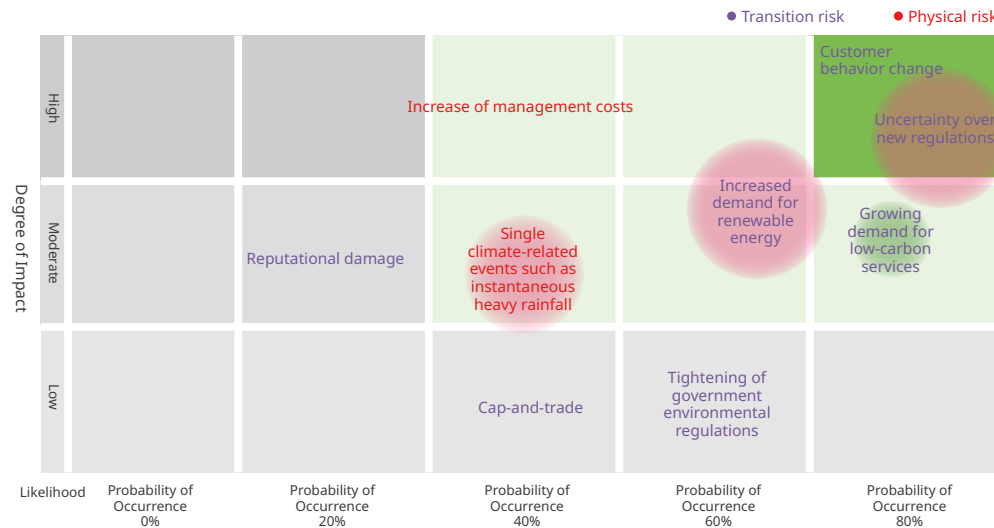
Based on the result of identification, Far Eastern SOGO has responded in two aspects.  
**"Adaptation"**: We have conducted a scenario analysis on issues of material climate risks to gain comprehensive understanding of the extent of carbon management by Far Eastern SOGO to establish a long-term strategy.  
**"Mitigation"**: We have developed short-term management action plans together with the Corporate Sustainability Committee on issues of material risk, and we have submitted progress reports through the Corporate Sustainability Committee to the Board of Directors.

### 2. Collection and Identification of Climate Change Risk Issues

Starting from reviewing the status of self-operation, Far East SOGO analyzes the climate issues that the Company may face, including the current market development status and changes in international sustainability trends, and even until 2030. To assess risks and opportunities, Far Eastern SOGO used Representative Concentration Pathways (RCP) and Shared Socioeconomic Pathways (SSPs) to model and define future climate change, constructing physical scenarios. We set the transition scenarios to investigate the effects of various policies and corresponding technological advancements on energy supply, demand, and the economy, aiming to regulate specific temperature increases. As per the TCFD framework, they looked at big climate problems for Far Eastern SOGO from the points of view of "transition risk" and "physical risk", focusing on those that had a high "likelihood of occurrence" and "severity of impact".

### 3. Results of Analysis of Climate Change Risk Issues

After identifying the high-risk issues, "uncertainty of new laws and regulations", "increasing demand for low-carbon services", "increasing demand for renewable energy", "customer behavior change", "single climate-related events such as sudden heavy rainfall", and "increase of management costs" were classified as significant climate risks. 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.



#### Issue management approach

##### High-level Topic-level issues

The ESG Committee takes the lead and the Chairman and top management takes the responsibility.

##### Moderate issue-level issues

We implement relevant practices through the Energy Management Commission and report to the Board of Directors every quarter.

##### Low-level issues

Take follow-up actions to understand the impact of the risk on Far Eastern SOGO.

#### Level of financial impact

Low

Moderate








High

#### Remarks

1. The likelihood and probability are assessed with reference to the three facets of "previous frequency", "legal intensity in the future", and "current corporate resilience".
2. The "high", "moderate" and "low" levels of impact are assessed with reference to the three aspects of "scale of impact on operations", "scale of impact on the value chain" and "type of impact".
3. 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 Risk Issue 										
Risk Topic	Climate Risk Issue	Meaning of the Issue to Far Eastern SOGO	Impact stage of 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 (more than 5 years)		
Transition risk	 Uncertainty of new laws and regulations	According to the 2050 Net Zero Roadmap plan published by the government in Taiwan, the target is for the sales of electric vehicles and scooters to account for 100% of the market by 2040. In response to the policy direction, the demand of customers for a parking environment may bring changes. How to reserve parking spaces for charging equipment with limited resources is one of the aims that Far East SOGO needs to actively plan for.	✓	✓		✓	✓	✓	High	High
	 Increased demand for low-carbon services		✓	✓		✓	✓	✓	High	Moderate
	 Increased demand for renewable energy	In the plan for the 2050 net-zero emission path announced by the Taiwan government, it is necessary to achieve the carbon neutrality goal by 2050. Therefore, the renewable energy content in the energy ratio needs to be increased to 60%-70% For Far Eastern SOGO, the increase in operating costs and the replacement of power management equipment may have an impact to a specific extent.	✓	✓		✓	✓	✓	Moderate	High
	 Customer behavior change	According to the report "Future of Reusable Consumption Models" published by WEF in 2021, 48% of consumers are more concerned about environmental issues than before due to the impact of the pandemic, and 55% of respondents prefer to buy more eco-friendly products. In the future, changes in the supply and demand structure of the market and in the shopping patterns and habits of customers may lead to increased costs for green procurement and changes in sales approaches.		✓	✓	✓	✓	✓	High	NA
Physical risk	 [Acute risk] Single climate-related events such as instantaneous heavy rainfall	According to the IPCC's survey and scenario forecast analysis published in 2021, the strength of extreme rainfall is likely to increase by 20% by 2050. Single climate events such as instantaneous heavy rainfall, flood, typhoon, tornado or infectious diseases may cause temporary suspensions of Far Eastern SOGO's operations or damage to related hardware and equipment.		✓		✓			Moderate	High
	 [Long-term risk] Increase of management costs	According to the IPCC's survey and scenario forecast analysis published in 2021, the length of summer in Taiwan is likely to increase by 155-210 days, and the average temperature may rise by more than 1.8°C. The resulting shortage of water resources, persistent high temperature and rising sea levels may increase the management cost for adjustments to Far Eastern SOGO's operations.		✓					Moderate	NA






Climate Opportunity Issues 								
Climate Opportunity	Meaning of the Issue to Far Eastern SOGO	Impact stage of the value chain			Impact Time			Level of Opportunity (High/Moderate/Low)
		Upstream	Operation	Downstream	Short-term goals (most recent 1-2 years)	Medium-term goals (3-5 years)	Long-term goals (more than 5 years)	
 Energy Efficiency	The Taiwan government has announced the Pathway to Net Zero Emissions by 2050. In order to achieve decarbonization of the overall power supply, the proportion of renewable energy must 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.		✓		✓	✓	✓	
 Company 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.	✓	✓		✓	✓	✓	
 Strengthening Climate Resilience	Mitigation and adaptation management policies in response to climate change, predicting and preventing risks in advance to reduce management costs or losses; at the same time, grasping market opportunities in advance based on policies and consumer behavior.		✓		✓	✓	✓	

## 2.2.3 Climate Change Risks and Opportunities Issue Management

GRI 305-2 GRI 305-4 GRI 305-5





### Management Measures for Climate Risk and Opportunity Issues

Far Eastern SOGO prioritizes the issues with a moderate or higher probability of occurrence and a high level of financial impact, and formulates management countermeasures to cope with potential climate risks and opportunities in the transformation process.

High Risk/ Opportunity Topic	Risk/Opportunity Issue	Issue analysis/issue description	Potential Financial Impact	Management Measures
Transition risk	 Uncertainty of new laws and regulations	<p>Basis of Risk Scenario Discussion</p> <ul style="list-style-type: none"> <li>The Taiwan government has announced the path to net-zero emissions by 2050</li> <li>Climate Change Response Act</li> </ul> <p>Changes in the transition risk scenario</p> <ul style="list-style-type: none"> <li>EVs account for 100% of sales</li> <li>The Ministry of Environment will implement “large-scale enterprises first and then small enterprises” and phase-in carbon fees to collect carbon fees from major carbon emitters</li> </ul>	<ul style="list-style-type: none"> <li>Fees for GHG inventory and certification</li> <li>EP100 project management expenses</li> <li>Purchase cost of green electricity</li> <li>Carbon fee</li> </ul>	<p>Comprehensive GHG Inventory and Emissions Reduction</p> <ul style="list-style-type: none"> <li>GHG Inventory Scope 1 to Scope 3</li> <li>In 2025, all sites in Taiwan will receive a carbon reduction label from the Ministry of Environment</li> <li>Carbon neutrality by 2040</li> <li>Responding to the government’s net zero policy by 2050</li> </ul>












High Risk/ Opportunity Topic	Risk/Opportunity Issue	Issue analysis/issue description	Potential Financial Impact	Management Measures
Transition risk	 Increased demand for low-carbon services	<b>Basis of Risk Scenario Discussion</b> ▼ • The 2050 Net Emissions Pathway promulgated by the Taiwanese government  <b>Changes in the transition risk scenario</b> ▼ • LED lamps are adopted for all lighting in commercial operations; air conditioning is optimized by 60% • Full electrification of urban buses and official cars • Increased sales-to-market ratio of electric vehicles and electric scooters	• Cost of replacing official cars with EVs  • Cost of construction, maintenance and operation of EV charging piles • Costs of replacing energy-efficient lighting or equipment	<b>Comprehensive GHG Inventory and Emissions Reduction</b>  • GHG Inventory Scope 1 to Scope 3 • In 2025, all sites in Taiwan will receive a carbon reduction label from the Ministry of Environment • Carbon neutrality by 2040 • Responding to the government's net zero policy by 2050
	 Increased demand for renewable energy	<b>Basis of Risk Scenario Discussion</b> ▼ • The Taiwan government has announced the path to net-zero emissions by 2050 • Climate Change Response Act  <b>Changes in the transition risk scenario</b> ▼ • EVs account for 100% of sales • The Ministry of Environment will implement "large-scale enterprises first and then small enterprises" and phase-in carbon fees to collect carbon fees from major carbon emitters	• Fees for GHG inventory and certification • EP100 project management expenses • Purchase cost of green electricity • Carbon fee	<b>Promotion of sustainable consumption and green living for the public</b>  • Establish a sustainable consumption model for pain-free connection • Create a one-stop green shopping consumption platform • Promoting green procurement declaration
Physical risk	 <b>[Acute risk]</b> Single climate-related events such as instantaneous heavy rainfall	<b>Basis of Risk Scenario Discussion</b> ▼ • IPCC, Representative Concentration Pathways (RCPs) derived from different concentrations of greenhouse gases in the atmosphere • IPCC, Shared Socioeconomic Pathways (SSPs)  <b>Changes in the physical risk scenario</b> ▼ • Under the SSP5-8.5 scenario, the annual total rainfall in Taiwan is expected to increase by 15% • Under SSP5-8.5, the percentage of severe typhoon will increase by 5.5% • Under SSP5-8.5, the percentage of severe typhoon rainfall will increase by 20%	Lost revenue from business closures of business locations due to a single weather event	<b>Enhancement of resilience in climate management</b>  • Deepen the TCFD assessment management structure and improve the disclosure items • Establish a cross-departmental communication mechanism and review and optimize climate management policies on a yearly basis • Completion of corresponding strategic action plans by relevant departments
Opportunities	 Energy Efficiency	In the plan for the 2050 net-zero emission path announced by the Taiwan government, it is necessary to achieve the carbon neutrality goal by 2050. Therefore, the renewable energy content in the energy ratio needs to be increased to 60%-70%	• Cost of construction, maintenance, and operation of solar power stations • Costs of promotion of energy efficiency improvement projects • Purchase cost of green power • Cost of stakeholder communication	<b>Working with stakeholders to form a net-zero alliance for retailers</b>  • Implementing a smart energy management system to improve energy productivity, the revenue per kilowatt-hour of electricity consumption is expected to grow by 50.52% in 2028 • Increase the proportion of renewable energy use, and obtain carbon rights through the government's "micro-swap" project to explore new business opportunities in retail





## Blueprint for Climate Governance Strategy

Far Eastern SOGO has formulated a specific climate governance blueprint and management countermeasures, which are reported to the Board of Directors through the Sustainability Committee twice a year. To enhance its impact on carbon reduction, Far Eastern SOGO officially joined the international EP100 initiative for improving energy productivity in 2022. This move encouraged suppliers and contractors to transition towards sustainability and motivated consumers to adopt a green lifestyle. In 2023, Far Eastern SOGO became a TCFD Supporter, continuing to deeply analyze climate-related risks and opportunities. They aim to create a new, friendly, and loving retail environment by leveraging collective efforts, achieving carbon neutrality for all operations in Taiwan by 2040 and net-zero emissions by 2050.

Material Climate Risk	Low-Carbon Operation Plan and Strategy	Goals and Indicators	Material Climate Opportunity
 <p>Increased demand for renewable energy</p>	<p><b>Fully implement energy management</b></p> <ul style="list-style-type: none"> <li>Submit EP100 Energy Productivity Report annually</li> <li>Implementation of smart energy management system</li> <li>Popularization of EV charging piles at all operating locations in Taiwan</li> <li>Increase the proportion of renewable energy use, strengthen energy conservation and deploy energy creation</li> </ul> <p><b>Working with stakeholders to form a net-zero alliance for retailers</b></p> <ul style="list-style-type: none"> <li>Continue to negotiate with suppliers and contractors</li> <li>Activation of supplier mentoring program</li> </ul>	<p><b>2024</b> Submit an application to the SBTi</p> <p><b>2028</b> Revenue per kWh of electricity consumption increased by 50.52% compared to 2018</p> <p><b>2040</b> Carbon neutrality in all Taiwanese stores</p> <hr/> <p><b>2023</b> Formed the Supplier Carbon Reduction Alliance and continues to expand its membership</p> <p><b>2040</b> Formed the first net-zero alliance of department stores</p>	 <p>Energy Efficiency</p> <p>Improvement of Energy Efficiency and Reduction of Operation Costs</p>
 <p>Uncertainty over new regulations</p>	<p><b>Comprehensive GHG Inventory and Emissions Reduction</b></p> <ul style="list-style-type: none"> <li>Inventory of Scope 1, 2 and 3 GHG emissions</li> </ul>	<p><b>2024</b> Conduct GHG inventory at all stores in Taiwan</p> <p><b>2025</b> Each store obtained the Carbon Label and Carbon Reduction Label</p> <p><b>2040</b> Achieve carbon neutrality across Taiwan</p> <p><b>2050</b> Responding to the government's net zero policy by 2050</p>	 <p>Company image</p> <p>Making "green department store" a unique image of Far Eastern SOGO to increase consumer trust and, simultaneously, drive the sustainable transformation of the department store and retail industry with its own experience.</p>
 <p>Demand for low-carbon services</p>	<p><b>Promote sustainable consumption and promote green living for all</b></p> <ul style="list-style-type: none"> <li>Establish a sustainable consumption model for pain-free connection</li> <li>Create a one-stop green shopping consumption platform</li> <li>Promoting green procurement declaration</li> </ul>	<p><b>2024</b> Widespread EV charging stations at all stores in Taiwan</p> <p><b>2025</b> All stores that have obtained the Carbon Reduction Label can be included in the green procurement process</p>	
 <p>Single climate-related events such as instantaneous heavy rainfall</p>	<p><b>Enhancement of resilience in climate management</b></p> <ul style="list-style-type: none"> <li>Deepen the TCFD assessment management structure and improve the disclosure items</li> <li>Establish a cross-departmental communication mechanism and review and optimize climate management policies on a yearly basis</li> <li>Completion of corresponding strategic action plans by relevant departments</li> </ul>	<p><b>2023</b> Officially became a TCFD supporter</p> <p><b>2024</b> Enhance the knowledge of relevant departments and strengthen the roles of finance and accounting</p> <p><b>2026</b> Alignment of IFRS S1 and S2 for Listed Companies</p>	 <p>Strengthening Climate Resilience</p> <p>Actively manage and keep abreast of future climate change to continue to play the role of industry leader</p>





## 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. The carbon emissions of department stores are mainly from Scope 2. In 2023, Far Eastern SOGO's Scope 2 emissions were 49,276 tons of CO<sub>2</sub>e, a 0.88% decrease from the 49,708 tons of CO<sub>2</sub>e in 2022. When considering annual revenue growth and comparing Scope 2 emissions intensity, the 2023 figure was 0.99 tons of CO<sub>2</sub>e per NT\$ million, a 10% reduction from 1.10 tons of CO<sub>2</sub>e per NT\$ million in 2022, demonstrating visible carbon reduction results.

Far Eastern SOGO GHG Emissions Table <sup>1</sup>

Inventory Year	2020	2021		2022		2023
Inventory Boundary	All 7 stores in Taiwan	Zhongxiao, Fuxing and Tianmu	The other 4 stores	Zhongxiao, Fuxing and Tianmu, Zhongli	The other 3 stores	All 7 stores in Taiwan
Status of Verification	Unverified	ISO 1064-1:2018	Unverified	ISO 1064-1:2018	Unverified	Pending verification <sup>7</sup>
Scope 1 (tCO <sub>2</sub> e) <sup>2</sup>	-	1,858	-	3,201	-	-
Scope 2 (tCO <sub>2</sub> e) <sup>3</sup>	52,970	29,625	20,407	29,899	19,809	49,2768
Scope 3/Categories 3-6 (tCO <sub>2</sub> e) <sup>4</sup>	-	13,509	-	18,642	-	-
Total Scope 1+2 emissions (tCO <sub>2</sub> e)	52,970	51,890		52,9096		49,276
Annual Revenue (NT\$ thousand)	41,841,986	31,574,163		45,013,913		49,661,966
Emission intensity (tCO <sub>2</sub> e/NT\$ million) <sup>5</sup>	1.27	1.26		1.18		Pending verification
Ozone Depleting Substances (ODS)	0	0	0	0		0
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	0	0	0	0	0	0

- Remarks**
- The GHG inventory boundary is set to the seven business locations in Taiwan based on the operational control approach.
  - 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.
  - 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. For the years and locations where GHG emission verification was not conducted, calculation was mainly based on Scope 2 emissions.
  - 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.
  - Emissions intensity = Scope 1 + Scope 2 emissions (tonnes of CO<sub>2</sub>e)/Annual revenue (NT\$ million)
  - The data for 2022 is restated due to updated verification data.
  - The greenhouse gas verification of all stores in Taiwan in 2023 is still in progress, so the Scope 2 emissions are disclosed for which the data will be updated in the 2024 Sustainability Report.
  - The carbon emission coefficient of electricity in 2023 has not yet been announced, so the emissions coefficient of electricity in 2022 is 0.495kg CO<sub>2</sub>e/degree.

CO<sub>2</sub>



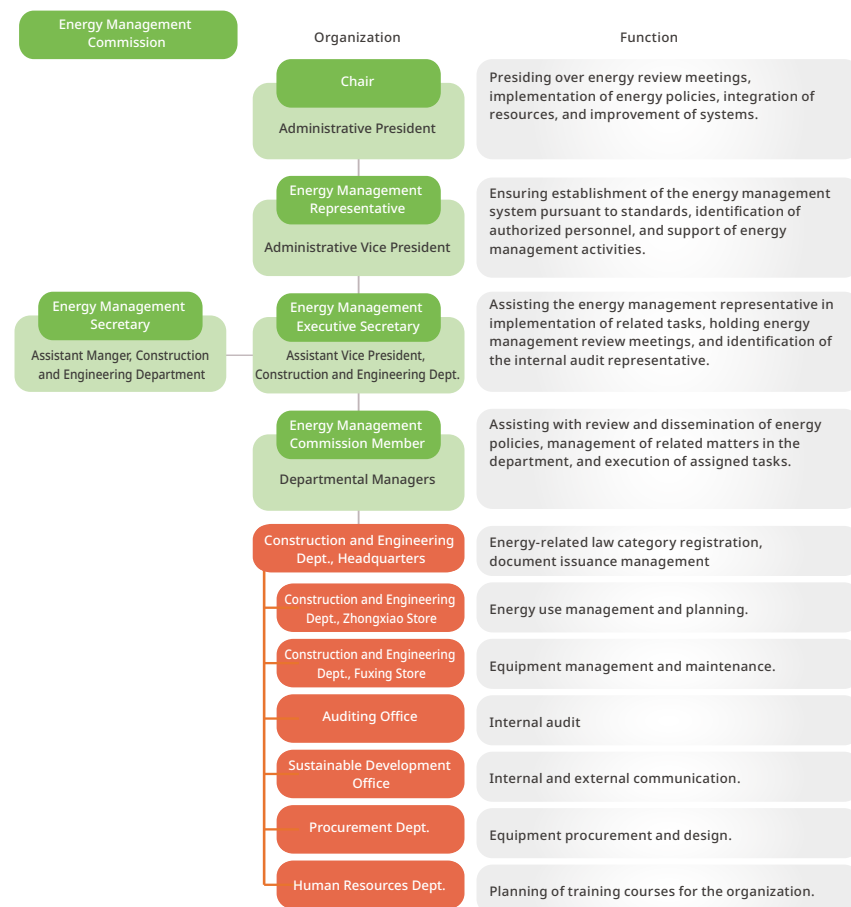


## 2.3 Energy Management ►

### 2.3.1 Energy Management Policy and Framework

#### Energy Management Commission

The ESG Committee has established an “Energy Management Committee”, chaired by the Chief Administrative Officer, who signs the energy policy. This committee promotes and coordinates the energy management system, driving the entire company to implement it. We hope to reduce energy resource consumption by working together with stakeholders.



#### Far Eastern SOGO Energy Saving Policy ▼

1. Observe regulations, be self-demanding, and use products of high energy efficiency.
2. Improve energy saving awareness among employees through multiple dissemination channels.
3. Achieve energy saving and carbon reduction goals and continue improving energy performance.
4. Fulfill corporate social responsibility and operate department stores sustainably.

#### Goal ▼

A 50.52% increase in the revenue generated per kWh of electricity by 2028, with 2018 as the base year.

#### 2023 Performance Overview ▼

- Total electricity consumption was 359,536.21 GJ, **down 0.56%** from 2022.
- Revenue per kWh of electricity was NT\$497.02/kWh, **up 10.94%** from 2022.
- Total water consumption was 1126.25 million liters, an **increase of 6.96%** compared to 2022.
- Water consumption per floor area was 8.93%, which is **10% higher than the recommended** water consumption target value of the Water Resources Agency, Ministry of Economic Affairs 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 the common good, and provides a comprehensive and fashion life experience for the public”. Among other things, the idea of “friendly with the common good” demonstrates our responsibility for environmental sustainability. Through internal newsletters, daily morning briefings, social media, and education and training, we communicate domestic and international information and practices to raise our employees’ awareness of sustainability.





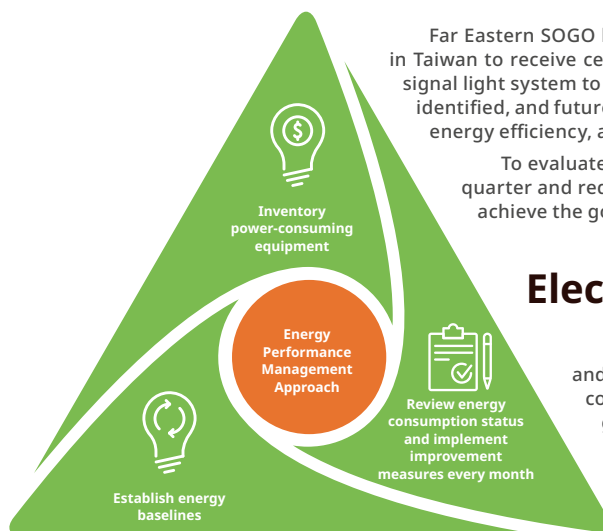
## 2.3.2 Energy Saving Measures and Effectiveness

GRI 302-1

GRI 302-3

GRI 302-4

### Energy Performance Evaluation



Far Eastern SOGO has been implementing the ISO 50001 Energy Management System at its Dunhua Store in Taipei since 2017. It was the first chain department store in Taiwan to receive certification. At present, all stores in Taiwan adhere to the principles of ISO 50001, which effectively regulate energy consumption. We implement a signal light system to identify management mechanisms and review energy consumption at each store during monthly engineering meetings. Areas for improvement are identified, and future energy supply-related risks are managed through measurement and monitoring. The objective of this initiative is to reduce operating costs, improve energy efficiency, and reduce 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 Tianmu Store and Hsinchu Store using its own solar power; no other energy has been consumed. In 2023, the number of visitors to Far Eastern SOGO increased by 26% compared to 2022. Far Eastern SOGO continues to enhance energy efficiency through various energy-saving measures. With the trend of passenger growth in 2023, the total electricity consumption was 99,920,018 kWh (including purchased electricity and renewable energy electricity), which was converted into an energy consumption of 359,536.21GJ. Compared with the previous year, the total electricity consumption decreased by 0.56%, which was close to the same level. In terms of electricity consumption intensity (energy use efficiency), Far Eastern SOGO's revenue generated per kWh of electricity amounted to NT\$497.02, a 10.94% increase from 2022 and a new high in recent years. Compared with the base year of 2018, the electricity consumption intensity increased by 39.29%.

