

PCSC Human Rights Due Diligence

1. Human Rights Due Diligence



2. Risk Assessment and Mitigation Measures for Human Rights Issues

Focus of Concern	Issue of Concern	Identify Risk Source	Manage and Mitigate Risks	Audit/Monitoring Frequency
A. Employees	1. Providing a safe and supportive work environment and treating employees with dignity.	✓ Work-related injuries ✓ Occupational safety and health	1. Responsible departments are to conduct regular self-directed inspections to maintain workplace safety and health conditions. 2. The Occupational Safety Office are to conduct random monthly inspections of workplaces across all areas (stores, offices, business premises, laboratories, training classrooms).	1. Monthly 2. Periodically each month
	2. Prohibiting any unlawful discrimination, harassment, sexual harassment, workplace physical or psychological abuse, or intimidation. Providing a grievance mechanism and appropriately addressing all human rights violations.	✓ Workplace violence ✓ Harassment ✓ Sexual harassment ✓ Discrimination ✓ Human rights grievance mechanism	1. Promote training and awareness campaigns on “Preventing Workplace Illegal Acts” and “Preventing Discrimination and Sexual Harassment.” 2. Establish and implement, in accordance with the law, the “Prevention Plan for Physical and Mental Harm Suffered Due to Job Duties” and the “Measures for Preventing Sexual Harassment, Complaint Procedures, and Disciplinary Regulations,” and publicly display them in the workplace. 3. Establish a stakeholder communication section on the Company website and post grievance channels in offices and retail locations. 4. Promote store protection declaration.	1. Yearly 2.~4. Ongoing

Focus of Concern	Issue of Concern	Identify Risk Source	Manage and Mitigate Risks	Audit/Monitoring Frequency
	3. Prohibiting forced labor, human trafficking, and child labor.	<ul style="list-style-type: none"> ✓ Forced labor ✓ Involvement in human trafficking ✓ Illegal employment 	<ul style="list-style-type: none"> 1. Commission a third party to conduct labor condition audits at Company-operated stores to prevent violations of the law. 2. Promote human rights and the prohibition of forced labor on the Company's internal website. 3. No use of weapons or various forms of intimidation to recruit or traffic employees and forbid the hiring of children 15 years old or younger. 4. Inspect employee insurance coverage information (date of birth) to ensure that children are not being employed. 5. The Company requests any foreign national that it is considering to employ to provide legal employment permit documents and only hires them after legal status is confirmed. Regarding foreign nationals, the employment of which it intends to extend, the Company proactively applies for an extension of their employment permit prior to its expiration and reminds them to obtain a residence permit. 	<ul style="list-style-type: none"> 1. Yearly 2.~5. Ongoing
	4. Implementing diverse hiring practices in the workplace, ensuring equal employment opportunities, and establishing a diverse and inclusive workplace.	<ul style="list-style-type: none"> ✓ Unequal treatment when recruiting and promoting processes ✓ Fair remuneration 	<ul style="list-style-type: none"> 1. Prohibit employment discrimination on a continual basis on the Company's internal website. 2. Recruitment is open to all applicants. No differences in treatment shall be made in terms of employment conditions or benefits—including compensation, benefits, promotions, and salary adjustments—based on race, nationality, age, or disability. Equal pay is provided for equal work. 3. Prioritize hiring indigenous and new immigrant persons and ensure equal working conditions. 4. Employ persons with disabilities and indigenous persons in accordance with legally required quotas. 	Ongoing

Focus of Concern	Issue of Concern	Identify Risk Source	Manage and Mitigate Risks	Audit/Monitoring Frequency
	5. Providing diverse communication channels and freedom of association to foster a harmonious workplace environment.	<ul style="list-style-type: none"> ✓ Lack of diverse communication channels ✓ Possible lack of freedom to associate ✓ Possibly not allowed to participate in labor-management meetings or other meetings lawfully designated by workers 	<ul style="list-style-type: none"> 1. The labor union nominates employee representatives to convene regular labor-management meetings, facilitating direct dialogue on benefits and policies, employment conditions, workplace improvements, and initiatives to enhance labor-management cooperation. 2. Communication channels for feedback are specified in the work regulations and published on the internal website. 3. Posters detailing feedback channels are displayed on office bulletin boards. 	<ul style="list-style-type: none"> 1. Seasonally 2.-3. Ongoing
	6. Promoting the physical and mental well-being of colleagues, fostering work-life balance, and complying with applicable local laws and regulations.	<ul style="list-style-type: none"> ✓ Poor employee health ✓ Annual special leave ✓ Working overtime ✓ Possibly not receiving overtime pay 	<ul style="list-style-type: none"> 1. Implement a health management program by hiring nurses and contracted physicians to provide comprehensive health consultations and care on an ongoing basis. 2. Conduct employee health examinations in accordance with regulations, implement health anomaly management and employee wellness initiatives, and encourage employees to practice self-health management. 3. Offer diverse activities and overload prevention programs, promote Family Wednesday initiatives, and implement work-life balance measures. 4. For female employees engaged in work posing risks to maternal health, implement and enforce maternal health protection programs, providing nutritional guidelines and health reminders tailored to each stage of pregnancy. 5. The Company operates an organization called the “Happiness Cooperative” to provide timely care and assistance to employees. Professional counseling from licensed psychologists is also available to those in need. 	Ongoing

