



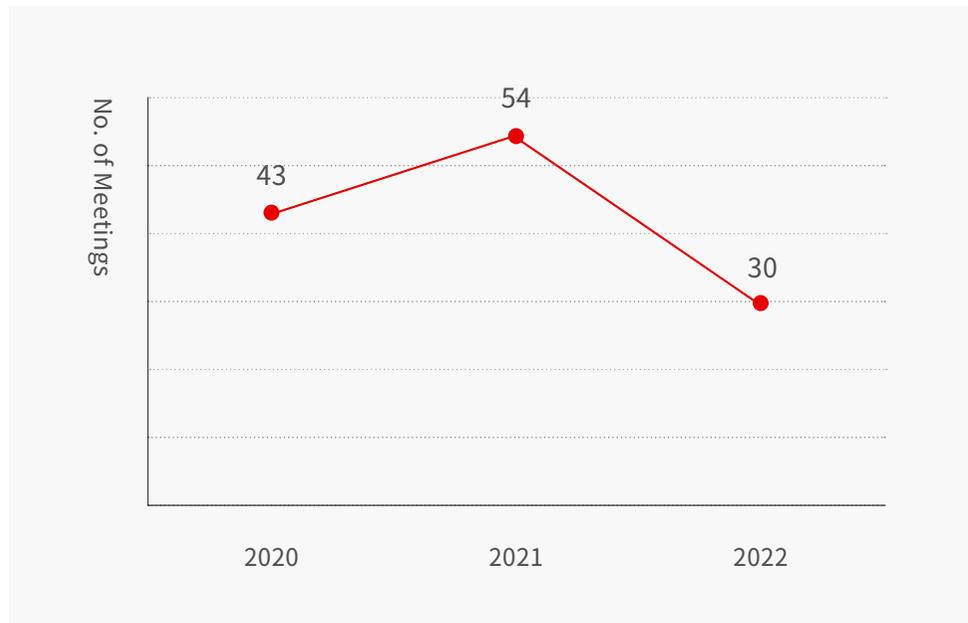
Feature Topic

Safety First : COVID-19 Management 3.0

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In the past three years, the COVID-19 pandemic has impacted our environment, economies, and societies around the world, changing the way we live in multiple aspects of our lives. Countries have strived to develop, adapt, and roll out transformation strategies in the face of inconveniences and challenges brought on by the COVID-19 pandemic. Department stores, an industry heavily focused on offline sales experiences, have been especially impacted in terms of business models. In 2022, we've had to endure the severe pandemic during the first half of the year and embrace borders opening and economic recovery in the second half of the year. Throughout this time, SKM has remained humble, active, and agile, integrating online and offline resources to create an ecosystem and venue where consumers, employees, and all stakeholders can feel safe and secure.

While the pandemic had already eased in Western countries, Taiwan experienced its peak of COVID-19 infections in 2022. In response to these severe challenges, SKM took no chances and established an interdepartmental COVID-19 Response Team in 2020 to swiftly address the evolving situation. The frequency of these meetings varied, from daily during the height of the pandemic to once every 14 days during more stable periods. Internally, SKM strictly adhered to the epidemic regulations set by the Central Epidemic Command Center, continuously adjusting the company's COVID-19 policies as needed. Externally, our objective was to create a safe and secure shopping environment, ensuring uninterrupted operations. Senior executives closely monitored the situation, devised strategies, and maintained business continuity throughout the pandemic.



Number of COVID-19 Response Team Meetings in the Past Three Years



COVID-19 Response Team: Three Years of Consistent Efforts

In response to the COVID-19 outbreak in January 2020, SKM fully complied with the government's COVID-19 measures. Led by the President, we established a COVID-19 Response Team, consisting of 16 senior executives from 16 departments. Together, we formulated a comprehensive and stringent epidemic prevention strategy that encompassed safety, operations, and logistics. This strategy aimed to safeguard the overall health and safety of SKM, maintain uninterrupted operations, and effectively manage financial risks. This included adhering to the guidelines and regulations set by the central and local governments regarding COVID-19 prevention for businesses, adjusting operating hours in department stores, implementing mask policies for entry and exit control, and installing partitions in dining areas. Internally, we also adopted measures to protect employees, such as providing vaccination insurance, implementing staggered work schedules, and zone segregation. Additionally, discussions and regulations were promptly established to address extended issues, such as relief packages and rent reductions for tenants. These measures allowed us to respond quickly and effectively to the evolving pandemic situation.