Summary of Far Eastern SOGO Energy Consumption Table <sup>1</sup>

Year		2021		2022		2023	
Category		Electricity Consumption (kWh)	Energy Amount (GJ) <sup>4</sup>	Electricity Consumption (kWh)	Energy Amount (GJ)	Electricity Consumption (kWh)	Energy Amount (GJ)
Electricity Consumed	Renewable energy <sup>2</sup>	75,634	272.15	58,668	211.10	372,522	1340.42
	Non-renewable Energy	98,294,959	353,688.85	100,421,098	361,339.21	99,547,496	358,195.78
	Total	98,370,5937	353,961	100,479,766	361,550.31	99,920,018	359,536.21
Proportion of renewable energy use (%) <sup>3</sup>		0.077%		0.058%		0.373%	
Annual Revenue (NT\$ thousand)		41,199,368		45,013,913		49,661,966	
Energy Intensity (unit: GJ/NT\$ million) <sup>5</sup>		8.59		8.03		7.24	
Revenue generated per kWh of electricity consumption (revenue/kWh, unit: NT\$)		418.82		447.99		497.02	
Growth in revenue per kWh of electricity consumption (unit: %) <sup>6</sup>		5.68%		6.97%		10.94%	
Growth ratio of revenue generated per kilowatt-hour of electricity compared to the base year of 2018 (unit: %) <sup>7</sup>		17.38		25.55%		39.29%	

#### Remarks

- The data of power consumption come from the statistics of the electricity used for the buildings at all seven business locations in Taiwan.
- Renewable energy includes solar power generated at the Tianmu Store and Hsinchu Store.
- Percentage of renewable energy (%) = Renewable energy consumption (GJ)/Total electricity consumption (GJ)\*100%.
- 1 kWh of electricity = 1\*860\*4.184/106 GJ.
- Since the operation of Far Eastern SOGO mainly consumes electricity, energy intensity (GJ/NT\$ thousand) = internal energy consumption of the organization (GJ)/annual revenue (NT\$ thousand).
- 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%.





## Energy Saving Measures

### 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.

### Replacement of chillers

Replace the chilled water mainframe in the air conditioning system in a timely manner to reduce energy consumption.

### Air Exchange

External air exchange in winter is appropriately used to reduce the load of the chiller, achieve energy saving benefits, and improve the air quality in the stores.

### High-efficiency lighting fixtures

Replacement of high-efficiency LED lighting fixtures to reduce energy consumption.

### Elevator Power Regeneration System

To reduce the power consumption of elevators and the additional heat generated, the "Electrical Power Regeneration System" is adopted for the elevators at Fuxing Hall, which generates electricity during operation.

Far Eastern SOGO implements environmental protection in its daily operations. We closely control air conditioning, lighting, elevators, and other equipment, and promote electricity-saving measures to improve energy efficiency.

### Elevator parking on different floors

Both passenger elevators and elevators are parked at different levels, and some elevators are closed during times when there are fewer crowds. Take the stairs on low floors or when the distance between them is short.

### Air curtains/draught doors

Install air curtains or design draft doors at the entrance to prevent hot air from entering the store, causing temperature rises or cold air leakage.

### Window Shades

Window shades are attached to glass windows to reduce direct sunshine and maintain the temperature in the store.

### Green Lawn

Large green lawns are planted on the top floor of branches such as Tianmu Store to reduce the sun's radiation and high temperature.

### Management Measures



#### Air conditioning energy saving:

- Replacement of old chilled water mainframes
- Adjustable cooling water outlet temperature with flexibility
- Continue to replace the fins of the cooling tower to facilitate increased heat exchange efficiency
- Fixed cleaning of the cooling fins of the air conditioning box to improve performance



#### Lighting energy saving:

- Continue to replace energy-saving lamps with newer models.

### 2023 Performance Overview <sup>Note</sup>

Replaced old chillers in 2023 at Zhongxiao, Fuxing, and Kaohsiung

Saving electricity of about **1,423,800 kWh/year** (51,233.31 GJ), reducing carbon by **705 metric tons of CO<sub>2</sub>e**.

In 2023, 1,335 energy-saving lamps were replaced.

About **111,500 kWh** of electricity (401.27 GJ) was saved, and **55 metric tons of CO<sub>2</sub>e** were reduced.

#### Remarks

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 best 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 construction of the Hsinchu Phase II solar panel started at the end of 2022, and commercial use started in August 2023. The installed capacity is 428.46kw. The proportion of green electricity in the Hsinchu Store's electricity consumption is expected to grow from 0.6% to 5.7%, and the target is to reach 6% in 2028. This will be supplemented by the procurement of renewable energy. The Tianmu Store Solar Power Project will obtain a renewable energy certificate in 2023.

### Solar Power at the Hsinchu Store

Year	2021		2022		2023	
Unit	kWh	GJ	kWh	GJ	kWh	GJ
Total Power Generation	554,979	1,997.0	488,170	1,756.6	837,136	3,012.22
Power Generated for Own Use	64,204	231.0	49,085	176.6	362,191	1,303.25

### Solar Power at the Tianmu Store

Year	2021		2022		2023	
Unit	kWh	GJ	kWh	GJ	kWh	GJ
Total Power Generation	11,430	41.1	9,583	34.5	10,331	37.2
Power Generated for Own Use	11,430	41.1	9,583	34.5	10,331	37.2

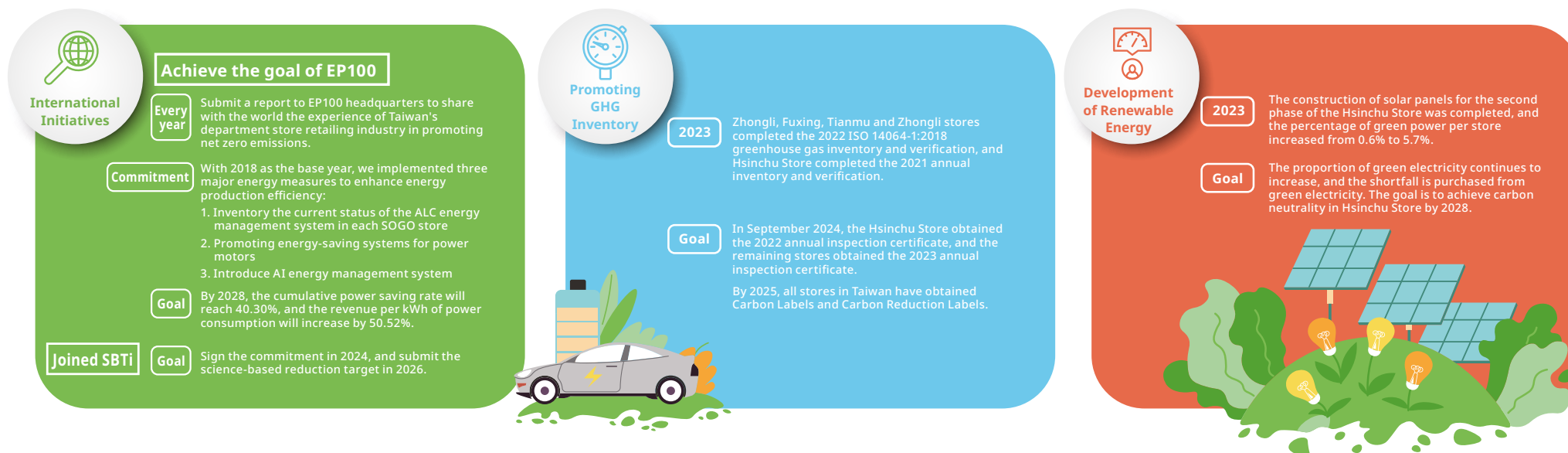
#### Remarks

- 1 kWh of electricity =  $1 \times 860 \times 4.184 / 106$  GJ.
- Re-edited the data of Hsinchu Store in 2021 and 2022 to make the decimal places consistent.



Hsinchu Store Phase I and Phase II Solar Panels.

## Future Plans



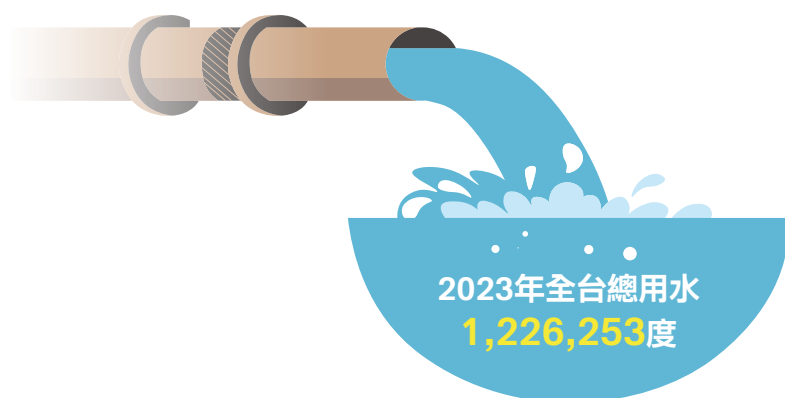




## 2.4 Water Resource Management

### 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, water reduction, water recycling and other measures, reviews water consumption every month, and improves equipment based on water-saving technologies.



#### Water Intake/Discharge Route

Business Locations	Water Intake			Discharge
	River	Source	Type	
Taipei Store III	Beishi River and Nanshi River	Feitsui Reservoir	Tap water	Public sewage system
Tianmu Store			Tap water and rainwater recycling	
Zhongli Store	Dahan River	Shimen Reservoir	Tap water	
Hsinchu Store	Shanping River, a branch of the Touqian River	Baoshan Reservoir		
Kaohsiung Store	Gaoping River and Donggang River	Chengqing Lake Reservoir and Fengshan Reservoir		

Water Resource Management Summary Table 1

Year		2021	2022	2023
Water Withdrawal Source1: Third Party Water <sup>2</sup>	Tap water (million liters)	1,190.13	1,146.24	1,225.85
Water Withdrawal Source 2: Surface Water	Reclaimed water (million liters)	91.25	0.21	0.41
Total water withdrawn (million liters) <sup>3</sup>		1,281.38	1,146.46	1226.26
Total Discharge (million liters)		1,281.38	1,146.46	1226.26
Total Water Consumption (million liters)		0	0	0
Total annual revenue (NT\$ thousand) <sup>4</sup>		41,199,368	45,013,913	49,661,966
Water Consumption per Unit of Revenue (L/NT\$ thousand) <sup>5</sup>		31.10	25.47	24.69
Water Consumption per Floor Area (Daily: L/m2) <sup>6</sup>		8.79	8.29	8.93
Water Consumption by Visitors and Employees of the Unit (Daily: L/person) <sup>7</sup>		43.32	44.39	39.57

#### Remarks

- The statistical boundary covers the buildings at all seven business locations in Taiwan.
- 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.
- Total water withdrawal (million liters) = Water withdrawn from Source 1 (million liters) + Water withdrawn from Source 2 (million liters).
- Water consumption per unit revenue (liter/NT\$ thousand) = Total water consumption/Total annual revenue.
- Water consumption per floor area (per day: liters/square meter) = total water consumption / (floor area \* 365)
- Due to the fact that some buildings are co-constructed with other units, the water consumption per floor area is calculated based on the area within the reporting scope of the building; the data for 2021 and 2022 has been restated.
- Water Consumption by Visitors and Employees (Daily: L/person) = Total Water Consumption / Number of Visitors and Employees. Revised formula; data for 2021 and 2022 is restated.





## 2.4.2 Management Measure and Effectiveness

### Management Measures ►

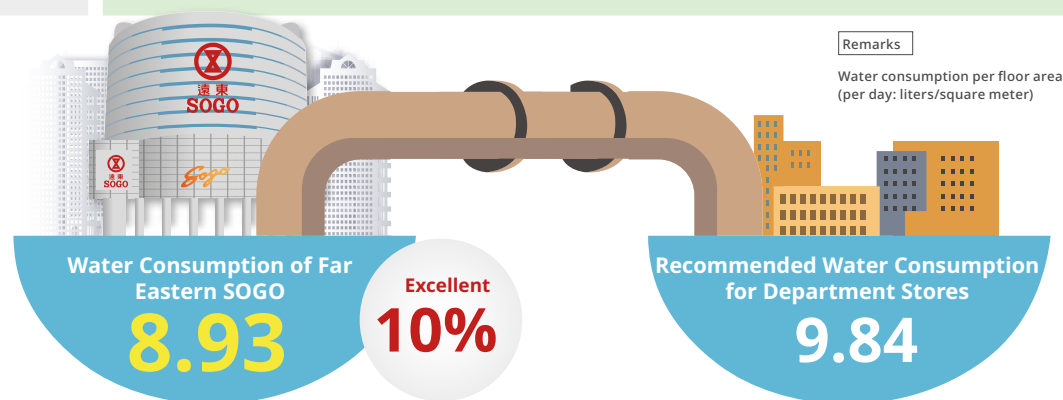
- Replacement with water-efficient equipment
- SOP for water use management
- Improvement of air conditioning equipment
- Promotion of water conservation concepts

Far Eastern SOGO meticulously self-regulates every water-saving process, despite not being in a heavy water-consuming industry. During monthly meetings, engineers review water usage at all stores in Taiwan and implement a signal light management system. They compare the actual water expenses and budgets for each period with data from the same period from the previous year, analyzing the cumulative costs across four indicators. This comparison's performance is clearly visible thanks to the use of four color-coded lights (green, grey, yellow, and red). They employ water-saving technologies and improve water facilities, such as the Tianmu store's rainwater harvesting systems for plant irrigation, handwashing sinks, and toilet flushing. Similarly, the Hsinchu store utilized pipelines to gather rainwater for public use during the construction of the Big City Shopping Mall.

### 2023 Performance Overview ▼

8.93% of water consumption per floor area,

It was 10% better than the recommended water consumption indicator value for units with outstanding performance in water conservation by the Water Resources Agency, Ministry of Economic Affairs.



### Water conservation measures and promotion methods

#### Replacement with water-saving equipment

##### Water saving and toilet equipment

All seven stores in Taiwan are equipped with water-saving faucets and water-saving toilets.

##### Rainwater Recycling System

The Tianmu Store is equipped with a rainwater harvesting system that is used for toilet cleaning and watering of plants, and the Fuxing Store is currently evaluating an addition; the toilets are equipped with water-saving devices.

#### Water Use Management SOP

##### Standardized management (daily)

Dedicated personnel are arranged for shift inspection, and each store regularly undergoes leak inspection, with a pass rate of 100%.

##### Integrate digital tools (daily)

Electronic master meter monitoring, meter reading records.

##### Review of Water Consumption (monthly)

During the public works meetings, the Company conducts an inventory of water performance, devises water-saving measures or replacement of water-saving equipment in response to public water fees, and persuades water-saving counters with higher or increasing water bills. A water saving incentive system will be developed in the future.

##### Regular Publicity (monthly)

Promote water conservation on the internal website and during meetings.

#### Improvement of air conditioning equipment

##### Optimize equipment and settings

Improve discharge frequency and reduce water evaporation.

#### Promotion of water conservation concepts

##### Customer communication

Set up slogans at the sink and socialize the initiative.

##### Set up product section

The environmental protection mark and the SOGO Sustain logo are used to guide the purchase of water-saving appliances.





## 2.5 Waste Management ▶

### 2.5.1 Waste Management Policy GRI 306-1 GRI 306-2

Far Eastern SOGO promotes source reduction and uses various recycling incentives to encourage consumers to implement recycling, reduce resource consumption and reduce environmental pollution. In terms of terminal disposal, shopping mall waste is mainly divided into “garbage, kitchen waste, waste oil, waste water, waste cooking fumes”, which are classified as general business waste according to environmental protection laws and regulations and are not generated from wastes with hazardous characteristics. Waste at each site is cleared and transported by professional waste disposal contractors registered and approved by the environmental protection authority. Waste is disposed of in a public incinerator without on-site disposal.

Management Measures ▶	2023 Performance Overview ▼
<b>Source reduction:</b> <ul style="list-style-type: none"> <li>Disposable and melamine tableware is not provided for dine-in or take-out</li> <li>Guiding food and beverage counters to join eco-friendly restaurants</li> <li>Encouraging customers to use reusable bags and giving away shopping bags at supermarkets</li> <li>Promoting weight reduction for green fruit and egg cartons in self-operated supermarkets</li> </ul>	<ul style="list-style-type: none"> <li>6,442 people participated in the bring-your-own-bag-giving points at supermarkets</li> <li>Reduced weight by 1.1 metric tons for fruit and egg cartons in supermarkets</li> <li>95% of restaurants in Taiwan are environmentally friendly</li> </ul>
<b>Recycling:</b> <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> <li>Points are given to encourage customers to recycle batteries</li> </ul>	<ul style="list-style-type: none"> <li>198,000 empty bottles were collected and 593,000 electronic points were awarded</li> <li>1,457 people participated in battery recycling</li> </ul>
<b>Terminal Disposal:</b> <ul style="list-style-type: none"> <li>Tianmu Store in 2022 and Zhongxiao Store in 2023 will install food waste disposal machines. The reduction results will be recorded and promoted to other stores later</li> <li>The rest of the general waste is handed over to a qualified third-party organization unit for disposal</li> </ul>	<p>The food waste disposal machines at Zhongxiao Store were activated in September 2023, and the average weight of monthly food waste has been reduced by 22.09% compared to untreated food waste</p>

### Processes for Treatment of Different Types of Waste

Far East SOGO has proper procedures for disposing different types of wastes. Garbage, kitchen waste, and used oil are wastes that need to be transported externally for disposal. Each site entrusts qualified professional firms to dispose of its waste based on individual needs.

Type of Waste	Centralized/Decentralized Treatment Method	Sorting Method	Treatment Method
Waste	Centralized Classification	General waste	Removed and transported for incineration by qualified companies.
		Resource recycling: paper, aluminum cans, iron cans, plastic 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
		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 → Centralized discharge	-	Electrostatic lampblack treatment equipment → centralized to the building's fume exhaust duct → roof water-washable lampblack equipment treatment → emission to the atmosphere





## 2.5.2 Waste Generation Structure

In 2023, all Far Eastern SOGO stores in Taiwan generated a total of 9,966.86 metric tons of waste, including 447.5 metric tons of recycling waste, 7,254.4 metric tons of incineration waste, and 2,264.9 metric tons of kitchen waste. The waste generation structure of the department store and retailing industry is highly correlated with changes in the number of visitors. Far Eastern SOGO implements reduction plans focusing on two major aspects: “kitchen waste reduction” and “improvement of the recycling rate”. In 2023, the number of visitors to Far Eastern SOGO Group increased by 26% compared to 2022, the total waste output increased by only 8.22%, and the unit non-hazardous waste generation volume decreased by 1.91%.

In 2022, SOGO's Tianmu Store introduced a food waste processor to drain the oil and water contained in food waste and crush it to reduce the weight and increase the value of food waste recycling. The declared food waste volume experienced a significant 60% reduction from 15 tons to 6 tons. Zhongxiao Store introduced food waste in September 2023 due to the remarkable results. The actual weight of monthly food waste has decreased by 22.09% on average compared to the weight before treatment. The Fuxing Store is set to open in 2024 and will continue to expand to other stores.

Increasing the recycling rate not only reduces the amount of waste and disposal costs, but also extends the useful lives of landfills and incineration plants. In 2023, Far Eastern SOGO continued to enhance the recycling of waste glass, waste paper, PET bottles (waste plastics), aluminum cans (waste aluminum), steel cans (waste steel), fluorescent tubes, and dry batteries. The recycling rate reached 5.81%, slightly higher than the 5.16% achieved in 2022.

Waste Generation Structure Table					Unit: Tonne
Category	Treatment Method	2020	2021	2022	2023
Recycling	Off-site Disposal	294.8	295.8	363.2	447.5
Incineration	Off-site Disposal	6,097.0	5,977.0	6,675.5	7,254.4
Food Waste	Off-site Disposal	2,031.9	1,844.9	2,171.2	2,264.9
Total		8,423.7	8,117.7	9,209.9	9,966.8
Unit Non-Hazardous Waste Generation (kg/NT\$ million of revenue)		201.32	197.03	204.60	200.69
Increase/decrease in the amount of non-hazardous waste generated per unit compared to the previous year (%)		-11.43%	-2.13%	+3.84%	-1.91%

### Remarks

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 seven stores of Far Eastern SOGO, only the Zhongxiao, Fuxing, Dunhua, and Tianmu must currently report as required by the Department of Environmental Protection, Taipei City Government. The remaining three stores (Zhongli, Hsinchu, and Kaohsiung) only record internally. Only Zhongxiao, Fuxing, Dunhua, and Tianmu are listed in this table.







# 3. Assured Service Power

Aiming for the “Best in Service Appraisal” in the industry, Far Eastern SOGO combines the sophistication of Japanese department stores with the friendliness of local department stores to create services with warmth and quality. The seven major focus clubs satisfy all customers’ needs; we strictly monitor products to strengthen consumer trust and be a model of “food safety management” in the department store industry.



## Create a secure store

**82.9%** of customers satisfied with the “Far Eastern SOGO’s maintenance of merchandise safety”

Food Court **97%** Passed the GHP certification,

**93%** Excellent grade



## Provide quality service

Won the 2023 **silver medal** in the Taiwan Service Sector Evaluation

**90.7%** Customers are satisfied with the overall service



SDGs Corresponding in This Chapter

**8** Decent Work and Economic Growth



**12** Responsible Consumption and Production



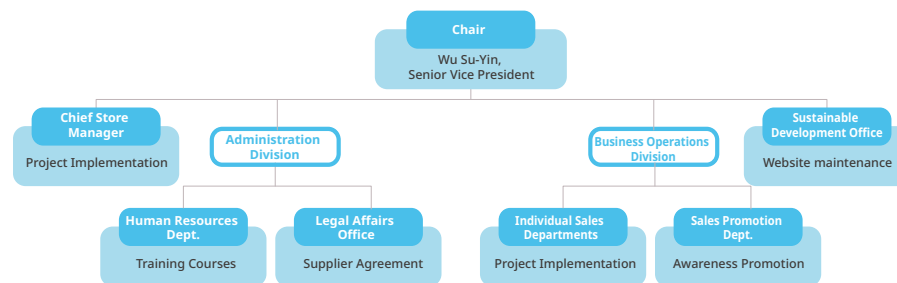




## 3.1 Merchandise Safety Management ▶



### 3.1.1 Merchandise Safety Management and Structure

In 2015, we created the “Merchandise Safety Promotion Commission” to control consumer safety and reduce operational risk. The committee is part of the “Corporate Sustainability Committee,” which operates at a higher level than the administrative and operations departments. It is chaired by Senior Vice President Wu Su-Yin, and its members include store managers, sales units, the promotions department, the IT department, the HR department, and the legal office. This committee promotes various tasks and educational training related to the product safety management plan, ensuring that product safety management extends from “me” (Far Eastern SOGO) to “us” (stakeholders). They continually implement product safety and food hygiene management, binding suppliers with “sustainability clauses” to align with SDG 12 on responsible consumption and production.







### 3.1.2 Merchandise Management Mechanism and Action Plan

“Product safety” and “service quality” are core to the sustainable operation of the department store retail industry. Far Eastern SOGO strictly ensures that all products undergo health and safety impact assessments to guarantee no significant negative effects on consumers. For promotional gifts, suppliers are required to provide third-party inspection reports. The “Product Safety” section of the ESG website publishes information about product inspections and raw material sources. Contracts explicitly include “sustainability clauses”, and the company proactively focuses on two key aspects, “product labeling” and “food hygiene”, for regular inspection and optimization.