Focus of Concern	Issue of Concern	Identify Risk Source	Manage and Mitigate Risks	Audit/Monitoring Frequency
			6. Enhance attendance compliance and prevent overwork through the Store Attendance Incident Awareness online course and attendance system. 7. Establish a payroll system in accordance with statutory requirements, pay wages on time each month, and disclose monthly overtime and special leave hours on individual pay slips to ensure employees receive overtime pay and paid annual leave benefits.	
	7. Providing diverse communication channels to ensure stakeholder rights and interests.	✓ Lack of diverse communication channels	1. Establish a stakeholder communication section on the Company's official website. 2. Communication channel information is stated in the work regulations and published on the internal website. 3. Post posters detailing feedback channels on bulletin boards in offices and other locations.	Ongoing
B. Employees of merger and acquisition or joint venture counterparties.	1. Providing a safe and supportive work environment where employees are treated with dignity.	✓ Work-related injuries ✓ Occupational safety and health	Verify that the allocation of occupational safety personnel complies with legal requirements (including staffing levels, qualifications, certifications, and periodic retraining).	Launch surveys in conjunction with the emergence of new business opportunities.
	2. Prohibiting any illegal discrimination, harassment/sexual harassment, workplace violence, intimidation, providing a grievance mechanism, and properly	✓ Workplace violence ✓ Harassment ✓ Sexual harassment ✓ Discrimination ✓ Human rights grievance mechanism	Verify whether the Company has established procedures for handling workplace misconduct/sexual harassment/discrimination incidents and grievance mechanisms in accordance with the law and whether these are publicly posted on the Company's internal website for employee awareness.	Launch surveys in conjunction with the emergence of new business opportunities.

Focus of Concern	Issue of Concern	Identify Risk Source	Manage and Mitigate Risks	Audit/Monitoring Frequency
	addressing all human rights violations.			
	3. Prohibiting forced labor, human trafficking, and the use of child labor.	<ul style="list-style-type: none"> ✓ Forced labor ✓ Involvement in human trafficking ✓ Illegal employment 	Determine whether Company employees are illegally employed as child laborers.	Launch surveys in conjunction with the emergence of new business opportunities.
	4. Realizing workplace diversity, ensuring equal employment opportunities, and establishing a diverse and inclusive workplace.	<ul style="list-style-type: none"> ✓ Unequal treatment when recruiting and promoting processes ✓ Equal remuneration 	Review recruitment and hiring processes for employment discrimination.	Launch surveys in conjunction with the emergence of new business opportunities.
	5. Providing diverse communication channels and freedom of association to foster a harmonious workplace environment.	<ul style="list-style-type: none"> ✓ Lack of diverse communication channels ✓ Possible lack of freedom to associate ✓ Possibly not allowed to participate in labor-management meetings or other meetings lawfully designated by 	Determine whether labor-management meetings are held regularly.	Launch surveys in conjunction with the emergence of new business opportunities.

Focus of Concern	Issue of Concern	Identify Risk Source	Manage and Mitigate Risks	Audit/Monitoring Frequency
		workers		
	6. Promoting the physical and mental well-being of colleagues, fostering work-life balance, and complying with applicable local laws and regulations.	✓ Poor employee health ✓ Annual special leave ✓ Working overtime ✓ Possibly not receiving overtime pay	Ensure that the staffing or contracted arrangements for occupational health services comply with legal requirements. Conduct random checks to verify whether employee work schedules, overtime, and leave arrangements comply with legal requirements.	Launch surveys in conjunction with the emergence of new business opportunities.
	7. Providing diverse communication channels to ensure stakeholder rights and interests.	✓ Lack of diverse communication channels	Determine whether a grievance mechanism is available.	Launch surveys in conjunction with the emergence of new business opportunities.

3. Other Human Rights Concerns and Mitigation and Compensation Measures

Mitigation and compensation measures

Any violation of the aforementioned human rights risk items shall be investigated in accordance with the Company's internal regulations and the "PCSC and PCSC Subsidiaries' Code of Conduct for Third-Party Partners," including the nature of the violation and the impact on affected parties. Violators will be required to make improvements and face disciplinary actions or warnings in accordance with relevant Company operational guidelines. Affected parties will receive corresponding compensation measures, including but not limited to counseling services, restitution payments, and compensatory actions.