Office of the President	Assist the president with convening meetings as well as recording and managing resolutions made during meetings	Occupational Safety and Health Department	Compile global pandemic trends
Operations Headquarters	Managing COVID-19-related matters for subordinate departments and department stores	Investment Management Department	Compile pandemic trends in Mainland China and the operational status of branches in Mainland China
Administration Headquarters	Managing COVID-19-related matters for subordinate departments and department stores	Business Planning Division	COVID-19 relief packages from the government
Department of Security and Surveillance	Report on future focuses based on observations of the COVID-19 pandemic: Analyze pandemic trends, interpret government guidelines on containing COVID-19, and recommend COVID-19 policies for the company	Finance Department	COVID-19 relief packages and finances
		Merchandising Department	Communicate with vendors
General Affairs Department	Procure equipment and resources to contain the pandemic, disinfect SKM locations, and access control	Digital Development Department	Digital transformation
Human Resources Department	Track and compile abnormal attendance records, tally vaccination records, care for employees, and support remote work during the pandemic	E-Commerce Department	Digital transformation
		Owned & Distributed Brands Department	Manage and control product safety for products sold in SKM supermarkets
Marketing Department	Compile market information relating to the pandemic and government relief packages, operational status, and responses to the media	Store Development Department	Construction for new stores and renovations for retail counters to comply with COVID-19 measures

As of the end of 2022, the COVID-19 Response Team has convened 127 meetings. In the second half of 2022, the pandemic eased in Taiwan and we had been able to effectively contain COVID-19 from spreading at SKM. As such, the COVID-19 Response Team adjusted the frequency of meetings and convened a total of 30 meetings throughout the year to report on pandemic risks, compile predictions from external experts on the pandemic, announce COVID-19 infections within SKM, and adjust or roll out COVID-19 measures internally. Our efforts have focused on important initiatives, such as minimizing physical contact in official interactions, increasing the frequency of disinfecting our department stores, and installing additional hand sanitizers. Incentives were also provided to encourage all employees to complete the full three doses of the COVID-19 vaccine, resulting in an impressive vaccination rate of 83.13%. In 2022, we introduced or revised a total of ten regulations, including nine improvements to COVID-19 protocols and processes (See summary of meetings in the table below).



Better Care: Safeguarding Employee Health

SKM aspires to be a reliable entity to consumers, employees, and other stakeholders. In the following sections, we will detail how SKM was able to safeguard the interests of our employees and customers at our department stores through various key actions to combat the COVID-19 pandemic.

During the heightened risk of COVID-19 infections in 2022, SKM adopted several measures to minimize physical interactions among employees and mitigate the risk of infection, including staggered work schedules and zone segregation, controlling the number of business visitors, and reducing the frequency of business trips for direct employees, and implementing remote work. SKM's existing COVID-19 measures are as follows:

Current (2022) COVID-19 Measures at SKM

Policy	No. of Regulations	Applicable Scenarios	Responsible Department			
			Occupational Safety and Health Department	Human Resources Department	Department of Security and Surveillance	General Affairs Department
 Early Stage Planning	3	<ul style="list-style-type: none"> Response & planning during early stages of the pandemic When employees are confirmed with COVID-19 Employee management and attendance 	✓	✓	✓	
 Health Monitoring	2	<ul style="list-style-type: none"> Track and monitor employee health 	✓	✓	✓	
 Vaccination	1	<ul style="list-style-type: none"> Encourage employees to get vaccinated 		✓		
 COVID-19 Prevention Measures	4	<ul style="list-style-type: none"> Reduce infections & spreads Make rolling adjustments to COVID-19 prevention measures Implement staggered work schedules 		✓	✓	✓
 Offer rapid testing at the company and at home	6	<ul style="list-style-type: none"> When employees test positive with rapid test kits When employees and family members living together test positive with rapid test kits or are confirmed with COVID-19 When SKM is required to organize rapid testing for employees When employees are confirmed with COVID-19 or for health monitoring Inventory management & access to rapid test kits 	✓		✓	✓
 Confirmed Cases & Contact Tracing	2	<ul style="list-style-type: none"> When employees are confirmed with COVID-19 through PCR testing 			✓	

SKM tracks COVID-19 cases across the company with information reported by the Administration Headquarters and reports on abnormal attendance provided by the Human Resources Department to ensure we are able to accurately assess the extent to which the company was affected by the pandemic. We also launched the Vaccination Insurance Project and, in January 2022, started offering paid vaccination leaves to promote self-health management among employees and take the initiative in COVID-19 prevention. Our efforts yielded incredible success: SKM had lower COVID-19 infection rates across all locations than the county/city rate announced by the Ministry of Health and Welfare. For employees who tested positive or were quarantined at home, we sent daily necessities and other supplies to help them through their quarantine.