Item	Inspection of Labeling		Inspection of Food Sanitation
	 Cosmetics Management	 General Merchandise Management	
Description	Formulate a regular product inspection process to control the safety of products on the shelf.	The self-operated supermarkets strictly control product labels, and the purchases are 100% inspected to confirm the origin, price, and expiration date. The information is also checked against the purchase receipt to ensure that the labeling is correct.	In accordance with the regulations of the Taipei City Department of Health’s “Self-Inspection on Hygiene Management of the Catering Industry”, the Company conducts a daily self-inspection of 72 items in five categories and a comprehensive evaluation every week to practice hygienic management. The evaluation results are used as the basis for praising excellent food service counters.
Promotion Method	Reaffirm the management principles and regular inspection process for cosmetic products on the shelf, guarantee the sale of cosmetics with a shelf life of more than one year, and ensure that shelf trial products are within the validity period.	<ol style="list-style-type: none"> <li>Daily label inspection in supermarkets: During restocking, label products in each aisle are inspected several times, paying special attention to the place of origin, price, and expiry date, and performing random inspections as a supplement.</li> <li>Set procedures for periodic inspection of purchase labels and on-shelf trial products.</li> <li>Fresh fruits and vegetables with production resumes are introduced, and the traceability information of the origin is transparent.</li> <li>Collaborate with the Soil and Water Conservation Bureau of the Council of Agriculture to promote the “Rural Good Products”.</li> </ol>	<ol style="list-style-type: none"> <li>Counseling food and beverage counters in applying for Good Food Hygiene Practices (GHP) certification.</li> <li>100% regular inspections for drinking water and edible ice at the food and beverage counter have passed the random inspection of the local competent authority, the Health Bureau. The inspection items include coliform groups, total colony count, turbidity, chroma, nitrate nitrogen, nitrite nitrogen, pH value, and plate count.</li> <li>We provide guidance for food and beverage counters to apply for green restaurant certification from the Ministry of Environment to promote net-zero green living.</li> <li>The Company has held a home cooking competition for four years in a row to promote healthy diet with popular restaurants.</li> </ol>





Item	Inspection of Labeling		Inspection of Food Sanitation	
	 Cosmetics Management	 General Merchandise Management	 Catering Sanitation and Safety Inspection	 Eco-friendly Restaurant and Home Cooking Competition
Key Projects	Specification Check	Origin Traceability	Catering Sanitation and Safety Inspection	Eco-friendly Restaurant and Home Cooking Competition
Result in 2023	<p>Implement the province's monthly cosmetics inspection items:</p> <ol style="list-style-type: none"> <li>Complete Chinese labeling and ingredient labeling</li> <li>Complete SOGO label</li> <li>Product validity: trial products within the validity period, genuine products for more than one year.</li> </ol>	<ol style="list-style-type: none"> <li>The origin of fresh fruits and vegetables in the self-operated supermarkets is clearly labeled for consumers to inquire about traceability; we provide <b>100% safe ingredients</b>.</li> <li>The Soil and Water Conservation Bureau of the Council of Agriculture has selected "Rural Goods" since 2014, and as of 2023, <b>343 products</b> have been selected; since 2022, Far Eastern SOGO has jointly organized markets to promote its products.</li> </ol>	<ol style="list-style-type: none"> <li><b>97%</b> of Taiwan's restaurants have passed the GHP certification. Those who have not yet completed the certification are still in the operation or new to the counter.</li> <li>Drinking water quality and edible ice cube inspection: 119 counters were tested in Taiwan, <b>with a 100% pass rate</b>.</li> <li>Regularly check the liability insurance policy of food and beverage counters; the manufacturer must attach the latest liability insurance policy when signing/renewing a contract.</li> </ol>	<ol style="list-style-type: none"> <li>95% of Taiwan's restaurants have passed the Ministry of Environment's Green Restaurant Certification. See Chapter 2 for details.</li> <li>Give full play to corporate functions, collaborate with F&amp;B counters to improve and sell outstanding dishes, and share the results with stakeholders. See Chapter 5 for details.</li> </ol>



## Cosmetics Management Regulations

Purchase labeling by date	Commodity sales first-in, first-out	Measures for Periodic Inspection of Shelf Life
<ol style="list-style-type: none"> <li>The purchase date numbers of self-operated products are marked with A-Z.</li> <li>Half-yearly</li> <li>On-site confirmation of the purchase date</li> </ol>	<ol style="list-style-type: none"> <li>Half-yearly inventory</li> <li>Make inventory by stage and by section</li> <li>Different periods cannot be mixed up.</li> </ol>	<ol style="list-style-type: none"> <li>Check trial products every Monday and Thursday.</li> <li>Trial products are immediately removed from the shelves when they expire.</li> <li>Check the expiry date of products sold at the beginning of each month.</li> <li>Free gifts for customers who sell products with a shelf life of less than one year.</li> <li>Person in charge of inspection: Chief of Sales Section</li> </ol>






For more information, visit "Assured Service Power" on the official website of Far Eastern SOGO ESG







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

Stakeholder	Merchandise Safety Action Plan	Customer feedback
 <b>Contracto</b>	<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>▶ Guiding food and beverage counters to pass environmentally friendly restaurant certification</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>▶ 82.9% satisfied with Far Eastern SOGO's "Maintaining Product Safety"</li> <li>▶ 75.3% satisfied with "Far Eastern SOGO Advocates Green Diet to Consumers"</li> <li>▶ Fresh Club supermarket memberships exceeded 63,000, with membership growing by 8.6%.</li> </ul>
 <b>Customer</b>	<ul style="list-style-type: none"> <li>▶ Promote product safety knowledge through social media</li> <li>▶ Guaranteed in-store consumption</li> <li>▶ Provide sustainable consumption experience</li> <li>▶ Product Safety Section on ESG Website to Disclose Information on Anniversary Gifts</li> </ul>	<ul style="list-style-type: none"> <li>▶ 77.8% satisfied with “Far Eastern SOGO’s promotion of green consumption awareness with consumers”</li> </ul>
 <b>Employee</b>	<ul style="list-style-type: none"> <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>▶ 88% recognized the notion of “I trust Far Eastern SOGO’s merchandise”</li> </ul>
 <b>Supplier and Contractor</b>	<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>▶ 82.9% satisfied with the “Far Eastern SOGO’s maintenance of merchandise safety”</li> </ul>
 <b>Society (Community and Media)</b>	<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>▶ Organize home cooking competitions to promote healthy eating</li> </ul>	<ul style="list-style-type: none"> <li>▶ 100% agree that participating in the Home Cooking Competition helps raise awareness of sustainable diets and the use of whole foods.</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Promotion of concepts via “SOGO Sustain” and DM for the promotion ideas at each stage.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 74.3% satisfied with “Far Eastern SOGO’s promotion of sustainable consumption, and recommendation of sustainable merchandise to consumers”</li> </ul>



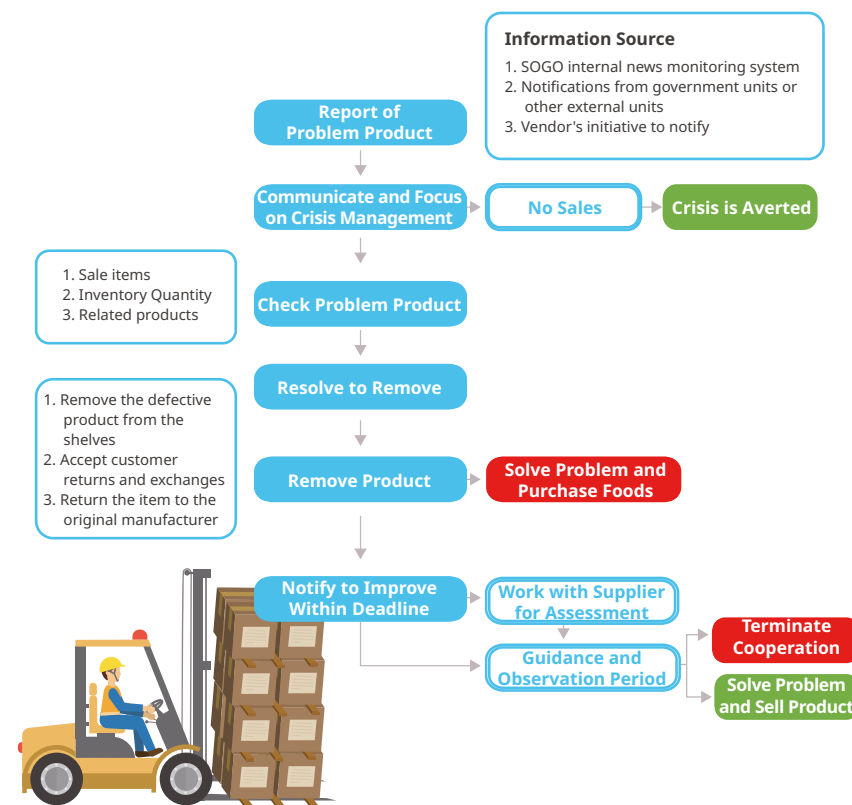


## For Removal of Problem Products

Far Eastern SOGO established the “Commodity Safety Monitoring Network” in 2016 to connect related units through communication software. When the competent authority requires a random inspection or designates personnel to monitor the media and government information every day when news of problematic products is discovered, the “Problem Commodity Risk Monitoring Network” is immediately activated. The “Problem Product Risk Control Team” implements procedures and monitors the outcomes of their actions. 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. There were three product removal incidents in 2023, and we have stepped up publicity to prevent recurrence.

### Product Removals in 2023

Business Location	Law	Reason for Removal	Improvement Measures
Zhongxiao Store	Act Governing Food Safety and Sanitation	In June 2023, the Bureau of Health conducted a random inspection of grain and legume products for pesticide residues and ethylene oxide, and found that black sesame seeds were unqualified. The products were immediately removed from the shelves and destroyed by the manufacturer. The manufacturer was also fined NT\$40,000 by the Health Bureau.	A certificate stating that pesticide residues and ethylene oxide are not detected on all products is required.
Zhongli Store	Act Governing Food Safety and Sanitation	During an audit conducted by the Health Bureau on October 5, 2023, some of the products of “BOURBON Salted Souffle Biscuits” and “BOURBON Black Rice and Matcha Biscuits” in the supermarket had passed their expiration dates. All the overdue products were removed from the shelves at the time of the audit and destroyed, and a fine of NT\$60,000 was issued.	Suppliers are required to review the quality and expiry date of products before shipment, and strengthen the review during shelf inspection of the products during acceptance by the business administration department, receipt by the sales department, warehousing, and shelf inspection.
Zhongxiao Store	Act Governing Food Safety and Sanitation	In November 2023, residents complained about suspected mislabeling of a supermarket product. After confirming the content of the complaint, the supermarket immediately removed the product and requested the manufacturer to provide relevant documentation for review.	The single case where the purchaser temporarily changed the place of production has been rectified immediately, and the control will be strictly tightened in the future.



## Recall Event

In the event of a product recall, the product is immediately removed from the shelves upon receipt of a notification, we suspend or cease cooperation with the malicious supplier, and we cooperate with returns and exchanges. **There were no recall incidents in 2023.**





### 3.1.3 Food Safety and Health Management

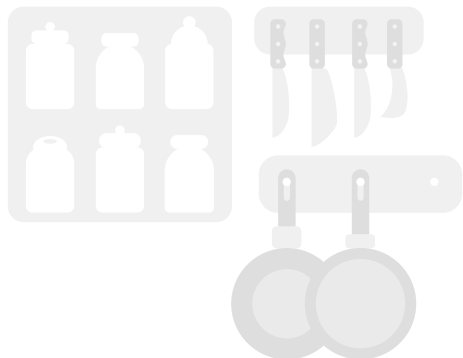
Far Eastern SOGO prioritizes customer food safety and established the “Far Eastern SOGO Department Store Food Safety and Hygiene Management Measures” in 2020, defining the responsibilities of relevant units. In accordance with Good Hygiene Practices (GHP) regulations, they created five categories encompassing 18 sections and 72 management items. We have set a major annual goal to support the food service counters in achieving GHP certification.

The food service counters conduct self-checks and arrange daily inspections to ensure food safety and hygiene. The food department, engineering department, security department, and related units conduct regular supervision and hold a joint inspection every month. We continuously re-inspect any non-compliance found during inspections until we resolve the issues.



#### Catering safety and health management inspection items and frequency

Inspection Items	Inspection content	Responsible department	Frequency
Catering Hygiene Management Self-Inspection	21 inspection items according to the GHP standard points	Self-inspection of restaurant counters Food and Beverage Supervisor Patrol Inspection and Review	Every day
Supervision of water, electricity, gas, and fire safety equipment	Fire extinguishing equipment and safety gate inspection, personnel operation test	Public Works Department, Security Department	Every two weeks
Joint Inspection of Catering, Water, and Power Stations	<ul style="list-style-type: none"> <li>▶ The GHP regulations encompass five major categories, 18 items, and 72 management criteria, including personnel attire and hygiene behavior, cleanliness and maintenance of the workplace and pest control, cleaning management of equipment and utensils, procurement, acceptance, and storage of raw materials, as well as preparation processes and quality control.</li> <li>▶ Water, Power, and Gas Fire Inspection</li> </ul>	Catering Department, Public Works Department, Security Department	Every month
Catering Hygiene Management Audit	Whether the responsible units operate in accordance with regulations	Auditing Office	Irregular







## 3.2 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" in order to provide warm and quality service.



Store Opening and Closing Greeting

##### "Daily Greeting"

Thank you for your visit

##### "Sincere Greetings"

The duty supervisor and the customer service staff greet each other with a 45-degree bow.



Elevator Reception Service

##### "Elevator Quotes"

Receiving every customer with thoughtful service and respectful expressions



Service Counter

Responding to customer inquiries and handling complaints

##### "Caring Service"

Currency exchange, wheelchair/stroller loaning, power bank/USB loaning, stamp sales, lost and found disposal services, etc.

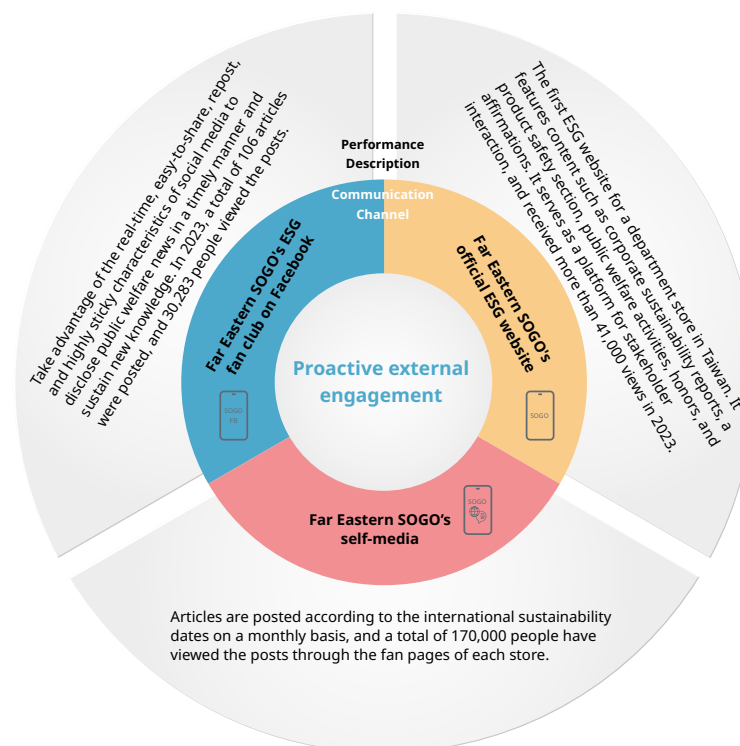
##### "Infectious Disease Response"

Provide masks and alcohol for public use.

#### Diversity in Communication

Far Eastern SOGO engages with stakeholders through diverse channels to initiate positive social change with goodwill.

Zhongxiao Store retains the service characteristics and tradition of "liftman" and "lift ladies".



#### Prestige VIP Service

Far Eastern SOGO has set up the Foreign Investor Service Section (renamed the "VIP Service Section" in 2024), which is based in VIP lounges and cardholder service centers. Its services include card service, sales of gift certificates, and tax refund processing. Service personnel must have professional financial knowledge and good foreign language skills. The "VIP LOUNGE" provides services such as books and newspapers, tea and refreshments, massage chairs, shoe shine machines, iPad loans, and exclusive hotel accommodation and dining, beauty and skin care, gym and other benefits.







## 7 Main Club Customer Divisional Service

To better meet actual needs, Far Eastern SOGO integrates member data and focuses to create seven major clubs.

### 1. Far Eastern SOGO VIP



Start Time	Number of Members	Start Time	Number of Members
2015	1,762 people	2006	8,730 people

#### Special Offer/Service

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 26 sessions of art and exquisite product display and other special events and shopping services.

### 2. Premium Club



Start Time	Number of Members
2019	35,868 people

#### Special Offer/Service

Allow customers with VIP potential to experience VIP treatment in advance.

### 3. Wedding Club



Start Time	Number of Members
2018	126 people

#### Special Offer/Service

The first of its kind in a department store in Taiwan. It has nearly 200 bridal brands and cross-industry connections to offer bridal and newly married couple experiences, discounts, and customized services.

### 4. ThanQ Club



Start Time	Number of Members
2000	43,791 people

#### Special Offer/Service

Targeting parent-child customers, exclusive e-newsletters, event calendars, and store gifts for consumption are sent monthly. Priority can be given to using the children's recreational area in each store, participating in the "Little Children's Service Experience Camp", and "low-carbon educational trips".

### 5. Fresh Club



Start Time	Number of Members
2019	62,772 people

#### Special Offer/Service

In addition to the membership ceremony, the points are doubled when the number of seats is reached and on the members day on Wednesday, and special discounts are available at the supermarket on the 30th of each month. We are regularly invited to participate in various food exhibitions and smallholder farmer exhibitions.

### 6. Beauty Club



Start Time	Number of Members
2020	153,713 people

#### Special Offer/Service

With a minimum purchase of NT\$2,000 at designated cosmetics/fragrance counters, you can join the program. The points will be doubled after a single purchase of designated cosmetics and fragrances. The purchase may be redeemed for new product trials, as well as beauty gifts, and the points will be redeemed for Beauty Cash.

### 7. Sports Club

Zhongxiao / Fuxing Store

Start Time
March 2022

Hsinchu Store

Start Time
July 2022

Tianmu Store

Start Time
January 2023

Zhongli Store

Start Time
September 2023

Number of Members

24,353 people



#### Special Offer/Service

Spend NT\$2,000 in a single transaction on the day to join the club at Zhongxiao Store / Fuxing Store / Tianmu Store / Zhongli Store / Hsinchu Store / designated sports / golf apparel brands. Double points on designated dates, receive extra gift vouchers, special events for members from time to time, a Happy GO Pay membership, and bonus points.

Remarks Number of members (As of the end of December 2023)





## Digital Innovations in Connection with Your Shopping Journey

The Far Eastern SOGO APP integrates digital services, including Happy GO member meeting points, parking credit, electronic discount/coupon/in-store gift exchange, and discount information for each store. The goal is to promote green actions and reduce paper printing. It exceeded 1.385 million at the end of the year, an increase of 19.4% from 2022.

Far Eastern SOGO APP Download Statistics

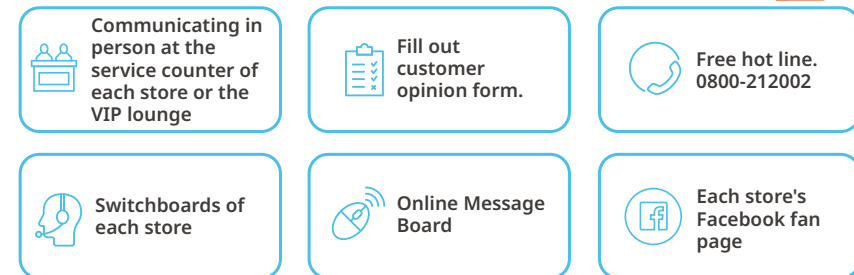


## Feedback Management

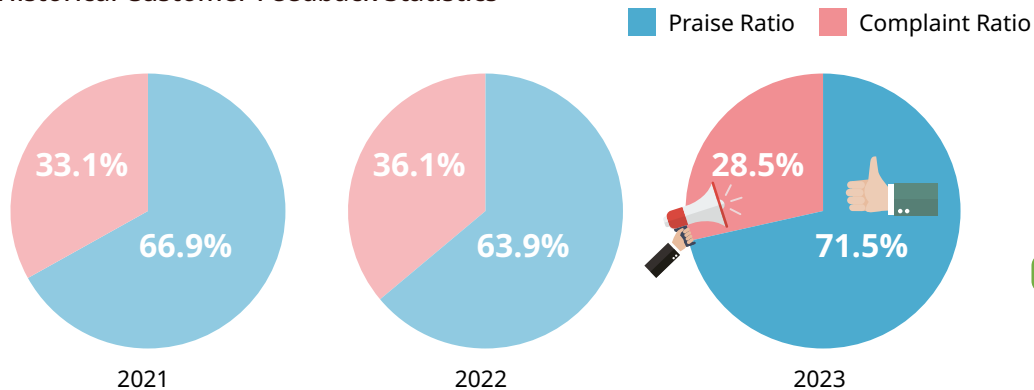
Far Eastern SOGO is the first department store in Taiwan to introduce service management from Japan. In 2010, a customer service center was set up in Kaohsiung to take over the phone calls of all branches. Currently, there are 138 customer service personnel consisting of seven people from the Kaohsiung Customer Service Center and front-line personnel at the service counter and VIP lounge in Taiwan. Upholding the service concept of "solving customers' problems or proposing alternative solutions", we actively consider the next step for customers. New employees need to undergo 112 hours of functional training over 14 days from reporting to going online. Two days and one night of external training are arranged every year.

In 2023, the customer service center received 180,000 telephone calls. Far Eastern SOGO has established the "Customer Feedback Handling Procedures" and established an e-management system in which the customer service center creates records, tracks, and improves service quality. 368 cases were registered in 2023, of which 263 were praise (71.5%), an increase of 7.6 percentage points from 2022, and the other 105 were customer complaints (28.5%), a 7.6 percentage point decrease from 2022, mostly involving service personnel. Inappropriate procedures and poor service attitude and language are reviewed on a monthly basis by Far Eastern SOGO and continue to be reinforced through education and training.

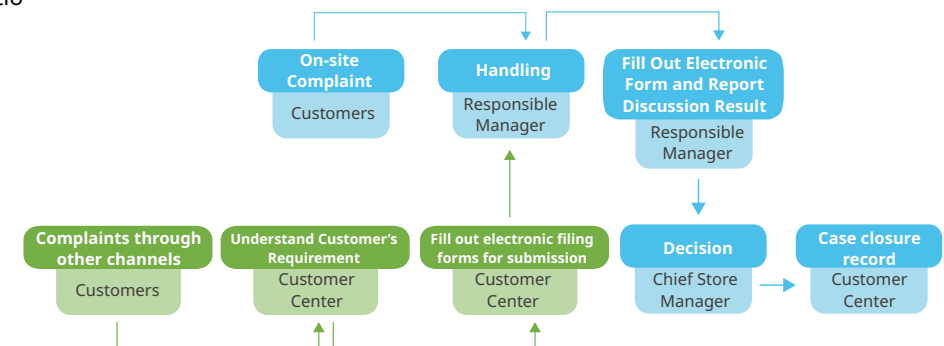
### Customer feedback channel



### Historical Customer Feedback Statistics



### Customer feedback handling procedure








## ESG Customer Service Satisfaction and Topic Influence Survey

Far Eastern SOGO commissioned a market survey company to understand customer opinions. With Happy GO members as the main body, a sample of 1,068 people (95% confidence level) had visited Far Eastern SOGO for at least one consumption/collection between January 1 and December 31, 2023 (with a sampling error of  $\pm 3.0\%$ ), to conduct ESG customer satisfaction and issue influence surveys in three major dimensions: brand consumption, public engagement, and innovative management.

