

Taiwan FamilyMart Co., Ltd

Sustainable Development Best Practice Principles

Chapter 1 General Provisions

Article 1

These Principles are adopted in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" for the implementation of corporate social responsibilities, promotion of economic, environmental, and societal advancement to achieve sustainable development.

Article 2

These Principles are applicable to the Company and its group enterprises, including their entire business operations.

The Company shall actively fulfill its corporate social responsibility in the course of their business operations so as to follow international development trends. The Company shall contribute to the economic development of the country, to improve the quality of life of employees, the community and society, and to enhance competitive edges built on corporate responsibility.

Article 3

In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Article 4

To implement corporate social responsibility initiatives, the Company shall follow the principles below:

- I. Implement corporate governance.
- II. Develop a sustainable environment.
- III. Safeguard public welfare.
- IV. Enhance disclosure of corporate social responsibility information.

Article 5

The Company shall take into consideration the correlation between the development of domestic and foreign corporate social responsibility principles and corporate core

business operations, and the effect of the operation of the Company and of its group enterprises as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs.

Chapter 2 Implement Corporate Governance

Article 6

The Company shall adhere to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Code of Ethical Conduct for TWSE/TPEX Listed Companies to establish effective governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7

The board of directors of the Company shall exercise the due care of a good administrator and supervise the implementation of relevant CSR policies. They shall review the implementation progress from time to time and make continuous improvement to ensure the fulfillment of all CSR requirements.

The Company's board of directors shall give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:

- I. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
- II. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
- III. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint an executive management with responsibility for economic, environmental, and social issues resulting from the business operations, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

The Company is advised to periodically organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in Paragraph 2 of the preceding article.

Article 9

For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish a cross-departmental CSR Committee to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. In addition, employee performance evaluation system shall be combined with corporate social responsibility policies, and a clear and effective incentive and discipline system shall be established.

Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Develop a sustainable environment

Article 11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

The Company is advised to establish proper environment management systems based on the characteristics of its industry. Such systems shall include the following tasks:

- I. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
- II. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
- III. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

The Company shall a CSR Committee for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment education courses for managerial officers, employees, and franchises on a periodic basis.

Article 15

The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

- I. Reduce resource and energy consumption of their products and services.
- II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- III. Improve recyclability and reusability of raw materials or products.
- IV. Maximize the sustainability of renewable resources.
- V. Enhance the durability of products.
- VI. Improve efficiency of products and services.

Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- I. Direct greenhouse gas emissions: Emissions from operations that are owned or controlled by the company.
- II. Indirect greenhouse gas emissions: Emissions resulting from the generation of externally purchased or acquired electricity, heat, or steam.

The Company is advised to simultaneously monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.

Chapter 4 Safeguard public welfare

Article 18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- I. Presenting a corporate policy or statement on human rights.
- II. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
- III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- IV. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and

fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 19

The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.

Article 20

The Company shall provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

Article 21

The Company shall create a positive environment for employees' career development and establish an effective professional training plan. The Company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1

The Company shall treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good

faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company shall also develop the relevant strategies and specific measures for implementation.

Article 22.

The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. It shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 23.

The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of their industries. It shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 24.

The Company shall evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 25.

The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, the Company is advised to assess whether

there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the content shall include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 26.

The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company shall, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and government agencies participating in community development and community education to promote community development.

Chapter 5 Enhance disclosure of corporate social responsibility information

Article 27.

The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

- I. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
- II. The risks involved or influences on the business operation or financial status of the Company due to the implementation of corporate governance system, the development of sustainable environment, or the protection of public welfare, etc.
- III. The Company's objectives and measures for fulfilling the corporate social responsibility, and performance in implementation.
- IV. Major interested parties and the issues of concern.
- V. Disclosure of information on major suppliers' management and performance with

respect to major environmental and social issues.

VI. Other CSR-related information.

Article 28.

The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. The Company shall obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports shall include:

- I. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives.
- II. Major interested parties and the issues of concern.
- III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- IV. Improvement plans and targets in future.

Chapter 6 Miscellaneous

Article 29.

The Company's CSR policies are provided as Attachment 1 in these Principles.

Article 30.

The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve its corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 31.

These Principles shall take effect after the approval of the board of directors. The same applies to all subsequent amendments.

These Principles were established on December 18, 2015; 1st amendment made on December 16, 2016.

[Corporate Social Responsibility Best Practice Principles- Attachment 1]**Taiwan FamilyMart Co., Ltd
Corporate Social Responsibility Policies**

The Company upholds "joint growth" as its corporate value. While in pursuit of corporate growth, the Company never forgets its mission to fulfill corporate social responsibilities and its responsibilities to stakeholders, including shareholders, government, consumers, employees, suppliers, and the community.

Our Corporate Social Responsibility Policy is as follows:

I. Implement Corporate Governance

1. Provide educational training on corporate social responsibility on a regular basis.
2. Periodically evaluate CSR results and make continuous improvements.
3. Establish a reasonable salary remuneration policy, and establish an effective reward and disciplinary system.
4. Strictly adhere to laws, regulations, corporate ethics, and code of ethical conduct.

II. Develop a Sustainable Environment

1. Strive to improve the utilization of resources to reduce environmental load.
2. Comply with environmental laws and regulations, enforce environmental protection measures, and promote the sustainable development of our environment.
3. Take ecological impacts into consideration when performing operational activities to reduce the environmental impact.

III. Safeguard public welfare

1. Provide a safe and healthy workplace for employees and take responsibility for the maintenance of labor safety management.
2. Actively care for social disadvantaged groups and partake in social welfare services.
3. Establish any consumer protection mechanisms and complaint procedures.
4. Comply with applicable laws, regulations, and international guidelines in the marketing and labeling of products and services.

5. Work with suppliers to jointly implement the corporate social responsibility initiatives.

IV. Enhance information disclosure

1. Disclose important and reliable CSR-related information.
2. Disclose the adoption of corporate social responsibility.