 <p>Brand consumption power</p>	<p>Overall Satisfaction → 90.7%</p> <p>Future Shopping Willingness → 94%</p>	<p>By adhering to a sustainable management attitude and innovative spirit, Far East SOGO was praised by 90.7% of consumers in 2023, and maintained at over 90% for five consecutive years. 94% agreed with “the Far Eastern SOGO products will continue to be purchased in the future”, an increase of 5.1 percentage points from 2022 and exceeding the performance of past years. On the other hand, the recognition degree of consumers of “pay attention to the promotional information or recommended products of Far Eastern SOGO” is declining year by year. Far Eastern SOGO will further provide services that meet the expectations of customers.</p>
 <p>Public participation power</p>	<p>72.6% → Satisfied with Far Eastern SOGO's promotion of economic inclusion in the community</p> <p>77.3% → Satisfied with Far Eastern SOGO's environmental protection efforts</p> <p>81.3% → Satisfied with Far Eastern SOGO's promotion of paperless operations</p>	<p>The overall operational satisfaction with environmental protection was 77.3%, a decrease in the satisfaction with individual items. It is estimated that consumer awareness of energy-saving and environmentally friendly equipment and environmental education activities has declined, and new types of activities may be organized to increase their vitality.</p> <p>When it comes to education, culture, and social welfare, consumers showed the highest awareness (58.2%) of “actively cooperating with local business districts or communities and organizing various activities to promote social and economic inclusion,” with a satisfaction rate of 72.6%. Satisfaction with other items decreased slightly; Far Eastern SOGO will strengthen its “organization of volunteer activities” and “opening of venues and services.”</p>
 <p>Innovation management power</p>	<p>88.7% → Satisfied with the secure department store established by Far Eastern SOGO</p> <p>79.6% → Satisfaction with the innovative services provided by Far Eastern SOGO</p> <p>74% → Satisfied with Far Eastern SOGO's “speed in handling customer complaints”</p>	<p>88.7% of consumers gave positive feedback to Far Eastern SOGO for creating a secure department store, and 82.9% were satisfied that Far Eastern SOGO maintained product safety. With regard to product safety, the Company receives the highest recognition for “proper planning of hazard warning slogans at shopping center” (83.4%). 81.8% were satisfied with the protection of consumer rights and interests by Far East SOGO, and 74% of them were satisfied with the “speed in handling customer complaints”. In addition, the overall consumer satisfaction with our innovative services (including sustainable consumption models and SOGO apps) reached 79.6%.</p>





## Influence of Sustainability

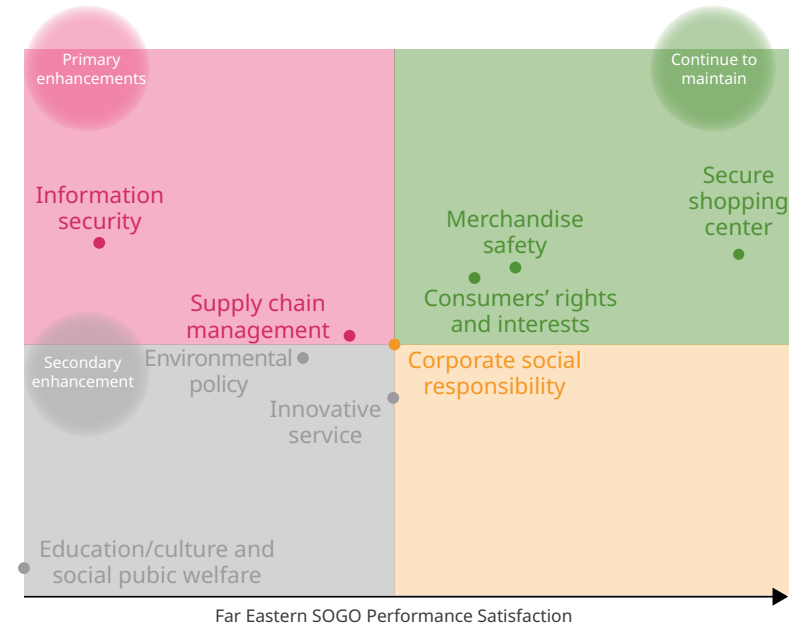
In terms of sustainability issues, "Secure Shopping Center" is the item that consumers think department store retailers should pay attention to (93.3%), and the highest satisfaction rate with Far Eastern SOGO (88.7%).

Consumers pay less attention to environmental policies, innovative services, education, culture, and social welfare, which affects their evaluation of Far Eastern Sogo's achievements on these issues. Far Eastern SOGO will continue to communicate on relevant issues to raise awareness and influence.

### Satisfaction Survey Related to Safe Department Stores

Category/Year	2021	2022	2023
Product safety satisfaction	81.8%	88.0%	82.9%
Shopping center safety satisfaction	--	89.2%	88.7%
Information security satisfaction	--	--	72.0%

Far Eastern SOGO Level of Attention



	Brand consumption power				Public participation power		Innovation management power				
	Brand attitude	Satisfaction	Loyalty	Purchase willingness	Environmental policy	Education and culture	Consumers' rights and interests	Merchandise safety	Secure department store	Supply chain management	Innovative service
Annual increase/decrease (%)	▼ 0.1%	-	▲ 3.0%	▲ 5.1%	▲ 0.7%	▲ 0.1%	▲ 4.4%	▼ 5.1%	▼ 0.6%	▼ 4.4%	▲ 3.1%
2023	86.5%	90.7%	71.8%	94.0%	77.3%	70.1%	81.8%	82.9%	88.7%	78.6%	79.6%
2022	86.6%	90.7%	68.8%	88.9%	76.6%	70.0%	77.4%	88.0%	89.2%	83.0%	76.5%
2021	85.8%	90.0%	70.9%	87.7%	78.5%	74.5%	78.6%	81.8%	N/A	N/A	N/A
2020	86.6%	90.9%	71.9%	87.8%	76.9%	75.0%	80.9%	84.0%	N/A	N/A	N/A









## 3.2.2 Service Management Policy and Inspection

### Service Management Policy and Audit

All Far Eastern SOGO employees and boutique partners comply with the service principle of “Smile, Lively, Agile” and also uphold the Far Eastern SOGO motto of “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	569	Customer service section competency training
	External Training		Number of Trainees	54	External Training for Customer Service Section
	Enhanced Service Training	Self-operation and boutique staff under appeal	Number of Trainees	9	
 Inspection	Team Competition	A team competition is organized every two months 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 a representative to perform an inspection, in order to verify staff familiarity with the shopping center and to protect customer safety.	Number of Trainees	18,010	Statistics are based on the number of counters, with one trainee per counter.
			First-time inspection qualification rate	94%	Average pass rate for all sections
 Management	Management by Waking Around	Event periods, new products and sustainability information; 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 the 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, a “Caring Station” is installed to provide services and to handle accidental situations</li> </ul>		
 Praise	Outstanding Service Stars	Praise stars for outstanding service every month and post posters on the bulletin board to share their work experience and exert a positive influence. A thank-you letter is sent to the brand manufacturer by the store manager to thank the service personnel stationed by the manufacturer for their excellent service attitude and professional ability.	A total of 96 outstanding service stars were rewarded in 2023		





## 3.3 Shopping Center Safety Maintenance ▶

### 3.3.1 Environmental Safety and Health Management

Far Eastern SOGO values safety and health management, with regular inspections focusing on environmental health and 5S self-management. Monthly safety and health meetings across Taiwan are convened by the Executive Vice President to review deficiencies discovered during inspections. There were no violation cases in 2023.

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. Each base cooperates with the competent government agencies to implement the “notifiable infectious disease prevention and control project” and independently manages hygiene to create a safe and secure working and shopping environment.



Category	Item	Inspection Frequency
Friendly Management	Nursery Room checkup	Every day
	AED	Every day
	First aid kit inspection at each unit	Per quarter
Public Safety Management	Inspection of evacuation paths; self-inspection of firefighting equipment	Every day
	Inspection of safety switches for large cold storages	Every day
	Safety inspection of electricity consuming equipment	Every month
	Inflammable gas inspection	Every day
Equipment Management	Inspection of the air conditioner room at the high voltage substation.	Every day
	Air conditioner filter replacement	Every six months
Professional Maintenance (Outsourced)	Disease vector control	Every week
	Overall inspection and maintenance of elevators/escalators.	Every month
	Drinking water quality testing (spot checks according to laws).	Per quarter
	Inspection and maintenance of HV equipment; drinking water storage cleaning; cooling tower cleaning, disinfection, and inspection.	Every six months
	Fire equipment safety inspection reporting	Every six months
	Ambient testing for CO2 operations.	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
	Verification and declaration of public safety inspection of buildings.	Every year
	Indoor air quality testing	Every two years





### 3.3.3 Customer Safety

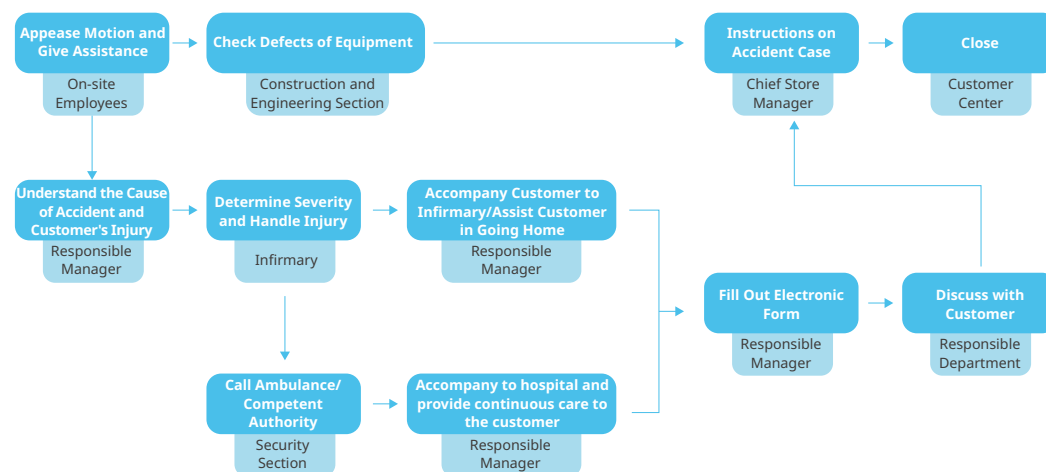
Far Eastern SOGO values customer safety and conducts static and dynamic fire safety drills once every six months. Fuxing Store and Tianmu Store are rated as “places with excellent fire safety self-management”, and Taipei Store 3 and Daan District Office have signed a disaster prevention cooperation memorandum.

Colleague emergency response is also the focus of service training. Each store is equipped with AED equipment and is a government-certified safe location. We implement the “Protection of 1,000 people” plan, and train all employees once every two years. In 2023, 43 courses were held, with 2,670 people completing the training.

If an accident occurs in the store, on-site colleagues reassure the customer and immediately notify the responsible supervisor. The infirmary, the Police Security Section, and the Public Works Section will respond simultaneously. All injury cases must be filled out in an electronic form and managed by the customer service center. The customer service center will follow up and provide continuous care and assistance. In 2023, there were 21 cases, all of which were closed.



### Customer Injury Handling Process



### Customer injury case statistics in 2023

Case type	Number of cases	Treatment Measures	Effectiveness Tracking
autologous	11	Care for customers at the scene and notify the medical staff immediately, and escort them to the hospital in some cases.	All cases have been closed.
Facilities	3	Care for the customers at the scene and notify the medical staff immediately. In some cases, they are sent to the hospital with an escort and the medical expenses are paid for, and subsequent improvements are made to the facilities.	
Third party	3	Care for customers at the scene, notify the medical staff immediately, and pay for the medical expenses in some cases.	
Others	4		





# 4. Happy Workplace Power

Faced with the labor shortage caused by the post-pandemic work shortage and the low birth rate, Far Eastern SOGO launched the "Vision Project" project to rebuild its brand image, create a happy workplace, retain and attract talent, and further solve the problems of the shortage and frequent talent turnover in the service industry. The key points for improvement in 2023 are: Optimizing the work journey, enhancing the sustainable accomplishment of all employees, and establishing a safe and equal work environment; won the top ten awards and certifications of the year, including HR Asia's Best Enterprises to Work for in Asia and Best DEI Enterprise of Womeny.



SDGs Corresponding in This Chapter



No. 1 Happy Company among Department Stores

Top 10 Awards and Certifications of the Year

Enhancing the career development of employees

Investment in education and training NT\$15.24 million.

Annual growth **128%**

Competitive salary system

The average monthly salary is NT\$48,309.

which is **7.85%** higher than the industry average.

Putting People First and Strengthening DEI

Promulgated **Sustainability Declaration and Human Rights Policy**





## 4.0 Strategic Results and Planning

Far Eastern SOGO continues to drive digital transformation and optimize the work environment by improving employee experiences, planning comprehensive training programs, and enhancing employees' professional skills and mental resilience. We manage workplace safety and health in accordance with ISO 45001, ensuring a positive and safe work environment. This approach helps the company retain and attract talent, further promoting industry-wide benefits and addressing issues such as labor shortages, talent gaps, and turnover in the service industry.



### Organizational Vision

Strengthen colleagues' understanding of and recognition of the Company, and create a benchmark retailing enterprise that keeps pace with the times and is friendly for the common good, providing the public with a comprehensive fashionable life experience.



### Material Issue

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

Actual Positive  
Potential Negative  
Potential Negative



### International Frameworks and Indicators

[GRI] 401: Employment Relations, 403: Occupational Health and Safety, 404: Training and Education, 405: Diversity and Equal Opportunity  
[SASB] Labor Practices, Workplace Diversity and Inclusion



### Definitions and Impacts

Regarding the employee recruitment status and employee welfare system, the reinstatement and retention percentages after parental leave, the work environment and health-related management mechanisms and actions, including the performance evaluation, Far Eastern SOGO's system and actions to enhance employee cohesion, and fair promotion systems and actions, and Career development planning and diversified education and training programs.

Management Actions	2023 Operational Performance Tracking	Achievement Status	Achievement Description	Short-term goals (1-3 years)	Medium- and Long-term Goals (over 3 years)
Optimization of Employee Experiences	Compensation and benefits are guaranteed.	Target achieved	<ul style="list-style-type: none"> <li>Additional performance bonuses.</li> <li>4% salary raise for all employees.</li> </ul>	<ul style="list-style-type: none"> <li>Positive Employee Net Promoter Score (eNPS).</li> <li>Developed the Stage 3 functions of the employee app based on employee habits.</li> <li>HR system updated.</li> <li>Enhance supervisory leadership, innovation, and employee interaction.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain competitiveness in the salary market.</li> <li>Talent transformation into high-value services.</li> <li>Strengthen professional career development.</li> <li>Redesign of job levels and remuneration.</li> </ul>
	The per capita cost of education and training has increased by 10%.	Target achieved	The average training cost per person increased by 129%.		
	The second phase of the eWork app went live.	Target achieved	Add a new "employee shopping area, health check registration, employee travel registration, employee benefit announcement, course clock in, and new employee area" to integrate benefits.		
Enhancing the Sustainability Knowledge Attainment of Employees	Expand employee social participation.	Target achieved	A total of 189 employees of 73 people applied for public welfare leave, and the total number of hours reached 457.5 hours, an increase from 2022.	<ul style="list-style-type: none"> <li>Sustainability courses are compulsory for all employees.</li> <li>The supervisor arranges at least six hours of sustainability courses every year.</li> </ul>	<ul style="list-style-type: none"> <li>All employees have the basic knowledge of sustainability and integrate them into daily operations.</li> </ul>
	Reward employees for practicing sustainable actions.	Target achieved	The total prize money for the ESG Best Contribution Award and Innovation Proposal Award has been increased by 1.5 times.		





Management Actions	2023 Operational Performance Tracking	Achievement Status	Achievement Description	Short-term goals (1-3 years)	Medium- and Long-term Goals (over 3 years)
Establishment of a Safe and Equal Rights Work Environment	Formulate human rights policies.	Target achieved	Signed and announced by the Chairperson in September 2023.	<ul style="list-style-type: none"> <li>▶ CPR+AED courses for all employees, and we have continued to obtain the "safe place" certification.</li> <li>▶ Added trousers to women's uniforms.</li> <li>▶ Create an elderly-friendly work environment.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Zero occupational disasters.</li> <li>▶ Promote health management campaign.</li> <li>▶ Establish an occupational disaster reporting mechanism for non-employees.</li> </ul>
	Held sexual harassment prevention courses.		Three gender-friendly workplace talks.		
	Establishment of appropriate OH&S management items or systems across Taiwan.	Target achieved	All stores in Taipei adopted ISO 45001, and the management systems of the remaining stores were designed according to local conditions.		
	Add welfare measures better than the law and equal parenting rights for both genders.	Target achieved	<ul style="list-style-type: none"> <li>▶ Reduce working hours and leave and pay 80% of salary.</li> <li>▶ Childcare subsidy of NT\$10,000.</li> </ul>		
	Employees with physical or mental disabilities will be hired.	Target achieved	The head office and Taipei Store regularly hire visually impaired massage therapists.		
	Non-employee data is collected.	Target achieved	Statistics on the composition of non-employees have been completed and the collection of work-related injury data has begun.		
	Set the "Mental and Physical Health Risk Management Indicators" and "Disease Risk Management Indicators."	Target not met	Adjust the evaluation method: <ul style="list-style-type: none"> <li>▶ Physical and mental health risks are managed according to the load level of the employee voluntarily filling out the burnout scale.</li> <li>▶ Indicator risks are managed based on the top 10 anomalies in the employee health checkup general assessment.</li> </ul>		

Stakeholder Group	Employees
Negotiation Channel	<ul style="list-style-type: none"> <li>▶ Employee Satisfaction Survey (annual): 1,214 people were surveyed, with a response rate of 95%. The employee Net Promoter Score (eNPS) increased by 5.6 compared to the previous year.</li> <li>▶ Employee sustainability awareness survey (annual): 1,139 people received the survey; the participation rate was 87.5%, and 52% of them received a perfect score (with an average score of 95).</li> <li>▶ Best ESG Contribution Award and Innovative Proposal Award (annual): A total of NT\$149,500 was awarded for 49 manuscripts and 40 graphic manuscripts.</li> <li>▶ Labor-management meetings (at least one quarterly): 16.</li> <li>▶ Occupational Safety and Health Committee (at least one meeting per quarter): 16 meetings.</li> <li>▶ Morning meeting and daily report (daily)</li> <li>▶ Education and training (as needed): 424 sessions with satisfaction scores of 4.0 and above.</li> <li>▶ Irregularity: Internal system announcements, employee feedback box, 0 system revision briefing session (no major personnel policy changes in 2023), 49 EAPs lectures, and 135 person-times of consultation on EAPs.</li> </ul>





## 4.1 Employee Profile ▶

### 4.1.1 Employee Formation and Distribution

GRI 2-7 GRI 2-23 GRI 405-1

#### Far Eastern SOGO Human Rights Policy

##### Purpose and Scope of Human Rights Policy

Far Eastern SOGO respects human rights. To protect our stakeholders' fundamental human rights, the company supports and follows the International Bill of Human Rights, the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), and other international human rights conventions. We also abide by domestic labor laws and regulations and formulate human rights policies. This Policy applies not only to all the Company's employees, but also to business partners, suppliers, contractors, and the local communities where our operations are located.

##### Link to Human Rights Policy Website

Please refer to the "Sustainable Commitment and Policy" on the official website of Far Eastern SOGO ESG



Human rights issues	Commitment
No forced labor	We comply with government labor regulations, do not force or coerce any unwilling person to perform labor services, and prohibit any restriction on the freedom of movement of any person, including the prohibition of withholding any personal documents.
Prohibit Child Labor	Prohibit the employment of child laborers under the age of 16 at any operational location or in the supply chain.
Working hours, wages and benefits	All working and overtime hours, work remuneration, related benefits, and living conditions are in strict compliance with the government's labor laws and regulations.
Diversity, Equity and Inclusion	The employment policy implements diversity, equity, and inclusion, ensuring no discrimination based on gender, race, class, age, marital status, language, ideology, religion, political affiliation, appearance, physical or mental disability, zodiac sign, or blood type. It respects equal rights, guarantees equal pay for equal work, and ensures a workplace free from any form of harassment or bullying.
Maternity protections	Protect the rights of mothers and build a gender-friendly work system and environment.
Privacy protection	Comply with relevant government regulations to ensure personal data security.
Health and Safety	We comply with international standards and government regulations related to occupational health and safety, and establish an occupational safety and health management mechanism to create a safe workplace.
Human rights policy advocacy	In addition to the proactive implementation of corporate sustainability and human rights protection policies, the Company expects suppliers, contractors, partners, and customers to pay more attention to human rights-related issues and management of related risks by meeting such standards.

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 have been no cases of child labor, nor any violation of human rights.





In 2023, Far Eastern SOGO employed a total of 1,305 people in Taiwan (1,276 full-time employees and 29 contracted employees), representing a 0.76% decrease from the previous year. The majority of employees were ages 31 to 50, making up 52.03% of the workforce, and the workforce was predominantly female, accounting for 66.82% of the total employees. The ratio of middle and senior management to men and women is equal, and women account for 49.27%. In terms of household registration address, 78.85% of employees were residents of the cities where their stores are located (the Taipei area includes Taipei City, New Taipei City, and Keelung City), approximately equal to the previous year.

The management and employees are predominantly Han Chinese, with 1,295 being nationals, nine being indigenous people, and one being a foreign national. The number of new immigrants has not been counted. According to Article 38 of the "People with Disabilities Rights Protection Act," Far Eastern SOGO provides fair and diverse employment opportunities, ensuring that people with disabilities are adequately employed.

### 2023 Manpower Overview

Category	Gender						Store											
	Female		Male		Total		Headquarters		Taipei Store		Tianmu Store		Zhongli Store		Hsinchu Store		Kaohsiung Store	
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
Number of Employees (A)	872	66.82%	433	33.18%	1,305	100%	200	15.32%	572	43.83%	128	9.8%	177	13.56%	165	12.64%	63	4.83%
Number of Permanent Employees (B)	850	66.61%	426	33.39%	1,276	97.78%	198	15.17%	555	42.53%	126	9.66%	177	13.56%	157	12.03%	63	4.83%
Number of Temporary Employees (C)	22	75.86%	7	24.14%	29	2.22%	2	0.15%	17	1.30%	2	0.15%	0	0%	8	0.61%	0	0%
Number of Non-working Hours Guaranteed Employees (D)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Number of Full-time Employees (E)	872	66.82%	433	33.18%	1,305	100%	200	15.32%	572	43.83%	128	9.8%	177	13.56%	165	12.64%	63	4.83%
Number of Part-time Employees (F)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-

- Remarks**
- 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).
  - Permanent Employees: Full-time employees with non-fixed time limit (i.e. without time limit) contracts.
  - 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).
  - 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.
  - Full-time Employees: Employees with weekly, monthly or annual working hours according to the national definition of law and practice related to working hours.
  - Part-time Employees: Employees with weekly, monthly or annual working hours less than full-time employees.
  - Taipei Stores include the three business locations of Zhongxiao Store, Fuxing Store and Dunhua Store.
  - The baseline for labor statistics in this chapter is as of December 31, 2023, and the total number of employees is 1,305.





## 2023 Manpower Overview

Category	Group	Female		Male		Subtotal	
		Number of people (A)	Percentage (D)	Number of people (B)	Percentage (E)	Number of people (C)	Percentage (F)
	Subtotal	872	66.82%	433	33.18%	1,305	100%
Job Level	Senior manager	10	45.45%	12	54.55%	22	1.69%
	Middle manager	91	49.73%	92	50.27%	183	14.02%
	Professional personnel	771	70.09%	329	29.91%	1,100	84.29%
Age	Under 30 years old	279	21.38%	100	7.66%	379	29.04%
	31-50 years old	431	33.03%	248	19.00%	679	52.03%
	Over 51 years old	162	10.41%	85	6.51%	247	18.93%
Education	Ph.D.	0	0%	2	100%	2	0.15%
	Master's	28	46.67%	32	53.33%	60	4.6%
	University and College	505	67.07%	248	32.93%	753	57.7%
	Junior College	119	61.66%	74	38.34%	193	14.79%
	Senior (Vocational) High School or Below	220	74.07%	77	25.93%	297	22.76%

Remarks 1. "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.  
2. D=A/C; E=B/C; F=C/Total number of employees.

## Number of employees with disabilities in 2023

Region/Gender	Female	Male	Total	Difference from the statutory number of employees required
Taipei Area	5	3	8	0
Zhongli	0	2	2	+1
Hsinchu	2	0	2	+1
Kaohsiung	1	1	2	+2
Total	8	6	14	

Remarks In the Taipei area, nine employees should be hired. Since one employee has a severe disability, the number of employees can be counted as two according to law, so they are fully hired.





## 4.1.2 Employee Turnover

GRI 401-1

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 talent. In addition, the Company announces job vacancies internally, in order to provide diverse development opportunities. In 2023, 150 new employees were hired, with a new employee rate of 11.49%.

In 2023, the top three reasons for resignations received by Far Eastern SOGO were "Re-planning of Career" (43.8%), "Cannot Adapt to Job," and "Personal Family Matter," in that order. Far Eastern SOGO plans the increase of overall salary and also promotes care measures of employee health management activities, work-life balance, etc. The number of people reaching the retirement age increased by one compared to 2022. The Far Eastern SOGO EAPs (Employee Assistance Programs) themed lectures plan related topics.

2023 New and Resigned Employee Structure Table

Category	Group	New Employees		Resigned Employees	
		Female	Male	Female	Male
Age	Under 30 years old	84	35	125	35
	31 - 50 years old	17	13	34	20
	Over 50 years old	0	1	8	4
Region	Taipei Area	79	36	125	42
	Zhongli	4	3	8	2
	Hsinchu	17	8	33	13
	Kaohsiung	1	2	1	2
Total		101	49	167	59
New employment rate and turnover rate		7.74%	3.60%	12.80%	4.52%

Remarks 1. New employment rate (%) = Number of new employees / Total number of employees at the end of December of current year.  
2. Turnover rate (%) = Number of resigned employees / Total number of employees at the end of December of current year.

2023 New and Resigned Employee Structure Table

Cause	Number	Cause	Number
Cannot Adapt to Job	34	Work Assignment	1
Further Study	4	Disqualified Probation	1
Expiration of Agreement	28	Severance	1
Family factor	30	Salary	3
Retirement	10	Re-planning of Career	99
Health	13	Others	2
Death	0	Total	226

## 4.1.3 Non-employee Composition and Distribution

GRI 2-8

The non-employees of Far East SOGO include contractors (security, maintenance, employee cafeteria, etc.), counter personnel hired by the lessor, and IT dispatch personnel hired through intermediary companies, totaling 9,144.

Remarks 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.

Non-employee Composition Structure

Category/Year	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Boutique staff	7,219	1,857	6,781	1,878	6,794	1,855
Security staff	Not available		23	134	27	115
Maintenance staff			243	36	238	69
Employee cafeteria			3	2	5	4
Parking lot fare collection staff			2	0	17	17
Dispatch staff			1	1	1	2
Total	7,219	1,857	7,053	2,051	7,082	2,062





## 4.2 Remuneration and Welfare

### 4.2.1 Remuneration System

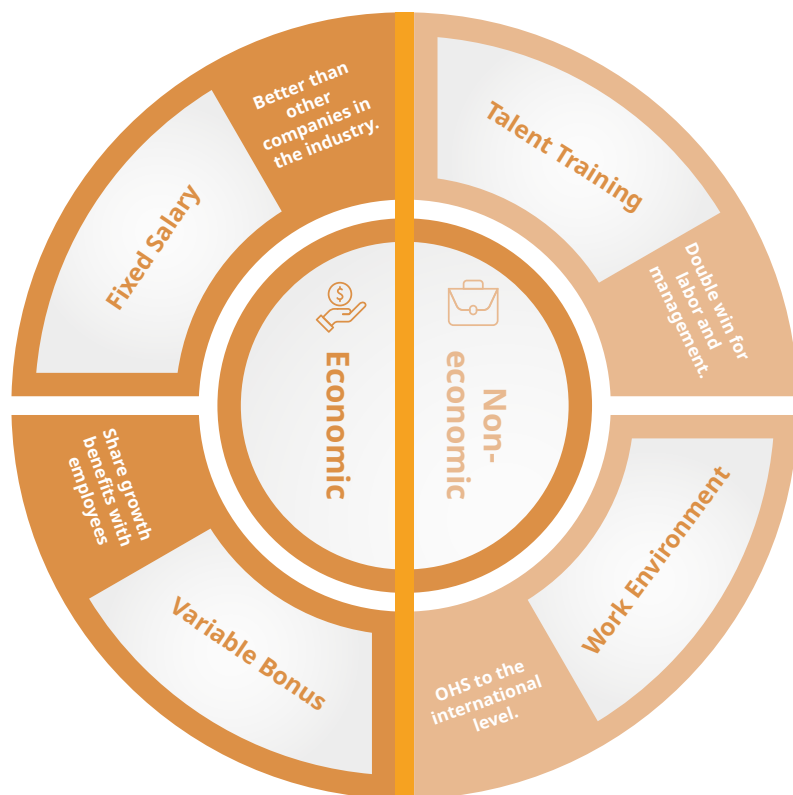
GRI 2-20 GRI 405-2

Factors such as gender, age, or race do not influence Far Eastern SOGO's fair, equitable, and competitive compensation system. The board of directors allocates the budget for salary adjustments each year based on the previous year's approval. The Human Resources Department and consulting firms analyze social and economic indicators, salary adjustments in the public sector, and industry benchmarks. The Human Resources department makes adjustments based on employees' professional capabilities, job performance, and performance evaluations. The group chairman, the company chairman, and the executive management committee approve the implementation. Currently, there is no independent governing body or independent compensation committee to oversee these processes. The consulting company is a third-party organization independent of the organization, and has no affiliation with the organization, the highest governance unit, or senior management.

The Directorate General of Budget, Accounting and Statistics announced in November 2023 that "Wholesale and Retail Industry" average monthly regular salary was NT\$44,794, and the average monthly regular salary of Far Eastern SOGO employees was NT\$48,309, exceeding other operators in the same industry by approximately 7.85%.

After the easing of the pandemic, the department store industry's performance returned to normal levels. Far Eastern SOGO achieved record-high revenue and profits in 2022. In March 2023, they distributed performance bonuses that were 20% higher compared to the previous year. Additionally, from 2021 to 2024, they have implemented consecutive annual salary increases averaging around 4% for all employees.

### Comprehensive Remuneration System



Number of non-supervisor full-time employees and annual salary statistics			
Item/Year	2021	2022	2023
Number of full-time non-managerial employees	1,173	1,093	1,100
Average Salary of Full-time Non-managerial Employees (NT\$ thousand/person)	431	449	460
Median Salary of Full-time Non-managerial Employees (NT\$ thousand/person)	430	451	466

Remarks 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 2023 (NT\$)	Better Than Standard Salary in Percentage
University and College	31,400	26,400	18.94%

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





Far Eastern SOGO plans for gender equity in promotion and compensation systems. In 2023, the gender ratio among middle-level managers is balanced, and the gender pay gap among senior executives is narrowing year by year.

Salary and Remuneration Ratio by Job Level and Gender							
Year		2021		2022		2023	
Gender		Female	Male	Female	Male	Female	Male
Senior manager	Employee ratio	43.48%	56.52%	47.83%	52.17%	45.45%	54.55%
	Salary and gender ratio	1	1.11	1	1.15	1	1.11
	Salary and gender ratio	1	1.01	1	1.11	1	1.09
Middle manager	Employee ratio	52.84%	47.16%	50.87%	49.13%	49.73%	50.27%
	Salary and gender ratio	1	0.97	1	0.99	1	1.02
	Salary and gender ratio	1	0.99	1	1.00	1	1.03
Professional personnel	Employee ratio	70.99%	29.01%	70.78%	29.22%	70.09%	29.91%
	Salary and gender ratio	1	1.09	1	1.05	1	1.04
	Salary and gender ratio	1	1.10	1	1.06	1	1.04

Remarks 1. Salary (fixed salary) = basic salary + allowance .  
 2. Salary = fixed salary + variable salary (bonus) .  
 3. Employee ratio refers to the male and female ratio for that job rank.

## 4.2.2 Employee Welfare

GRI 401-2

GRI 401-3

GRI 201-3

### Welfare Measures

Far Eastern SOGO provides various bonuses, allowances, subsidies and other employee benefits. Self-service coffee machines and smart vending machines are set up in the office for employees to replenish their vitality at any time at preferential prices.

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, maternity subsidies, childcare allowances*, paid leave based on shortened working hours for childcare*
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
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, group insurance, maternity protection measures, employee health checkups, EAPs, hospitalization consolation, serious illness consolation.





Benefit type	Item description
Convenient Measures	Staff dining room, parking space, breastfeeding 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	The first department store to offer COVID-19 vaccine incentives; three complete doses of NT\$2,500 were awarded (until 2023/3/19)
Confirmed case quarantine consolation money	NT\$2,000 for self-quarantine; NT\$1,000 for family member who tests positive for COVID-19 (until March 19, 2023)

Remarks \*Better than Act.

## Retirement Welfare

According to the Ministry of Labor's definition, Far Eastern SOGO currently employs 485 staff members of ages between 45 and 65 and five staff members over 65, together accounting for 37.55% of the total workforce. Among them, 394 employees have served for 20 years or more, and 55 have served for 30 years or more. Recognizing the experience and loyalty of these employees, Far Eastern SOGO has developed a senior-friendly work environment, including adding seminars on retirement financial planning to their Employee Assistance Programs (EAPs). Far Eastern SOGO also makes monthly contributions to employees' retirement funds as required by law, and employees can voluntarily contribute an additional 1% to 6% of their salaries.

Additionally, Far Eastern SOGO supports its partners in hiring older workers. For example, their security partner, ABV Security, obtained certification as a friendly employer for middle-aged and elderly individuals in 2023 from the Taipei City Government.




Pension system	Old System	NEW New System
Applicable law	Labor Standards Act	Labor Pension Act
Contribution method	5% of the employee's monthly gross salary is allocated	At the rate of 6% of the employee's monthly insured salary
Designated Fund Account	Bank of Taiwan Employee Retirement Reserve Account	Bureau of Labor Insurance employee personal accounts

## Promote DEI Policy and Establish Friendly Workplace

To encourage people to settle down and raise family members, Far Eastern SOGO has proposed legal or even better welfare measures in accordance with the Gender Equality in Employment Act and the Labor Standards Act, including maternity allowances, childcare reduced working hours leave, and maternity subsidies; the childcare allowance is NT\$10,000 per child. Families with newborns under one year of age can apply for the childcare allowance. This allowance is applicable to both male and female employees.

There are 118 employees in Taiwan stores taking care of children ages 0 - 6. The Hsinchu Store and Kaohsiung Store have collaborated with neighboring kindergartens to offer discounts on registration fees, teaching materials, and monthly fees. Negotiations are underway in Taipei and Taoyuan.



Category	Action Description
 Gender Equality Support Measures	<ul style="list-style-type: none"> <li>• Setup of nursery and breastfeeding rooms at the headquarters and each store (100% coverage)</li> <li>• Fee subsidy for female employees working at night</li> <li>• Parental leave, maternity protection measures</li> <li>• Appropriate adjustment to the job rotation of pregnant employees</li> <li>• Fair promotion and remuneration system</li> <li>• Equal ratio of male and female middle- and senior-level managers</li> </ul>
 Encouragement of marriage and childbirth	<ul style="list-style-type: none"> <li>• Maternity subsidy of NT\$5,000 (better than enterprises), with 20 applications in 2023</li> <li>• A childcare allowance of NT\$10,000 (better than the law), with 30 applications in 2023.</li> <li>• 80% of the reduced working time leave for infants (better than the law). There were four applications in 2023, with a total of 46 hours of leave.</li> <li>• "Wedding gold" NT\$8,000, which received 26 applications in 2023.</li> <li>• Children's education subsidy of NT\$1,000/year, with 320 applications in 2023.</li> </ul>
 Protecting the employment rights of people with disabilities	<ul style="list-style-type: none"> <li>• The head office signs a regular contract with a visually impaired massage therapist</li> <li>• Over-subscription in Hsinchu and Kaohsiung</li> </ul>





## Parenting Support Measures

In 2023, four female employees and three male employees applied for unpaid parental leave; the reinstatement rate from unpaid parental leave was 100%, and the annual retention rate after reinstatement was 83.33%. The shift system is often adopted in the service industry. Compared to other industries, this significantly affects the reinstatement of employees with new children and their long-term wishes. In 2023, Far Eastern SOGO began to adjust the shortened working hours of childcare leave from no pay to 80% pay.

Parental leave without pay statistics						
Year	2021		2022		2023	
Gender	Female	Male	Female	Male	Female	Male
Number of Employees Eligible for Parental Leave (A)	43	26	48	24	33	24
Number of Employees Applying for Unpaid Parental Leave (B)	14	0	11	3	4	3
Number of Employees Planning to be Reinstated in the Current Year (C)	14	0	9	0	1	2
Number of Employees Actually Reinstated (D)	8	0	6	0	1	2
Number of People Actually Reinstated Last Year (E)	14	0	8	0	6	0
Number of People Retained at Job Position 12 Months After Reinstatement (F)	9	N/A	7	N/A	5	N/A
Unpaid Parental Leave Application Rate=(B)/(A)	32.56%	0	22.92%	12.50%	12.12%	12.50%
Reinstatement Rate After Expiration of Unpaid Parental Leave=(D)/(C)	57.14%	0	66.67%	0	100%	100%
Retention Rate After One Year of Reinstatement=(F)/(E)	64.29%	N/A	87.5%	N/A	83.33%	N/A

### Remarks

1. Employees eligible for application of parental leave refer to those with children under the age of three years old; the number of employees applying for parental allowance in the past three years was calculated.
2. The number of people entitled to parental leave has been revised to the number of days of eligibility for the calculation of parental leave. Restated data for 2021 and 2022.

## Public welfare leave and Charity Points

Far Eastern SOGO employees are entitled to 10 hours of public welfare leave every year, and can apply for compensatory time off for engaging in public welfare activities during non-duty time. Far Eastern SOGO Volunteer Task is designed to encourage colleagues to participate in the public welfare activities organized by the Company. At the end of 2023, we invited colleagues to write a letter of encouragement to disadvantaged school children, lowering the threshold for participation and increasing colleagues' willingness to participate. In 2023, 73 individuals applied for a total of 189 instances of volunteer leave, amounting to 457.5 hours, all showing growth compared to the previous year.







## Employee Assistance Program EAPs

Far Eastern SOGO actively promotes Employee Assistance Programs (EAPs), where employees can seek assistance for various issues such as work adaptation, interpersonal relationships, marriage, family caregiving, health, and legal matters. Throughout the year, there were 135 consultations, marking a 44% increase compared to the previous year. At the same time, 49 EAPs-themed lectures and 58 ESG and workplace health-related courses were held in various stores, which were attended by 3,600 people across Taiwan, twice the number of people in the previous year.

In addition, all Far Eastern SOGO stores across Taiwan have received subsidies from the Ministry of Labor's "Work-Life Balance Subsidy," which are used for family-friendly initiatives or employee stress relief programs. The Hsinchu Store has also received additional subsidies from the Ministry of Labor's Enterprise Human Resources Enhancement Program, enhancing both employee well-being and the Company's competitiveness.



The EAPs arranges courses on mind and body to help relieve the stress of employees.

## Labor-management communication

Far Eastern SOGO strengthens communication through multiple mechanisms and establishes good labor-management interaction. If there is a major change in the operation that affects employees, the Company will notify employees in compliance with the shortest notice period stipulated by the Labor Standards Act.

Complaint mailboxes have been set up in the HR Department and the Audit Office to ensure confidentiality and security. To uphold gender equality, Far Eastern SOGO has established a "Sexual Harassment Prevention and Handling Procedure," publicly announcing reporting channels via email and telephone. Cases are handled with a focus on protecting the privacy of those involved. In 2023, there were no reported incidents of sexual harassment.

Far Eastern SOGO holds quarterly labor-management meetings with representatives from all locations across Taiwan, totaling 23 members, which constitute 1.78% of the entire company. In 2023, they conducted 16 labor-management meetings and 16 occupational safety and health committee meetings. These meetings report on significant activities such as employee travel, health checks, personnel changes, promotional events, etc. Additionally, they disclose information regarding bonus distributions, analysis reports on abnormal findings in employee health checks, and workplace safety conditions.

Store	Date of 2023 Labor-Management Meeting and Occupational Safety and Health Committee
Headquarters, Taipei Stores (Zhongxiao Store, Fuxing Store and Dunhua Store), Tianmu Store	3/17, 6/27, 9/27, 12/25
Zhongli Store	3/10, 6/13, 9/11, 12/11
Hsinchu Store	3/30, 6/30, 9/22, 12/22
Kaohsiung Store	3/27, 6/26, 9/28, 12/28

## Employee Satisfaction

Since 2020, Far Eastern SOGO has initiated a five-year project called the "Vision Project" to understand employee satisfaction with various policies, measures, and benefits, as well as their understanding of company policies. They have commissioned a consulting firm to conduct employee opinion surveys as part of this initiative. In early 2024, Far Eastern SOGO conducted the "2023 Employee Satisfaction and Sustainability Perception Survey," collecting 1,214 completed questionnaires with a response rate of 95%. The survey measured three main dimensions: enterprise importance, environmental satisfaction, and personal motivation. It analyzed employee engagement, including factors like happiness, loyalty, and the employee Net Promoter Score (eNPS). The eNPS improved by 5.6 points to -25.6 compared to the previous year. The percentage of employees emphasizing the performance and bonus system increased to 58.9%, and the importance of workload rose to 14.58%. Additionally, 72.9% of employees expressed pride in being a part of Far Eastern SOGO, with many of these respondents having been with the company for over five years.

Based on the survey results, Far Eastern SOGO designed workshops to listen to employee feedback, which was used as a reference for formulating strategies to continuously deepen the reform programs in three aspects: improving employees' health and happiness, digital empowerment, and strengthening executive leadership and communication. The goal is to achieve eNPS positive value by 2025 with the ratio of promoters greater than critics.

### Top three employees deemed important and satisfied (least difference between importance and satisfaction)



#### Corporate Driving Force

- ▶ Company focusing on ESG responsibility
- ▶ Company has excellent employer brand power and reputation
- ▶ The Company often communicates the vision and mission to employees\*

Remarks Some\* indicated that they will not be on the list in 2022.



#### Environmental Driving Force

- ▶ Good teamwork across departments\*
- ▶ The Company regularly organizes learning courses on leadership and communication\*
- ▶ The Company advocates the use of data for insight and decision-making\*



#### Personal Driving Force

- ▶ Continue to learn new things at work
- ▶ The Company has the concept of setting goals
- ▶ The Company provides a sound welfare system







## 4.3 Professional Training

### 4.3.1 Employee Training

GRI 404-1 GRI 404-2 GRI 403-5

#### Education and Training

Far Eastern SOGO plans courses for different departments and job levels, including orientation courses, functional courses, management courses, and growth courses. In 2023, more than NT\$15.24 million was invested in education and training, an increase of 128% from 2022; the average training cost per person was NT\$11,681.8, an increase of 129% from 2022.

Education and Training Content	
Orientation Training	Administrative and sales units implement two-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 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	"Bottoms-up!" reverse mentoring course, content not limited

Number of Trainees of Education and Training and Investment Amount						
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Course count	239		310		424	
Number of trainees	4,675		6,581		9,048	
Number of trainees	1,357		1,268		1,444	
Total number of employees	436	935	424	891	433	872
Average Training Hours for Senior Executives	1.81	2.10	7.63	9.82	20.75	27.95
Average Training Hours for Mid-level Executives	5.26	4.96	18.73	15.54	28.59	27.94
Average Training Hours of Professionals	7.56	6.87	10.56	10.44	14.74	16.29
Average Training Hours Per Person	6.95	6.63	12.11	10.94	17.85	17.64
	6.73		11.32		17.74	
Total Amount invested (NT\$)	2,750,000		6,690,513		15,244,792	
Average training cost per person (NT\$)	2,005.8		5,087.8		11681.8	

#### Remarks

1. Average training course per person = Total investment amount / Total number of employees.
2. The total investment in 2023 was added to the "actual implementation items in 2023 in the 2022 accounts" of NT\$2,534,031.
3. 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.
4. Correct the number of trainees and the number of trainees in 2021 and 2022, which are counted in the number of intern training hours.





List of Numbers of Trainees of Various Courses			Unit: Person
Course Type/Year	2021	2022	2023
Management and Leadership	51	331	716
Operational functions	470	941	370
Professional functions	819	2,692	1,500
Training projects	225	183	1,454
Basic education	547	461	727
Development and Learning	1,011	1,046	1,798
Information security	-	-	58
Sustainability Related	-	-	384
Others	1,552	927	2,041
Total	4,675	6,581	9,048

Remarks 1. Other types include study group, home delivery and packaging education, new system education, health management and promotion, etc.  
2. Starting from 2023, independent statistics on the information security and sustainability courses.

## Enhanced Human Rights Awareness, Eradicate Sexual Harassment

In response to the #MeToo movement and the Taiwanese government's amendment of the "Gender Equality Three Laws," Far Eastern SOGO has strengthened employer awareness and responsibility in preventing sexual harassment. Far Eastern SOGO has prioritized sexual harassment as a critical issue, with a particular focus on "quid pro quo harassment." The government has empowered key roles and conducted training courses on sexual harassment prevention for supervisors in 2023 to enhance sensitivity to gender equality in the workplace. This training aims to ensure appropriate handling of related cases, actively manage complaints while prioritizing victims' safety and privacy, and prevent such incidents from occurring again. Approximately 120 employees, or about 9.21% of the workforce, have completed this training. In 2024, the scope will be expanded; the target is for all employees to complete the gender-friendly workplace course. In addition, the human rights policy was promoted in the new employee education and training course. A total of 189 employees completed the human rights course throughout the year.

## "Bottoms-up!" Reverse Mentoring Course

To establish young corporate culture, Far Eastern SOGO has developed "Reverse Mentoring" with a course called "Bottoms-up!" Give bottom-up meaning, expecting senior executives to absorb new knowledge with an open mind. Three events were held in 2023.



## Sustainable Education Internalization

According to a number of domestic and foreign studies, the "sustainability" of a brand affects consumers' willingness to purchase and young workers' willingness to take a job. Far Eastern SOGO hopes to enhance the sustainability knowledge of all its employees and bring about changes to the corporate culture.



Compulsory sustainability courses for all employees at the Manager level and above

Target	Course/Activity	Frequency	Description
New employees	Orientation training	January, April, June, August, October, December	In each newcomer course, half an hour is arranged to introduce the basics of sustainability and corporate sustainability. In 2023, six sessions attended the training of 161 people.
All employees	Sustainability Knowledge Course	Irregular	New knowledge and the Company's sustainability policy are passed on, and registration is open for all employees. In 2023, a total of five courses were held with 158 participants.
All employees	Sustainability Prized Quiz Event	Once a year/end of the year	In 2023, a survey on sustainability literacy was conducted among all employees, achieving a participation rate of 87.5%, a significant increase from 47% in 2022. The average score was 95, indicating an enhanced sensitivity to sustainability among colleagues.
Managerial level and below	ESG Best Contribution Award and Innovative Proposal Award	Once a year/in the first half of the year	There is a reward mechanism to recognize teams or individuals with outstanding contributions to sustainability and encourage them to think further. In 2023, the Company solicited 20 sustainability achievements and 29 innovative proposals, with a maximum prize of NT\$20,000. A sustainability essay competition was also held, and 35 outstanding winners were awarded NT\$500 gift vouchers each. Winning proposals will be implemented as feasible.
Middle and senior executive, member of the ESG Committee	ESG meeting	Once a month on average	The participants are the heads of various departments, and external consultants or social innovation groups are invited to share the information from time to time. In 2023, a total of 211 people participated in 10 sessions, creating an innovative cooperation model that combines commerce and sustainability many times.
Director, managerial officer and above	Enhance sustainability group awareness	Three times per year	Since 2023, following the practice of listed companies, directors at Far Eastern SOGO have undergone six hours of annual training focusing on corporate sustainable development. The courses are mandatory for executives and above, including those at headquarters and all stores, with the chairman personally attending. The first session featured authoritative instructors in the environmental, social, and governance (ESG) fields, achieving an impressive attendance rate of 87%. This initiative aims to cultivate a habit among executives to stay informed about sustainable trends and integrate these concepts back into their departments.





## TTQS Talent Quality-management System

In order to ensure that the operational strategy is truly integrated with the human resources policy and to strengthen the organizational competitiveness, Far Eastern SOGO implements the "Talent quality management System" (TTQS), which establishes institutionalized education and training through 19 indicators on five major aspects. All stores in Taiwan passed the evaluation.

### Evaluation Results by Store

Headquarters, three stores in Taipei

(2021-2023)

Qualified

Tianmu Store

(2021-2023)

Qualified

Zhongli Store

(2021-2023)

Qualified

Hsinchu Store

(2022-2024)

Bronze Medal

Kaohsiung Store

(2021-2025/11)

Bronze Medal



## 4.3.2 External Talent Cultivation

### Industry-academia Collaboration

Since 2015, Far Eastern SOGO has been recruiting interns. In 2023, they expanded their collaboration to 15 universities, an increase from seven universities in 2022. They conducted multiple campus recruitment seminars, offering positions in business units, customer service, and administrative departments, with a total of 50 interns reporting for duty. The ratio of interns under the industry-academia collaboration program in 2022 who transformed into official employees in 2023 was 26%.

#### Partner Schools

1	National Chengchi University	8	Asia Eastern University of Science and Technology
2	National United University	9	Hsing Wu University
3	Tamkang University	10	Tungnan University
4	Shih Chien University	11	Chung Hua University
5	Ming Chuan University	12	China University of Technology
6	Taipei City University of Science and Technology	13	Minghsin University of Science and Technology
7	Takming University of Science and Technology	14	Yuanpei University of Medical Technology
		15	Hsuan Chuang University

## 4.3.3 Career Development

GRI 404-3

Far Eastern SOGO identifies potential talent through real-time two-way communication and annual performance interview, gives them a stage for development, and cultivates required skills. The year-end evaluation items include performance achievement rate, customer service satisfaction, professional function performance, and attendance performance. The management team has another management function performance evaluation item that serves as a reference for bonuses and promotions. In 2023, excluding people with physical or mental disabilities who were hired on special hire, and regular labor hired for colleague childcare leave, who were not subject to appraisal, and the appraisal rate was 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





## Boutique Staff Training

For new employees at counters who are not hired directly, depending on the size of each base, Far Eastern SOGO organizes educational trainings every one to three weeks to introduce service spirit, store facilities, and safety protection mechanisms. For customer complaint cases, strengthen education on a case-by-case basis. Arranges service procedures and system operation education and training from time to time.

Zhongxiao Store	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Number of employees requiring training
	Long-term dispatch education	Instructions to long-term dispatch personnel	614	90%	684
	Boutique account affairs enhanced education	Boutique account affairs enhanced course	630	88%	713
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	440	91%	481
	Occupational safety and health education	AED+CPR First Aid Training for All Employees	51	81%	63
	Occupational safety and health education	Descending machine hands-on course	500	93%	536

Tianmu Store	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Number of employees requiring training
	Long-term dispatch education	Instructions to long-term dispatch personnel	275	96%	286
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	316	97%	326
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	293	99%	296
	Advocacy courses	Green Department Store	302	96%	313

Hsinchu Store	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Number of employees requiring training
	Long-term dispatch education	Instructions to long-term dispatch personnel	447	95%	473
	Boutique account affairs enhanced education	Boutique account affairs enhanced course	199	82%	242
	Educational inventory	Year-end inventory considerations	25	93%	27
	Occupational safety and health education	AED+CPR First Aid Training for All Employees	370	90%	410
	Occupational safety and health education	Fire safety educational promotion	40	74%	54
	Occupational safety and health education	Smoke escape experience & earthquake disaster prevention knowledge promotion	416	99%	420
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	367	94%	391
	Service Evaluation	Establishment of a basic service mentality	370	97%	383

Fuxing Store (including Dunhua Store)	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Number of employees requiring training
	Long-term dispatch education	Instructions to long-term dispatch personnel	610	85%	721
	Boutique account affairs enhanced education	Boutique account affairs enhanced course	489	82%	600
	Long-term dispatch follow education	Customer response skills & how to win customer's trust	270	85%	319
	Occupational safety and health education	AED+CPR First Aid Training for All Employees	42	81%	52
	Occupational safety and health education	Fire extinguisher/hydrant practical operation course	568	88%	643
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	394	90%	440

Zhongli Store	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Number of employees requiring training
	Long-term dispatch education	Instructions to long-term dispatch personnel	448	85%	524
	Occupational safety and health education	AED+CPR First Aid Training for All Employees	359	96%	374
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	367	94%	389
	Education for all employees	Anniversary sale education for all employees	358	89%	404

Kaohsiung Store	Category	Course Name	Number of trainees (persons)	Training acceptance ratio (%)	Number of employees requiring training
	Long-term dispatch education	Instructions to long-term dispatch personnel	123	91%	135
	Boutique account affairs enhanced education	Teaching of e-invoicing and one computer per counter	42	91%	46
	Boutique account affairs enhanced education	Credit card authorization and counterfeit card identification education	124	94%	132
	Boutique account affairs enhanced education	Cloud Invoicing Intensive Education Course	20	87%	23
	Occupational safety and health education	Seed Teaching on Fire-fighting Grouping in B1F Restaurant	13	68%	19
	Occupational safety and health education	Syri Ya's fire marshalling drill on 15F	5	100%	5
	Occupational safety and health education	AED+CPR First Aid Training for All Employees	157	90%	174





## 4.4 Occupational Safety and Health

### 4.4.1 Occupational Safety Management

GRI 403-1 GRI 403-2 GRI 403-4 GRI 403-8 GRI 403-9 GRI 403-10

Since Chairlady Ching-Wen Huang signed the "Occupational Safety and Health Policy" in 2017. The highest decision making unit is the "Occupational Safety and Health Committee", the Commissioner of the committee is the Administrative President, and the scope of management includes all working staff in the workplace of Far Eastern SOGO. The first level unit of Labor Safety Office is in charge of various matters and the promotion, management and tracking of projects.

Far Eastern SOGO has had no legally defined severe occupational accidents among its entire workforce. The company has been awarded the Taipei City Labor Safety Award for ten consecutive years, leading the retail and service industries. In 2023, it was recognized for its outstanding personnel.

Occupational Safety and Health Committee		2023 Operations	
Frequency of meetings		Frequency of meetings	
Once every 3 months		A total of 16 meetings were held in 2023	
Committee Member Composition		Committee member attendance rate	
Commissioner (Administrative President)	1 people	Commissioner (Administrative President)	100%
Occupational safety and health personnel	4 people	Occupational safety and health personnel	100%
Departmental Managers	23 people	Departmental Managers	98%
Medical care personnel	3 people	Medical care personnel	83%
Occupational safety and health related engineer and technician	3 people	Occupational safety and health related engineer and technician	83%
Labor representatives	23 people	Labor representatives	100%
Term of office			
Term for two years			
Meeting agenda		Material resolutions	
<ul style="list-style-type: none"> <li>Make recommendations for the occupational safety and health policies to be formulated by the employer.</li> <li>Coordinate and recommend the OH&amp;S management plan.</li> <li>Discuss the implementation plan for safety and health education and training.</li> <li>Discuss the operating environment monitoring plan, monitoring results, and actions taken.</li> <li>Discuss matters concerning health management, occupational disease prevention, and health promotion.</li> <li>Review various safety and health proposals.</li> <li>Discuss matters of self-inspection and the safety and health audit of business units.</li> <li>Review the preventive measures against hazards from machinery, equipment, raw materials, and materials.</li> <li>Discuss the investigation reports of occupational hazards.</li> <li>Evaluate on-site safety and health management performance.</li> <li>Discuss matters relating to the safety and health management of the work undertaken by the Company.</li> <li>Other matters related to occupational safety and health management.</li> </ul>		<ul style="list-style-type: none"> <li>Re-validate and review the ISO 45001 Occupational Safety and Health Management System of Zhongxiao Hall (2023-2026).</li> <li>All stores continued to acquire the certification of healthy workplace.</li> <li>Addition and revision of hazardous construction regulations.</li> <li>Organize AED+CPR first aid skills training for workers and obtain the Safe Place certification.</li> <li>In line with the country's relaxation of the COVID-19 policy, the mask wearing policy was canceled (the guidelines for adjustment of the mask requirement in SOGO stores on February 16, 2023); however, catering employees still wear masks according to the Food Safety and Health Act.</li> <li>Statutory semi-annual monitoring of the operating environment (CO2+illuminance)</li> <li>Safety inspection for large-scale activities such as Spring Festival and anniversaries before departure.</li> <li>Promotion of health promotion courses for all employees.</li> </ul>	

#### Remarks

- In 2023, there were 23 committee member labor representatives, including eight representatives in Taipei, five representatives in Taoyuan, five representatives in Hsinchu, and five representatives in Kaohsiung.
- The committee members will be elected by the management and labor representatives in addition to the ex-officio members at the labor-management meeting in March 2024.
- Attendance rate = Actual number of participations / Number of meetings convened.







## ISO 45001 Occupational Health and Safety Management

In 2020, Far Eastern SOGO initiated the Occupational Safety and Health System Verification Program and issued the "Occupational Safety and Health Code of Conduct." The Zhongxiao Store led among all department stores in Taiwan by obtaining ISO 45001:2018 certification for Occupational Health and Safety Management Systems, aligning with international standards. In 2023, they successfully renewed their certification, and all Taipei stores completed the implementation, continuing to adopt this standard across all locations and establish appropriate management practices.

Far Eastern SOGO occupational safety and health management covers all workers, including 1,305 employees, accounting for 12.49%, and 9,144 non-employees, accounting for 87.51%. 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". In the past five years, no significant occupational accidents occurred to the workers, and there were no work-related fatalities.



For the occupational safety and health policy, see "Sustainable Commitment and Policy" on the official website of Far Eastern SOGO ESG



Far Eastern SOGO actively prevents occupational accidents according to international standards.

### Implementation of ISO 45001 in All Far Eastern SOGO Stores

Taipei Zhongxiao Store

Qualified for certification

850 people

Taipei Fuxing Store  
(including Dunhua Store)

Completed introduction

231 people

Tianmu Store

Completed introduction

131 people

Zhongli Store

Hsinchu Store

Kaohsiung Store

Headquarters

With introduction of the standard as the goal, establish management items

ISO 45001 total coverage of 100%





## Occupational Safety Risk Management

Far Eastern SOGO establishes the management process according to the occupational safety incidents in three stages: “before the occurrence,” “at the time of the occurrence,” and “after the occurrence.” In 2023, there were no major occupational safety incidents at Far Eastern SOGO.

Occupational Safety and Health Management Process						
Before occurrence	Hazard identification	<ul style="list-style-type: none"><li>▶ Establish hazard identification awareness: The education and training courses on “Hazard Identification and Risk Assessment” are taught by internal occupational safety and health administrators.</li><li>▶ Routine communication: The labor safety office regularly publishes information in the daily morning meeting, which is read out by the sales management and department heads during the meeting.</li></ul>	During occurrence	Emergency response	<ul style="list-style-type: none"><li>▶ Employee right to withdrawal: According to the Occupational Safety and Health Act, workers are allowed to leave work conditions that they believe may lead to injury or illness through policies and procedures without disciplinary action.</li></ul>	After occurrence
	Risk assessment	<ul style="list-style-type: none"><li>▶ Workplace risk assessment: Once a year.</li><li>▶ Type of risk occurrence: Regular occurrence.</li><li>▶ Levels of participation in the assessment: department heads, non-management representatives, and specialists.</li></ul>				
	Project improvement	<ul style="list-style-type: none"><li>▶ Establish a management plan: Conduct annual audits and reviews, handle disaster drills, and track frequency/indicators.</li><li>▶ Establish contingency procedures: Resolution level.</li></ul>	Occupational safety reporting	<ul style="list-style-type: none"><li>▶ Report according to the procedure.</li><li>▶ Recipients of notification: Superiors within the organization, and units outside the organization (local labor inspection agencies).</li></ul>		
				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: accident category, risk category.</li></ul>	
				Review improvement	<ul style="list-style-type: none"><li>▶ Review the program.</li><li>▶ Improvement plan: Responsible unit and inspection frequency.</li></ul>	
				Effectiveness Tracking	<ul style="list-style-type: none"><li>▶ Program tracking results.</li><li>▶ Follow-up and closure: Re-evaluate the risk → return to the “risk assessment” stage, reduce the risk to an acceptable level → close case.</li></ul>	

### Project improvement result follow-up

Major Hazards in 2022	Improvements in 2023	2024 Improvement Goals
Risks caused by employees using unqualified elevators (malfunctions).	<p>Strengthen the promotion of occupational safety and health concepts (courses, morning meetings) and management measures (regular inspection, qualification standards)</p> <p>No employee used unqualified elevators.</p>	The goal is to keep the number of incidents to zero through multi-course promotion, on-site warnings, and on-site management.







## Occupational Safety and Health Management Outcome

In 2023, Far Eastern SOGO reported a severe disability rate of 81 and a disability frequency rate of 2.33, both of which increased compared to the previous two years. The main reason was three employees at the Hsinchu store collectively taking 199 days of sick leave due to work-related injuries. There were two incidents of falls, caused by distractions while going up and down stairs. Subsequent improvement measures included internal communication emphasizing safety precautions while using stairs and walking, prohibiting the use of mobile phones, and reducing conversations. There was one incident of injury caused by falling objects, attributed to single-person operations or unstable stacking of items. Follow-up measures involved requiring appropriate personal protective equipment (such as anti-slip gloves), conducting tasks with two people, using suitable assistive tools (such as hydraulic carts), and providing safety education on stable stacking methods.

		2021	2022	2023
Disabling severity rate (SR)	Far Eastern SOGO	6	10	81
	Average value in the industry	42		
Disabling Injury Frequency Rate (FR)	Far Eastern SOGO	0.38	0.38	2.33
	Average value in the industry	3.02		

### Remarks

1. Calculated according to the occupational safety indicators (based on one million work hours) specified by the Occupational Safety and Health Administration, Ministry of Labor. The relevant indicator formula is as follows:
2.  $SR = (\text{Number of days lost due to occupational injuries} \div \text{total work hours of the gender or region}) \times 1,000,000$ .
3.  $FR = (\text{Number of occupational injury cases} \div \text{total work hours of the gender or region}) \times 1,000,000$ .
4. The industry average is based on the "Total Injury Index for the Previous Three Industries by Industry" published by the Occupational Safety and Health Administration, Ministry of Labor on January 25, 2024.
5. The calculation method is consistent with the industry sector, excluding commuting traffic accidents.

In the department store retail industry, there are generally no concerns about direct exposure to high-risk factors. In 2023, Far Eastern SOGO reported zero cases of legally defined major occupational injuries and zero cases of occupational diseases diagnosed by occupational medicine physicians. However, there were six recordable occupational injuries, all of which involved falls or object strikes.

### Employee occupational injury statistics (by gender)

Year	2021		2022		2023	
Gender	Female	Male	Female	Male	Female	Male
Total number of employees	935	436	891	424	872	433
Number of fatalities and injuries	0		0		0	
Injury fatality rate	0		0		0	
Severe occupational injuries (excluding fatalities)	0		0		0	
Number of occupational injury for recording	1	0	1	0	6	0
Disabling Injury Incidence Rate (FR)	0.56	0	0.56	0	3.5	0
Disabling Injury Severity Rate (SR)	9	0	16	0	122	0

### Remarks

1. Statutory serious occupational injury is defined in Paragraph 2, Article 37 of the Occupational Safety and Health Act. Hospitalization is required in a disaster that involves three or more victims, or involving one or more victims.
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.
3. According to the occupational safety indicators, calculated based on the standard of millions of working hours, specified by the Occupational Safety and Health Administration, Ministry of Labor, the equations are as follows:
  - $FR = (\text{Number of occupational injury cases} \div \text{total work hours of the gender}) \times 1,000,000$
  - $SR = (\text{Number of days lost due to occupational injuries} \div \text{total work hours of the gender}) \times 1,000,000$





Employee Occupational Injury Statistics (Region)				
Region	Item	2021	2022	2023
Taipei	Disabling Injury Incidence Rate (FR)	0.57	0.55	1.68
	Disabling Injury Severity Rate (SR)	9	16	6
Taoyuan	Disabling Injury Incidence Rate (FR)	0	0	0
	Disabling Injury Severity Rate (SR)	0	0	0
Hsinchu	Disabling Injury Incidence Rate (FR)	0	0	9.28
	Disabling Injury Severity Rate (SR)	0	0	615
Kaohsiung	Disabling Injury Incidence Rate (FR)	0	0	0
	Disabling Injury Severity Rate (SR)	0	0	0

## Remarks

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 millions of working hours, specified by the Occupational Safety and Health Administration, Ministry of Labor, the equations are as follows:
  - FR = (Number of occupational injury cases ÷ total work hours of the region) × 1,000,000
  - SR = (Number of days lost due to occupational injuries ÷ total work hours of the region) × 1,000,000

## Labor Safety Implementation and Management of Partners

In 2023, the total number of non-employees of Far Eastern SOGO was 9,144 people. Based on the average annual total working hours of 2,007.6 laborers in Taiwan in 2022 as announced by the Ministry of Labor, the total working hours were 18,357,494.4 hours.

Far Eastern SOGO includes "sustainability clauses" in contracts with suppliers, explicitly ensuring the protection of labor rights and respecting principles of human rights in labor. In 2023, the Labor Safety Office collaborated with the Engineering Department and Legal Affairs Office to revise the contracting management procedures. They enhanced safety and health management items, stipulated penalties for violations, conducted risk assessments, implemented inspection and verification processes, provided hazard notifications, and established agreements with organized bodies. To accurately monitor the workplace health status of all workers, Far Eastern SOGO has begun to establish a non-employee occupational accident reporting mechanism. In 2023, there were no work-related injuries or statutory major occupational accidents among contractors and lessors.

For more labor rights clauses, please refer to "Sustainable Commitment and Policy" and "Happy Workplace Power" on the official website of Far Eastern SOGO ESG

Statistics on non-employee occupational injuries organized by gender		
Year	2023	
Gender	Female	Male
Total number of employees	7,082	2,062
Number of fatalities and injuries	0	
Injury fatality rate	0	
Serious occupational injuries (excluding fatalities)	0	
Number of occupational injury for recording	0	
Disabling Injury Incidence Rate (FR)	0	
Disabling Injury Severity Rate (SR)	0	








## 4.4.2 Employee Health Management

GRI 403-3 GRI 403-6 GRI 403-7

The Health Administration, Ministry of Health and Welfare, awarded Far Eastern SOGO the “Health Promotion Mark” in 2023, while the Sports Administration, Ministry of Education, once again bestowed upon it the “Sports Certification Enterprise”. The company is committed to providing employees with a work environment that allows them to stay physically and mentally healthy, and employees not directly employed are also entitled to the benefits of the majority of employees. Benefits include health checkups and travel discount plans, consultations with on-site physicians, health management courses, club activities, etc.

### Employee Health Examination

Since 2023, Far Eastern SOGO has increased the budget for employee health checkups and changed the implementation cycle to once every two years, which is better than the frequency of once every three to five years; health checkup discount for family members; for employees over 55 years old, cardiovascular, gastrointestinal, and cerebrovascular examinations have been added to the list, and the health risk grading system has been implemented.

Health Check Items for All Employees		Free Optional Health Check Items				
		#	General employee	Employees age 55 and above	Section level	Managerial level
Cardiovascular function test	Cancer prevention screening	1	Women - New Smear	Heart check	Charity Nasopharyngos cope	Cardiovascular and cerebrovascular diseases
Blood routine examination	Electrolyte	2	Female - HPV	Lung check	Lung-gutting nasopharyngos copy	Digestive tract
X-ray examination	Body fat distribution index	3	Lung cancer screening	Gynecology	Gynecology	Cardiovascular check
Liver function test	Physical examination	4	Bone protecting hormones	Painless gastroscopy	Digestive tract	Gynecology
Kidney function test	Hearing test	5	Liver and thyroid test	Cerebrovascular examination	Cerebrovascular examination	Backbone Mass Density Examination
Diabetes screening	Eye examination	6	Gastrointestinal cardiovascular system			
Urine routine examination	General examination					



### Health Promotion

The Labor Safety Office, in collaboration with the training units at each store, promotes employee health and safety education. This includes prevention of cardiovascular and musculoskeletal diseases, prevention of workplace violence, management of workplace emotional stress, risk management for supervisors, and practical disaster prevention for the department store industry. In 2023, they held 149 sessions throughout the year, with a total of 3,265 participants. For the top ten abnormal items in the health checkup results, occupational disease prevention and dynamic courses are planned, such as fat-burning aerobics, physicians contracted for labor health services, and nurses hired for labor health services to provide professional services such as health education and consultation.

SEQ	Project name	Ratio	SEQ	Project name	Ratio
1	Body weight	48.75%	6	Chest X-ray	19.86%
2	Diastolic blood pressure	27.00%	7	Low-density lipoprotein cholesterol	19.83%
3	Waist	25.45%	8	Hemoglobin	19.00%
4	Total cholesterol	24.01%	9	Triglycerides	17.32%
5	Creatinine	23.54%	10	Urinary occult blood	16.53%

### Prevention of Musculoskeletal Disorders

In the department store retail industry, there are no concerns about direct exposure to high-risk factors. However, it is common for employees to experience musculoskeletal discomfort from prolonged standing. Therefore, Far Eastern SOGO has established dedicated rest areas, provided safe and comfortable seating at each counter, and distributed adhesive patches during anniversary celebrations. The medical office offers health care services and periodically invites occupational safety and health promotion experts to provide education and awareness programs.

### On-site Medical Service

Each of Far Eastern SOGO's bases employs one to three full-time health service nurses, who provide a physician consultation every two months. 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.





# 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.



SDGs Corresponding in This Chapter



Advocating for DEI to reduce inequalities

"Children SO GOOD Role Model Selection"

Praise **23** one child with special circumstances **294,000** Scholarships

Care for disadvantaged children

"Children SO GOOD Christmas Wish" Dream Making Event  
Helped **1,213** Disadvantaged School Children's Dreams

Promoting Sustainable Eating

"Home Cooking Competition"

**191** person-times entrants reach **1.8 million**

Building a Sustainable Ecosystem

Joining with **517** External Units Organized **529** Social Engagement Activities

The value of the resources invested exceeds **NT\$50 million**

The number of beneficiaries exceeds **3.7 million**

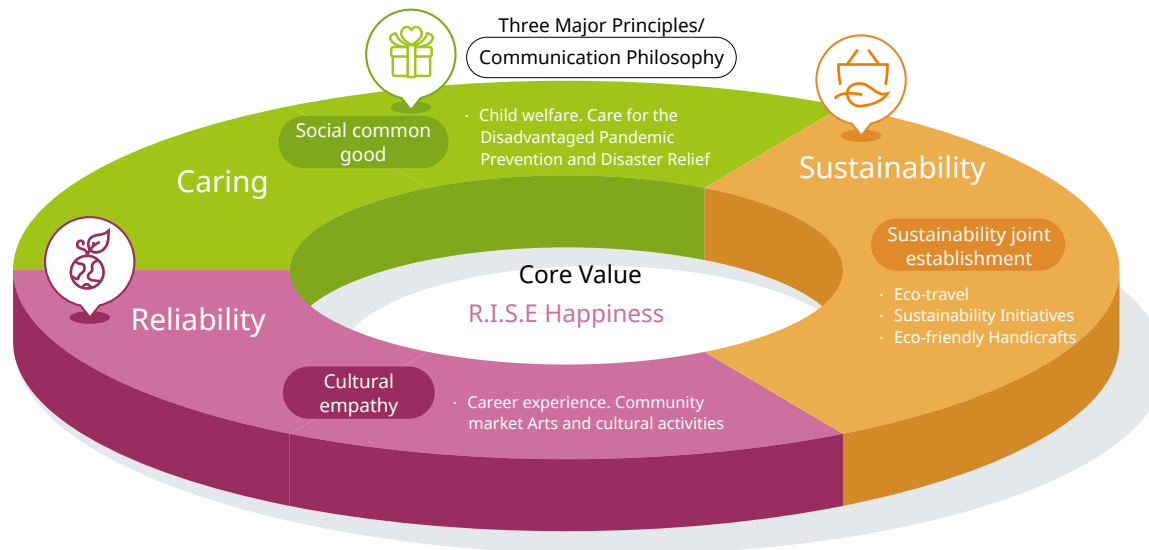




## 5.1 Social Common Good, Sustainability Joint Establishment, Cultural Empathy ▶

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 continues to invest in resources related to the three main aspects of “Caring, Sustainability, and Reliability” in order to implement social participation.

To effectively manage projects, Far Eastern SOGO refers to various international social impact assessment frameworks to check the effectiveness of activities and optimize the activity methods. It also uses the B4SI (Business for Social Impact Framework) framework to quantify the input and output, and to improve the efficiency of resource allocation. In line with the headquarters’ sustainability policy, we strive to achieve net zero through environmental education and deepen community connections. Each year’s activities focus from charitable donations (for social good) to sustainable co-creation and cultural empathy. The allocation of resources towards these initiatives has significantly increased.

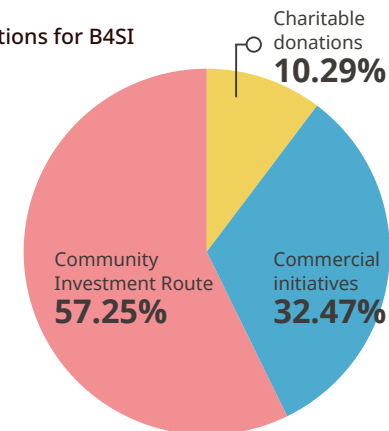


2023 Effectiveness	
<b>Social common good</b>	
Resource investment (NT\$)	4,963,943
Ratio	9.84%
Number of Beneficiaries	32,956
Number of Sessions	36
<b>Sustainability joint establishment</b>	
Resource investment (NT\$)	11,288,239
Ratio	22.38%
Number of Beneficiaries	266,311
Number of Sessions	94
<b>Cultural empathy</b>	
Resource investment (NT\$)	34,189,488
Ratio	67.78%
Number of Beneficiaries	3,406,050
Number of Sessions	399

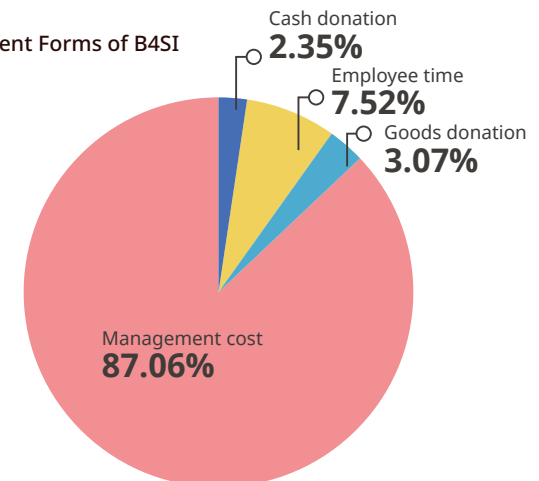
**Remarks**

1. According to the B4SI framework, resources will be invested in four forms: cash donations, in-kind donations, labor costs, and administrative expenses.
2. Labor cost is calculated based on the basic wage of NT\$176 per hour announced by the Ministry of Labor in 2023.

Three Motivations for B4SI



Four Investment Forms of B4SI















## 5.1.1 Sustainable Social Welfare Chain

Far Eastern SOGO donated and established the “Pacific Chongguang Culture and Education Foundation” and “Pacific Chongguang Social Welfare Foundation” in succession. It has long collaborated with cultural institutions, social welfare units, and schools and continues to accumulate resources to become a stable force for the promotion of culture, education, and public welfare. Three major events are held every year to support the flow of goodwill and to disclose the latest information through online communities.

Foundation	 <b>Pacific Chung-Kwang Foundation for Cultural and Educational Promotion</b>	 <b>Pacific Chung-Kwang Social Welfare Foundation</b>	
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	
Key Projects in 2023	The 4th Far Eastern SOGO Home Cooking Competition	The 32nd Children SO GOOD Christmas Wish	The 11th Children SO GOOD Role Model Selection and Recognition
Cooperating units	<div>Co-organizers</div> <ul style="list-style-type: none"> <li>• Far Eastern Group Yuan-Zu Hsu Memorial Foundation</li> <li>• Taiwan Health Foundation</li> <li>• Shangri-La's Far Eastern Plaza Hotel</li> </ul> <div>Sponsors</div> <ul style="list-style-type: none"> <li>• KUHN RIKON</li> <li>• Unilever</li> <li>• Swire Coca-Cola Taiwan</li> <li>• Thai Town Cuisine</li> <li>• SEN HE YUAN Restaurant</li> <li>• Tri-small Market</li> </ul> <div>Initiative Partners</div> <ul style="list-style-type: none"> <li>• Ubrand of United Daily News</li> <li>• Royal Copenhagen (Restaurant of Zhongxiao Store)</li> <li>• Shin Pu Yuan (Restaurant of Fuxing Store)</li> <li>• Amadeus (Restaurant of Fuxing Store)</li> <li>• EN Sushi &amp; Washoku (Restaurant of Dunhua Store)</li> </ul>	<div>Co-organizers</div> <ul style="list-style-type: none"> <li>• Taiwan Fund for Children and Families</li> <li>• Sunshine Social Welfare Foundation</li> <li>• Noordhoff Craniofacial Foundation</li> <li>• Taiwan Foundation for Rare Disorders</li> <li>• Taipei Women's Rescue Foundation</li> <li>• The Mustard Seed Mission</li> <li>• The Affiliated School for Students with Hearing Impairments of National University of Tainan</li> <li>• HAPPY GO Ding Ding Integrated Marketing Service Co., Ltd.</li> </ul>	<div>Co-organizers</div> <ul style="list-style-type: none"> <li>• Taiwan Fund for Children and Families</li> <li>• Sunshine Social Welfare Foundation</li> <li>• Noordhoff Craniofacial Foundation</li> <li>• Taiwan Foundation for Rare Disorders</li> <li>• HAPPY GO Ding Ding Integrated Marketing Service Co., Ltd.</li> </ul> <div>Sponsors</div> <ul style="list-style-type: none"> <li>• Youth of the future</li> <li>• Children of the future</li> </ul>





Foundation			 Pacific Chung-Kwang Foundation for Cultural and Educational Promotion	 Pacific Chung-Kwang Social Welfare Foundation	
Effectiveness of Project	Invested Resources	Cash donation	<ul style="list-style-type: none"><li>• Total prize money: NT\$430,000</li><li>• Donated NT\$100,000 to the Headwind Theatre Company</li></ul>	NA	Total prize money: NT\$294,000
		Goods donation	<ul style="list-style-type: none"><li>• 50 cooking bags, valued at NT\$20,000</li><li>• Over 200 gifts</li></ul>	<ul style="list-style-type: none"><li>• 1,315 gifts with an average price of NT\$600 and a total value of about NT\$789,000</li><li>• A refrigerator, NT\$22,900</li></ul>	<ul style="list-style-type: none"><li>• 39 gifts, including daily necessities and stationery.</li><li>• 300 cooking bags, valued at NT\$120,000.</li></ul>
		Labor cost	<ul style="list-style-type: none"><li>• Five full-time staff devoted a total of 640 hours</li><li>• 4 volunteers contributed a total of 64 hours</li></ul>	<ul style="list-style-type: none"><li>• Five full-time staff devoted a total of 300 hours</li><li>• 8 volunteers contributed a total of 16 hours</li></ul>	<ul style="list-style-type: none"><li>• Five full-time staff devoted a total of 750 hours</li><li>• 25 volunteers contributed a total of 37.5 hours</li></ul>
		Management expense	NT\$2,013,107	NT\$544,186	NT\$898,414
	Outputs		<ul style="list-style-type: none"><li>• 191 people completed the race, the highest ever</li><li>• 20 finalists, 9 winners</li><li>• Reached 1.8 million person-times</li><li>• 200 people participated in the fundraising project, and 800 cooking kits were made</li><li>• 90 people participated in the experience course</li><li>• Deliciousness again: Team up with 4 popular restaurants in the Department Store to sell the winning dishes of the 3rd year</li></ul>	<ul style="list-style-type: none"><li>• Over 1,300 people participated</li><li>• 1,316 disadvantaged school children received Christmas gifts</li></ul>	<ul style="list-style-type: none"><li>• 37 school children from 23 units recommended for registration and 23 role models were selected</li><li>• Awarded upward scholarship to 2 previous role models</li><li>• 2 institutions won the “Enthusiastic Protection Award”</li><li>• 2 elementary schools won the Sustainability Award and became Far Eastern SOGO Schools for Sustainability</li><li>• 64 winning entries and 5 group awards</li><li>• Touched 1.35 million person-times</li></ul>
	Influence		<ul style="list-style-type: none"><li>• Incorporate the concept of green catering into the supply chain management of department stores</li><li>• Create a sustainable ecological chain that influences upstream catering counters, leads colleagues to understand sustainable consumption, and drives downstream customers to participate in low-carbon diets</li><li>• Make cooperative restaurants aware that promoting low-carbon diets will facilitate revenue growth (increase in revenue per restaurant by more than NT\$230,000)</li><li>• Finalists believe that the event can enhance the awareness of sustainable diets (use of whole foods, eco-friendly lunch boxes, etc.)</li></ul>	<ul style="list-style-type: none"><li>• Year-end public welfare activities are held for many years to cultivate a stable public welfare customer base year by year</li><li>• Popular channels have become social welfare advocacy platforms to help co-operative social welfare organizations advocate related concepts: The Noordhoff Craniofacial Foundation recruits patients as volunteers to enhance their social self-confidence and advocate face equality; Family Support Center promotes Endless Generation on-site</li><li>• Drive a positive cycle of kindness in society</li></ul>	<ul style="list-style-type: none"><li>• Students gain self-confidence, receive recognition and affirmation</li><li>• Caregivers’ efforts pay off</li><li>• Social welfare organizations recommend individual cases to convey their ideas to the public</li><li>• Far Eastern SOGO employees write letters to show their concern for the young role models and feel the joy of helping others.</li><li>• Home teaching with volunteer visual arts teachers and donation of painting tools to accompany the youth to paint their future and dreams</li></ul>
Event website			 Far Eastern SOGO Home Cooking Competition 	 Children SO GOOD Christmas Wish 	 SOGO Role Model 





Youth Role Model Activity  
Building a Public Welfare Ecosystem with Success  
for a Decade

**Far Eastern SOGO promotes child welfare**  
**The Company was awarded the Model Award for Public Welfare Promotion by Global Views.**



Since 2011, Far Eastern SOGO Department Store and Pacific SOGO Social Welfare Foundation have organized the "Children SO GOOD Role Model Selection" to continuously improve children's welfare. We were recognized by the 2023 Global Views ESG Corporate Sustainability Award "Public Welfare Promotion Model Award".

Chairlady Huang stated that this is a story of trading time for space, and it is also a story that is happening to families with insufficient resources in invisible corners of Taiwan. "This award is not exclusive to Far Eastern SOGO; it is honored by unequal but always optimistic and progressive young role models, as well as by the frontline teachers and social workers who support them."



## 5.1.2 Social Participation and Event Outcome

In 2023, Far Eastern SOGO cooperated with 517 external unit(s), including charitable organizations, academic and research institutions, government agencies, and corporate brands. Together, they initiated 529 social engagement activities aimed at addressing various social issues. The total value of resources invested exceeded NT\$50 million, benefiting over 3.7 million people.

Far Eastern SOGO Social Engagement Outcome Statistics

Year	Number of Sessions	Number of participants	Number of Beneficiaries	Resource Investment Value (NT\$)	Partner (times)
2023	529	935,016	3,705,317	50,248,810	517
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

Remarks Starting from 2022, all input resources will be monetized according to the B4SI guidelines.

### [Caring]

#### Social Common Good

Far Eastern SOGO conveys the concept of common good in society on the care side. The implementation projects cover social welfare and children and disadvantaged care. In 2023, nearly NT\$5 million was invested and 36 activities were held, with 15,000 participations and 33,000 beneficiaries.

Encourage diversity and dare to dream

## Children SO GOOD Role Model



Corresponding SDGs



Project continuity

11<sup>th</sup> term

Total scholarship (NT\$)

3.83 million

Accumulated students receiving scholarships (person)

313

Number of people reached

7.48 million

Beneficiaries

Over 330 disadvantaged families, relatives and friends  
330 frontline social workers and teachers

Presidential Education Award

Promoted 49 winners  
(Domestic special student highest reward)







Encourage diversity and dare to dream

## Children SO GOOD Role Model

### Philosophy

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

### Resolution method

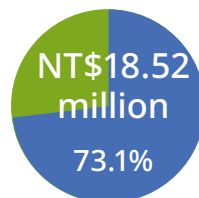
Awarding scholarships to solve short-term economic difficulties  
Public praise and giving us the courage to achieve the future

### Beneficiaries

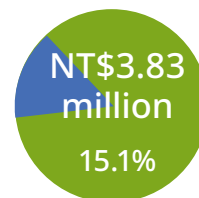
Vulnerable and special students, and their parents/teachers/social workers

### Cumulative Invested Resources

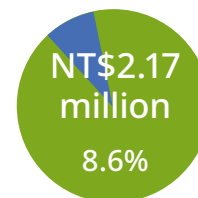
NT\$25.34 million in total



Management cost



Cash donation



Employee time



Goods donation

Since 2011, Far Eastern SOGO has organized the "Children SO GOOD Role Model Selection and Award Presentation", the sole disadvantaged children's role model selection event organized by a department store in Taiwan. Children up to the 6th grade who are underprivileged, ill, or facing special circumstances, yet continue to live with determination and demonstrate the value of life are eligible to participate. The goal is not to "select" but to establish positive role models. Over the years, 50 celebrities have been invited to participate, leveraging their influence to help secure resources for the children. Additionally, an "Enthusiastic Protection Award" is established to recognize the contributions of frontline teachers and social workers.

We will launch the event with "We Are All Alike - Breaking Inequalities!" in 2023. We advocate DEI, respect differences in life, eliminate discrimination, and discover the unique value of every school child. Among the 23 recognized children, who come from underprivileged backgrounds or suffer from rare diseases, severe hearing impairment, and other adversities, all have managed to overcome obstacles and pursue their passions, such as painting and swimming. Their dedication is truly inspiring.

To expand its impact and reach, Far Eastern SOGO for the first time invited all elementary school students to participate in an essay competition and provided its 10th-anniversary documentary as a free educational resource. This initiative encouraged teachers to lead students in thinking about how to eliminate inequalities in their daily lives. Additionally, they solicited sustainability proposals from the public. Ultimately, two elementary school teachers were selected for their proposals addressing local issues. They received the necessary funds and resources to implement their proposals and signed a memorandum of understanding with Far Eastern SOGO on behalf of their schools. Over the next year, they will work together to promote grassroots sustainability education.



Continuous care for disadvantaged school children to form a stable support force.



The two Elementary Schools selected for their proposal became the first sustainability campus schools of Far Eastern SOGO.



The Jury's Special Award for Children's Stories





### Engage both ends of an M-shaped society

## Children SO GOOD Christmas Wish

Project continuity

32<sup>nd</sup> term

Accumulated Number of Participants

42,000

Accumulated Number of People Benefiting Therefrom

30,000



Every year, Far Eastern SOGO calls on 1,000 consumers to make Christmas wishes come true for disadvantaged schoolchildren.



Chairlady Sophia Huang purchased a refrigerator with first-class energy efficiency to fulfill the dream of a role model for disadvantaged youth.

Far Eastern SOGO has built a public welfare platform for a long time to bring about dialogue between the two ends of the M-shaped society. "Children SO GOOD Christmas Wish" is the most well-known public welfare project of Far East SOGO. 31.2% of the public said they saw it while shopping and decided to claim their wish. This shows that Far Eastern SOGO has exerted the influence of its popularity channel to drive the public to pay attention to the child welfare issue. Far Eastern SOGO never restricts where gifts can be purchased. Less than 30% of gifts are purchased from SOGO. The event did not bring direct commercial benefits. Over 32 years, more than 42,000 people have helped over 30,000 underprivileged children fulfill their dreams.

In 2023, each Far Eastern SOGO store displayed 1,315 wish cards for disadvantaged school children. More than half of the participants claimed more than two at a time, and 67% took the initiative to add gifts. The satisfaction rate reached 78%; 76.6% agree that Far Eastern SOGO has social influence, and 99.7% said that Far Eastern SOGO has social influence, "We are willing to recommend friends and family to participate."

This time, in conjunction with the "Children SO GOOD Role Model", another annual charity event, we invite children to make wishes of any amount. Among them, Xiao Hao, a Taroko teenager, relies on low-income, disability, and social welfare subsidies as the family's main economic sources. Understanding and responsible, he has taken on the role of the family cook and wishes for a refrigerator to store food. Leveraging its core strengths, Far Eastern SOGO, a green department store, gifted him an eco-friendly appliance. They selected a first-tier energy-efficient refrigerator from SOGO Sustain, ensuring that its electricity consumption would not burden Xiao Hao's family, thereby extending the preservation of love and care.

Additionally, in response to the warm Christmas atmosphere, Far Eastern SOGO launched its year-end charity event through its app for the second year. Customers across Taiwan collectively donated 250,800 points, equivalent to NT\$75,240, to the Taiwan Fund for Children and Families' "Endless Generations" project. This project provides emergency assistance to underprivileged families and supports the development of talents in schoolchildren.

## [Sustainability]

### Sustainability Joint Establishment

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 2023, the company invested nearly NT\$11.3 million in organizing 94 sustainable co-creation events, engaging 200,000 participants and benefiting 260,000 people.



Food Education for All Green Diet

### Home Cooking Competition

Project continuity

4<sup>th</sup> term

Accumulated Number of Participants

687

Accumulated Number of People Benefiting Therefrom

73.72 million

Far Eastern SOGO has hosted the "Far Eastern Kitchen Master Competition" for 13 years, training nearly 2,000 culinary professionals in Taiwan. Since 2020, due to the pandemic affecting people's eating habits, the competition has transformed into a "home cooking competition" open to everyone, promoting self-cooking for healthy living. Through competing for large cash prizes, the event introduced international sustainability concepts and fostered food education for all. The number of participants has grown each year, with 191 people completing the competition in 2023, a 50% increase from 2022, marking the highest participation in its history.

The 2023 competition's theme remained "Net-Zero Green Living," promoting the reduction of plastic use, avoiding disposable tableware, and using local seasonal ingredients. The scoring criteria incorporated green dining concepts, such as "whole food utilization," to mitigate climate change and food crises. We invited restaurants to reinterpret the winning recipes for three consecutive years, encouraging more people to choose environmentally certified "green restaurants" and promoting green dining through the company's operations.



The home cooking competition promotes the use of whole foods and gives even non-experts a chance to stand out.



Chairlady Sophia Huang (right) donated NT\$100,000 and a gold medal cooking bag on behalf of Far Eastern SOGO to support at-risk youth of the Against Wind Theater in acquiring their skills.





## Parent-Child Activities Take root in sustainable education

Far Eastern SOGO is well aware of the importance of education and believes that sustainable thinking should be cultivated from an early age, and plans parent-child activities focusing on ecology and environmental protection. For example, when each store hosts a monthly birthday party on the ThanQ Club or organizes member activities, besides developing new items to bring interesting experiences, we also strive to educate through fun to convey the knowledge of sustainability. For the first time, the Tianmu Store rented Shih Lin 3 Hao Guang Chang to host a Mid-Autumn Low-Carbon Picnic Day, breaking the stereotype of traditional Mid-Autumn barbecues and advocating for source reduction. They collaborated with snack, beverage, and eco-friendly lunchbox brands, inviting local middle and elementary school orchestras to perform, enhancing community interaction. The event attracted hundreds of participants.



In Tianmu Store, eco-friendly pulp made from recycled diapers is filled into molds and seeds to make plants.



The Green Department Store led everyone to experience Mid-Autumn Festival fun in ways other than barbecue.

## [Reliability]

### Cultural Empathy

There are more than 3,000 boutiques in all business locations of Far Eastern SOGO, 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 2023, the Company invested NT\$34.18 million and organized 399 sessions of cultural empathy events, and more than 720 thousand people participated in the events, with 3.4 million people benefiting from the events.

## Little Professional Experience Camp

In addition to the highly anticipated "Little Customer Service Kawaii Experience Camp," which sells out immediately upon registration every year, each store leverages the department store's advantages to offer various professional experience activities. These activities encourage children to develop diverse skills and respect different professions. For example, the Tianmu Store collaborated with the Taipei City Government Women and Children's Police Force to offer the "Little Police Officer Experience," which attracted 300 participants over two days. Children practiced what they learned and influenced their peers to prioritize safety throughout the event.



The Tianmu Store's "Little Police Experience" promoted children's safety and self-protection.



The Hsinchu Store, for the first time, allowed the little customer service representatives to wear traditional Japanese yukatas, immersing them in rich Japanese culture.

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

Under the long-term efforts of the foundation and various departments, the latest Far Eastern SOGO customer satisfaction survey shows that 70% of consumers are satisfied with Far Eastern SOGO's overall performance in education, culture, and social welfare, with little change from the previous year.

Consumers expressed high satisfaction with Far Eastern SOGO's integration with local business districts or communities, providing venues and services for public welfare promotion, caring for the underprivileged, and hosting cultural and artistic activities. However, satisfaction with Far Eastern SOGO's volunteer activities and commitment to social and environmental care was below 70%. To improve awareness of and satisfaction with volunteer activities, Far Eastern SOGO plans to engage more with the community and expand volunteer recruitment. Additionally, satisfaction with Far Eastern SOGO's continued low-carbon or ecological conservation-related environmental education activities decreased by 10 percentage points from the previous year. To address this, Far Eastern SOGO will enhance the diversity of these activities to create a sense of novelty. The survey result has been submitted to the ESG Committee as the reference for optimization.





## 5.2 Sustainable Ecosystems ▶

Far Eastern SOGO is committed to low-carbon operations, advocates sustainable consumption, and works with upstream, mid-stream, and downstream stakeholders to create a sustainable ecosystem.

### 5.2.1 Largely Lead the Small to Empower Social Innovation and Smallholder Farmers

Far Eastern SOGO, which was the first domestic department store to host large-scale exhibitions for smallholder farmers and social innovation, has discovered new business opportunities and transformed shopping experiences. They not only provide sales channels but also maintain strict guidance mechanisms. From selecting merchants to providing shelf guidance to communication during and after exhibitions, they offer tailored coaching similar to consulting firms. These efforts integrate sustainable procurement goals and social participation projects, expanding from individual initiatives to a comprehensive sustainable supply chain. Their goal is to leverage their retail expertise to empower socially and environmentally friendly brands, fostering collaborations that benefit both large and small enterprises. They enhance their sustainable impact and promote the diffusion of innovative models through ecosystem development, supporting the healthy growth of smallholder farmers and startups.

For instance, in 2023, Far Eastern SOGO invested resources worth over NT\$2 million to collaborate with the Three Small Markets, gathering 23 small farmers from the Yunlin-Chiayi-Tainan area to create the "Local Wild Food Power: Spring Regional Products Exhibition." This initiative deepened with a "Home Cooking Competition," combining their expertise in food and agriculture to advocate sustainable eating habits. They also organized events to promote full food utilization and advocate for daily dietary strategies to address climate change and food waste crises. Far Eastern SOGO also engaged in social innovation procurement with the Three Small Markets, using their products as competition materials and VIP gifts, thereby increasing exposure for small farmers and introducing more consumers to sustainably cultivated agricultural products.

Far Eastern SOGO  
From production location to shelf life,  
social enterprises are empowered to  
build a sustainable ecosystem.



Far Eastern SOGO has transformed into a sustainable consumption platform and established itself as the leading brand in the department store small farmers' exhibition. This initiative not only generates revenue but also addresses social and environmental issues. Over the past six years, a rigorous merchant selection and guidance mechanism has empowered social innovation enterprises and cultivated a sustainable customer base that grows annually. This effort has benefited 1.62 million smallholder farmers and consumers.

### 5.2.2 International Days with Sustainability Initiative

To fulfill the corporate social responsibility of the popularity channel, Far Eastern SOGO connects with an international festival every month and launches an initiative to communicate with consumers through the Facebook fan page of each store and the LCD in the store. In 2023, Far Eastern SOGO proposed a total of 11 initiatives covering topics such as energy conservation, water saving, and Diversity, Equity, and Inclusion (DEI), reaching a total of 160,000 people. We also launched action plans to expand the network of suppliers. For example, on Earth Day in April, we turned off external wall lights at night to demonstrate our commitment to energy conservation and carbon reduction, urging the public to prioritize climate change issues.







## 5.3 Distinctive Sustainable Store ▶

### 5.3.0 Local Business

Department stores bring crowds and business opportunities to the surrounding areas, and are considered to be an important indicator of economic prosperity. Far Eastern SOGO is deeply rooted in local cultivation to promote co-integration and creativity in the community. Each store organizes special activities in accordance with the headquarters' sustainability strategy.

### 5.3.1 Taipei Eastern District Co-prosperity

As an indigenous resident of Eastern District, Far Eastern SOGO is committed to corporate social responsibility. In 2019, it established the "Taipei City Eastern District Business District Development Association" and planned the "Creativity, Innovation, Entrepreneurship, and Creation" strategy of gathering famous stores for five consecutive years and offering discounts. We also organized a lucky draw to extend the anniversary crowd to the business district in the Eastern District, generating one million visitors every year.

Far Eastern SOGO is also actively striving to revitalize the Eastern District, which gave rise to the "Eastern District Corridor Plan". Construction started in 2023 to work with the city government to reconstruct the corridor belt behind Zhongxiao Store, so that Far Eastern SOGO, a landmark in the Eastern District, can blend in with the community. After opening in 2024, the Taipei Dome Store will serve as a hub connecting the eastern and Xinyi business districts.

Project	Key points	Outcome and progress
Events	<ul style="list-style-type: none"> <li>2023/7/28 - 7/29 Eastern District Summer Party</li> <li>2023/11/10~11/21 Anniversary Celebration in Eastern District</li> <li>2023/12/22 Lighting ceremony in Eastern District (the mayor's lighting up)</li> </ul>	Benchmark large-scale special activities, attracting tens of thousands of people
Strive for construction	Eastern District Corridor Plan <ul style="list-style-type: none"> <li>Changed the purpose of use around the Zhongxiao Store to better meet the needs of the public.</li> <li>Build a corridor behind the Zhongxiao Store to become a large green recreational park for the public in eastern Taipei City.</li> </ul>	Construction began in 2023 and is expected to be completed in 2024.
	The ventilation shafts at the MRT station are updated to improve the urban appearance of the eastern community, especially Zhongxiao East Road, and to ensure that the facilities at the MRT station are not at risk from rainwater seepage.	On 2023/9/15, the case was requested to the city government for an inter-bureau meeting, and the update was completed in December
	A crosswalk at Zhongxiao Fuxing Intersection enhances the safety and efficiency of pedestrians traveling at this transportation hub.	The trial will continue in September 2023, and we are striving to set up zebra crossings.
	Newly designed tachometer (Lane 49, Zhongxiao East Road), convenient for community residents and safe for road use.	Completed in 2023







## 5.3.2 Each Store Entering Community and Transforming into an Influential Site

All Far Eastern SOGO locations in Taiwan have opened up public space in their venues to provide local stages and popular channels into influence bases, working together with stakeholders to practice common good in society.

The Taipei Stores (Zhongxiao Store, Fuxing Store, Dunhua Store) were lit up in the eastern business district.

In 2023, after a hiatus of 23 years, the Taipei City Government once again secured hosting rights for the Taiwan Lantern Festival. The East District, including Far Eastern SOGO, played a critical role as a major exhibition area. Far Eastern SOGO provided a venue in response to the city government's concept of an open-air art gallery. In front of the Zhongxiao Store, there was a large inflatable rabbit installation, while the front plaza of the Fuxing Store featured a nearly 12-meter-high giant rabbit, symbolizing a gateway to limitless imagination. During the Lantern Festival, Far Eastern SOGO also launched customer engagement activities such as check-in rewards with food discount coupons, assisting in promotion efforts, and receiving a commendation from the Taipei City Government.

The Zhongxiao Store, catering to a diverse clientele, hosted several thematic events for families. These included interactive exhibitions featuring American children's literature author Eric Carle, a railway-themed exhibition, and collaborations with unrelated businesses like the JOJOZOO PARK in Nantou to create a "Dinosaur Exploration Park." Collaborations with institutions such as the National Museum of Marine Science and Technology, Taipei Astronomical Museum, National Taiwan Science Education Center, and National Taiwan Museum aim to educate families on concepts like environmental protection, sustainability, and conservation.

The Fuxing Store focused on promoting sustainable fashion, partnering with "Far Eastern New Century" to host the "Innovative Green Textile Technology Exhibition" on the 9th floor atrium. They also collaborated with the Council of Indigenous Peoples to launch the "Indigenous Goodies Concept Store," introducing high-quality cultural and agricultural products to urban residents. At the Dunhua Store, which targets high-end shoppers, initiatives included a second-hand clothing collection to promote resource recycling. Over two days, they collected 1,520 kilograms of high-quality second-hand clothing in excellent condition, and donated it to the Eden Social Welfare Foundation for reuse.



"Future shuttle - Through the Rabbit Hole" at the Fuxing Store of the Taipei Lantern Festival



The "Farmer's Experience" at Tianmu Store allowed urban children to experience crop harvesting and planting.

### Tianmu Store The No. 1 Green Department Store in Taiwan

The Tianmu store leveraged its advantage as the first in Taiwan to recognize green procurement amounts, opening B2B channels while continuing to engage consumers on sustainability issues. It guides consumers in practicing a green lifestyle across all aspects of food, clothing, housing, and transportation. For example, we have negotiated cooperation with the Industry Development Bureau of Taipei City Government and the Beitou District Farmers' Association to promote seasonal flowers from local flower farms in nearby areas; we have assembled various creative handicraft markets to promote exchange between local people and stallholders; we continue to develop Local events such as the Tianmu Store's Halloween Parade, which attracted 10,000 people.





## Zhongli Store Popularity Indicators in Liuhe Commercial District

The Zhongli Store is the only large department store in the area and an important fashion distribution center in the Liuhe commercial area. To celebrate its 25th anniversary in 2023, a five-story series of activities, including customer engagement, public welfare care, co-prosperity with the business district, brand collaboration, and employee appreciation, was held to deepen the Zhongli Store, and strengthen local connections. The Zhongli Store also promotes sustainable issues through event curation, such as inviting the leader in the field of food prototyping, Mr. Kuo Chih-Chung, to hold the "Taiwan Cuisine Food Model Exhibition" to advocate the connection between a sustainable diet and Taiwanese culture.



"We Sew Good Deeds Together and Spread Love Far Away" at Zhongli Store, inviting consumers to help African girls by sewing cotton sanitary pads.

## Hsinchu Store: Peach and Bamboo Seedlings Favorite

The Hsinchu Store combines a department store with a shopping mall to create a new retail format, closely connecting with citizens' daily lives. It has also become an important venue for parent-child education in the Taoyuan, Hsinchu, and Miaoli areas, cultivating children's interest in reading and language skills. In 2023, a special auditorium was further planned for four public welfare lectures. In April, we held the "Green Life Festival" and planned a series of activities to invite people to protect the earth, with more than 10,000 participants.



The Hsinchu Store and FTE Foundation collaborated on a special parent-child interaction exhibition to promote "parent-child reading together."

## Kaohsiung Store: A favorite local department store

The Kaohsiung Store operates under the business philosophy of "Cultivating the Locality, Fostering Friendship and the Common Good." Through various cross-disciplinary collaborations, we share resources, create a bigger platform for activities, and convey the local culture. In 2023, the Mobile Book Car Mobile Library was invited to visit the Sanduo shopping district in Port Metropolis three times to break down the barriers of library buildings, narrow the gap between urban and rural areas, and help eliminate education problems caused by the development of modern society. Organized three "Little Boss Markets" where children are invited to set up stalls to find new owners for their unused toys, books, and other items to preserve the value and recyclability of resources.



The Kaohsiung store has invited Fo Guang Shan to read a book with children outdoors.





# Appendix





# Appendix ▶

## Appendix 1. International Sustainability Disclosure Framework Comparison Table

### i. 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 the external checklist.

Statement of Use	GRI 1 Used	Applicable GRI Standards
During the period from January 1, 2023 to December 31, 2023, Far Eastern SOGO reported on the GRI standards	GRI 1: Foundation (2021)	N/A

### GRI 2: General Disclosures 2021

No.	Disclosure Indicator	Reference Chapter	Page No.	Omit/remark
2-1	Detailed Information of Organization	About this Report	5	
2-2	Entities Included in the Organization's Sustainability Reporting	About this Report	5	
2-3	Report Period, Frequency and Contact Person	About this Report	5	
2-4	Restatements of Information	2.1.2 Green Actions	64	Renumbered the plastic reduction amounts of supermarkets in 2021.
		2.2.3 Climate Change Risks and Opportunities Issue Management	78	Restated 2022 greenhouse gas emissions data.
		2.3.2 Energy Saving Measures and Effectiveness	83	The data of the Hsinchu store for 2021 and 2022 was restated.
		2.4.1 Water Resource Management Policy	86	Restated data on water consumption per unit floor area, and water consumption by visitors and employees per unit.
		4.2.2 Employee Welfare	112	Number of people entitled to parental leave. The data for 2021 and 2022 is restated.
		4.3.1 Employee Training	116	Corrected the number of trainees and person-times of education and training in 2021 and 2022.
2-5	External Guarantee/Assurance	About this Report	5	Corrected the 2021 and 2022 data for the average education and training hours over the years.
2-6	Event, Value Chain and Other Business Relationship	1.5 Supply Chain Management	48	
2-7	Employees	4.1 Employee Profile	107	





No.	Disclosure Indicator	Reference Chapter	Page No.	Omit/remark
2-8	Non-employee Workers	4.1 Employee Profile 4.4 Occupational Safety and Health	107 120	Only voluntary reports from counters and contractors are disclosed; there have been no major statutory occupational accidents among all workers in the past five years.
2-9	External Guarantee/Assurance	1.1 Corporate Governance	28	
2-10	Event, Value Chain and Other Business Relationship	1.1.2 Board of Directors	28	
2-11	Employees	1.1.1 Organization Overview	28	
2-12	Governance Structure and Composition	1.1.3 Internal Control Mechanism	33	
2-13	Nomination and selection of the highest governance body	1.1.3 Internal Control Mechanism	33	
2-14	Chair of the Highest Governance Body	About this Report	5	
2-15	Role of the highest governance unit in supervising impact management	1.1.2 Board of Directors	28	
2-16	Responsible Person of Impact Management	1.1.2 Board of Directors	28	
2-17	Highest governance body's role in sustainability reporting	1.1.2 Board of Directors	28	
2-18	Conflict of Interest	1.1.2 Board of Directors	28	
2-19	Remuneration Policies	1.1.2 Board of Directors 4.2.1 Remuneration System	28 111	
2-20	Remuneration Determination Process	4.2.1 Remuneration System	111	
2-21	Annual Total Remuneration Ratio	4.2.1 Remuneration System	111	
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	6 107	
2-24	Incorporated into Policy and Commitment	II. About Far Eastern SOGO 1.0 Strategic Results and Planning 2.0 Strategic Results and Planning 4.0 Strategic Results and Planning	6 26 56 105	





No.	Disclosure Indicator	Reference Chapter	Page No.	Omit/remark
2-25	Remedial Procedure for Negative Impact	1.1.4 Ethical Management	34	
2-26	Mechanisms for seeking advice and raising concerns	1.1.2 Board of Directors	28	
2-27	Compliance with laws and regulations	1.1.4 Ethical Management	34	
2-28	Membership of Associations	1.1.2 Board of Directors	28	
2-29	Stakeholder Engagement Plan	About this Report III. Sustainable SOGO - Far Eastern SOGO 3.2.1 Customer Relationship Management and Communication 4.2.2 Employee Welfare	6 26 56 105	
2-30	Collective Bargaining Agreements	NA		The Company has no established labor union and has not signed any agreements.

## GRI Standards

No.	Disclosures of the GRI Standards	Corresponding Chapter	Corresponding Page Number	Omit/remark
GRI 3-1	Process for Determining Material Topics	Sustainability in Far Eastern SOGO	14	
GRI 3-2	List of Material Topics	Sustainability in Far Eastern SOGO	14	
Legal Compliance, Operational PerformanceOperating Performance, Corporate Governance, Climate Strategies and Actions				
GRI 3-3	Material Topic Management	1.0 Strategic Results and Planning	26	
GRI 2-27	Compliance with laws and regulations	1.1.4 Ethical Management	34	
GRI 201 Economic Performance (2016)	201-1 Direct Economic Value Generated and Distributed	1.2.2 Operational performanceOperating Performance	38	Total revenue NT\$49.66 billion
	201-2 Financial implications and other risks and opportunities due to climate change	2.2.2 Identification of Climate Change Risks and Opportunities	76	
	201-3 Defined benefit obligation and other retirement plans	4.2.2 Employee Welfare	112	
	201-4 Financial assistance from the government	1.2.2 Operational performanceOperating Performance	38	





No.	Disclosures of the GRI Standards	Corresponding Chapter	Corresponding Page Number	Omit/Remark
GRI 205 Anti-corruption (2016)	205-1 Operations Assessed for Risks Related to Corruption	1.1.4 Ethical Management	34	
	205-2 Communication and Training About Anti-Corruption Policies and Procedures	1.1.4 Ethical Management	34	
	205-3 Corruption Incidents Confirmed and Actions Taken	1.1.4 Ethical Management	34	
Energy Management				
GRI 3-3	Material Topic Management	2.0 Strategic Results and Planning	56	
GRI 302 Energy (2016)	302-1 Energy Consumption Within the Organization	2.3.2 Energy Saving Measures and Effectiveness	83	359,536.21 GJ
	302-3 Energy Intensity	2.3.2 Energy Saving Measures and Effectiveness	83	7.24 GJ/NT\$ million
	302-4 Reduction of Energy Consumption	2.3.2 Energy Saving Measures and Effectiveness	83	Energy savings 5524.58 GJ
Low-Carbon Operations, Climate Strategy and Actions, Greenhouse Gas Management				
GRI 3-3	Material Topic Management	2.0 Strategic Results and Planning	56	
GRI 305 Emissions (2016)	305-2 Energy Indirect (Scope 2) GHG Emissions	2.2.3 Climate Change Risks and Opportunities Issue Management	78	49,276 tCO <sub>2</sub> e
	305-4 Greenhouse Gas Emissions Intensity	2.2.3 Climate Change Risks and Opportunities Issue Management	78	0.99 tCO <sub>2</sub> e/NT\$ million
	305-5 Reduction of GHG Emissions	2.3.2 Energy Saving Measures and Effectiveness	83	760 tCO <sub>2</sub> e reduction equivalent to energy saving
Waste Resources and Regeneration				
GRI 3-3	Material Topic Management	2.0 Strategic Results and Planning	56	
GRI 306 Waste (2020)	306-1 Significant Waste Generation and Waste-Related Impacts	2.5.1 Waste Management Policy	88	
	306-2 Management of Significant Waste-related Impacts	2.5.1 Waste Management Policy	88	
	306-3 Waste Generated	2.5.2 Waste Generation Structure	89	
	306-4 Disposal and Transfer of Waste	2.5.2 Waste Generation Structure	89	
	306-5 Waste Directly Disposed of	2.5.2 Waste Generation Structure	89	





Employee Remuneration and Welfare				
GRI 3-3	Material Topic Management	4.0 Strategic Results and Planning	105	
GRI 401 Employment relations (2016)	401-1 Information on new employees and resigned employees	4.1.2 Employee Turnover	110	New employees of 150 people with new employment rate of 11.49%; resigned employees of 226 people, turnover rate of 17.32%
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	4.2.2 Employee Welfare	112	
	401-3 Parental leave	4.2.2 Employee Welfare	112	4 female employees and 3 male employees filed the application
Occupational Safety and Health				
GRI 3-3	Material Topic Management	4.0 Strategic Results and Planning	105	
GRI 403 Occupational Safety and Health (2018)	403-1 Occupational safety and health management system	4.4.1 Occupational Safety Management	120	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety Management	120	
	403-3 Occupational health services	4.4.2 Employee Health Management	125	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety Management	120	
	403-5 Worker training on occupational safety and health	4.3.1 Employee Training	116	
	403-6 Worker health promotion	4.4.2 Employee Health Management	125	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Employee Health Management	125	
	403-8 Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety Management	120	1,305 employees, accounting for 12.49%; 9,144 non-employees, accounting for 87.51%
	403-9 Work-related injuries	4.4.1 Occupational Safety Management	120	Disability injury severity rate of 81, severe injury frequency of 2.33
	403-10 Occupational disease	4.4.1 Occupational Safety Management	120	





Talent Retention and Development				
GRI 3-3	Material Topic Management	4.0 Strategic Results and Planning	105	
GRI 404 Training and Education (2016)	404-1 Average training hours per employee per year	4.3.1 Employee Training	116	17.71
	404-2 Programs for upgrading employee skills and transition assistance programs	4.3.1 Employee Training	116	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.3.3 Career Development	118	100%
GRI 405 Diversity and Equal Opportunity for Employees (2016)	405-1 Diversity of Governance Bodies and Employees	1.1.2 Board of Directors 4.1.1 Employee Formation and Distribution	28 107	
	405-2 Ratio of basic salary and remuneration of women to men	4.2.1 Remuneration System	111	Salary Executive 1:1.11 Medium level supervisors 1:0.97 Professional staff 1: 1.09 Salary Executive 1:1.01 Medium level supervisors 1:0.99 Professional staff 1: 1.10

## ii. Disclosure of the indicators of the Sustainability Accounting Standards Board (SASB): Multiline and Specialty Retailers & Distributors

Indicator No.	Disclosure Indicator	Corresponding Disclosure			Corresponding Chapter
Disclosure Topic: Energy Management in Retail & Distribution					
CG-MR-130a.1	(1) Total energy consumed (unit: GJ)	2021	2022	2023	2.3.2 Energy Saving Measures and Effectiveness
		353,961	361,550.3	359,536.21	
	(2) Percentage of grid electricity consumption (unit: %)	100%	100%	100%	
	(3) Percentage of renewable energy consumption (unit: %)	99.923%	99.942%	99.626%	





Indicator No.	Disclosure Indicator	Corresponding Disclosure			Corresponding Chapter
Disclosure Topic: Data Security					
CG-MR-230a.1	Describe how to identify and explain information security risks	<div><div>■ 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.</div><div>■ 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</div></div>			1.3 Information Security Protection
CG-MR-230a.2	(1) Number of data breaches	2021	2022	2023	
		0	0	1	
	▪ Percentage Involving Personal Data (PII) (unit: %)	0	0	100%	
	(1) Number of customers affected	0	0	1	
Disclosure Topic: Labor Conditions					
CG-MR-310a.1	(1) Average hourly earnings (Unit: local currency)	2021	2022	2023	4.2.1 Remuneration System
		189	193	201	
	(1) Percentage of in-store employees receiving the minimum wage (by region) (%)	0	0	0	
CG-MR-310a.2	(1) Replacement rate of in-store employees who left voluntarily (%)	15.97%	20.76%	17.24%	4.1.2 Employee Turnover
	(2) Replacement rate of in-store employees who left the Company involuntarily (unit: %)	0	2.25%	0.08%	
CG-MR-310a.3	Total amount of money lost as a result of lawsuits violating the Labor Standards Act (unit: local currency)	0	0	0	





Indicator No.	Disclosure Indicator		Corresponding Disclosure						Corresponding Chapter
Disclosure Topic: Workforce Diversity & Inclusion									
CG-MR-330a.1	Gender percentage of management and all other employees (unit: %)	Year	2021		2022		2023		4.1.1 Employee Formation and Distribution
		Gender/Level	Management	All Other Employees	Management	All Other Employees	Management	All Other Employees	
		Male	7%	24.8%	7.38%	24.87%	7.97%	25.21%	
		Female	7.5%	60.7%	7.52%	60.23%	7.74%	59.08%	
	Percentage of Various Race/Ethnic Groups in the Total Employees (Unit: %)		In 2023, there were 1,295 Han people, accounting for 99.23% of the total; 9 indigenous people and 1 non-local nationality, accounting for 0.77% in total; no special statistics for new residents						
CG-MR-330a.2	Total amount of money lost as a result of employee discrimination lawsuits (unit: local currency)	2021		2022		2023			
		0		0		0			
Disclosure Topic: Product Sourcing, Packaging & Marketing									
CG-MR-410a.1	Revenue from products certified to third-party sustainability standards (Unit: Local currency)		2021		2022		2023		
			-		-		-		
CG-MR-410a.2	Describe the process for identifying and managing risks posed by chemical substances in products		<div><div></div><div><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>Random inspections are carried out, and media news and government information are collected by designated personnel every day to keep abreast of the latest developments.</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></div></div>						3.1 Merchandise Safety Management
CG-MR-410a.3	Describe packaging strategies for reducing environmental impact		<div><div></div><div><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></div></div>						2.1 Green Marketing





Indicator No.	Disclosure Indicator	Corresponding Disclosure			Corresponding Chapter
Activity Metrics					
CG-MR-000.A	Number of operating locations (Number)	2021	2022	2023	1.2 Operation Performance
		7	7	7	
	Number of distribution centers (piece)	0	0	0	
CG-MR-000.B	Total area of operations (square meters)	393018.39	393018.39	393018.39	
	Total area of distribution centers (square meters)	0	0	0	

### iii. Task Force on Climate-Related Financial Disclosures (TCFD) Reference Table

Disclosure Core	Disclosure Item	Corresponding Chapter
Governance	(A) Describe the board's oversight of climate-related risks and opportunities	2.2 Climate Change Mitigation and Adaptation
	(B) Describe management's role in assessing and managing climate-related risks and opportunities	2.2 Climate Change Mitigation and Adaptation
Strategy	(A) Describe the short-, medium-, and long-term climate-related risks and opportunities identified by the organization	2.2.2 Identification of Climate Change Risks and Opportunities
	(B) Describe climate-related risks and opportunities that impact the organization's operational, strategic, and financial planning	2.2.1 Climate Change Management Strategy 2.2.2 Identification of Climate Change Risks and Opportunities
	(C) Describe the organization's strategic resilience, considering different climate-related scenarios (including 2°C or more severe scenarios)	2.2.3 Climate Change Risks and Opportunities Issue Management
Risk Management	(A) Describe the organization's climate-related risk identification and assessment process	2.2.2 Identification of Climate Change Risks and Opportunities
	(B) Describe the organization's climate-related risk management processes	2.2.3 Climate Change Risks and Opportunities Issue Management
	(C) Describe how the climate-related risk identification, assessment, and management processes are integrated into the organization's overall risk management system	2.2.3 Climate Change Risks and Opportunities Issue Management
Indicators and Goals	(A) Disclose the indicators used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process	2.2.3 Climate Change Risks and Opportunities Issue Management
	(B) Disclosure of Scope 1, Scope 2, and Scope 3 (where applicable) GHG emissions and related risks	2.2.3 Climate Change Risks and Opportunities Issue Management
	(C) Describe the objectives used by the organization to manage climate-related risks and opportunities, and the performance of implementation of the objectives	2.3 Energy Management





## 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 Composition and Distribution of the Workforce
	The elimination of discrimination in respect of employment and occupation.	4.1.1 Composition and Distribution of the Workforce
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 2023

##### NATURE AND SCOPE OF THE ASSURANCE

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 2023 (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 Standards and AA1000 Accountability Principles (2018) during assurance 2024/04/29–2024/05/30 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 (SASB).

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 2023 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 Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of assurance 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 organization's reporting practices and other organizational detail, GRI 3 2021 for organization'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.

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)

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##### 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 Standards (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) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

##### ASSURANCE METHODOLOGY

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

##### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures 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 assurance, 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 organization, its subsidiaries and stakeholders.

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

##### ASSURANCE / VERIFICATION OPINION

On the basis of the methodology described and the assurance 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 organization has chosen an appropriate level of assurance for this stage in their reporting.

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##### 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/financial institutions, suppliers, ESG 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 2023, 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 appropriate integration of relevant material topics.

Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao  
Business Assurance Director  
Taipei, Taiwan  
19 June, 2024  
[www.sgs.com](http://www.sgs.com)



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Keeping Up With the Times, Being Friendly with Common Good



SOGO ESG Official Website



SOGO Department Store ESG Sustainability Fan Page



SOGO Department Store Sustainability Report



SOGO Department Store Mobile App

*So good!*



This publication is printed with environmentally friendly soy ink and FSC Forest Stewardship Council certified paper. SOGO invites you to love the earth together.