Highlights of SKM's Internal COVID-19 Efforts in 2022

Track & Monitor COVID-19 Cases Across the Company

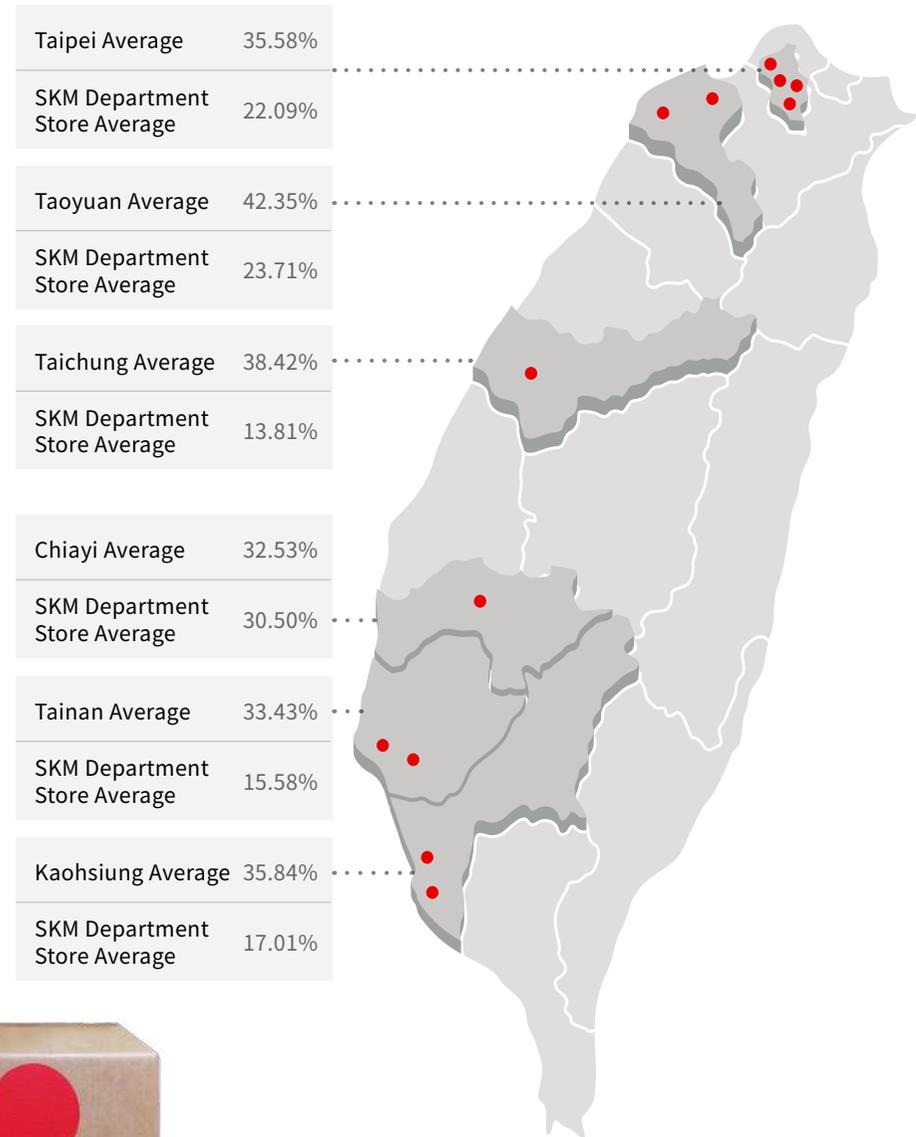
- Compared to the cumulative number of confirmed cases announced by the Ministry of Health and Welfare, as of the end of 2022, SKM had a lower COVID-19 infection rate (19.05%) than the country (37.89%).
- Also, SKM has lower COVID-19 infection rates across all department stores than the counties/cities of their location, a testimony to SKM's highly successful efforts.

Offer Paid Vaccination Leaves (3rd & 4th Shot)

- Employees receiving their third or fourth doses of the COVID-19 vaccine are eligible to apply for a two-day vaccination leave, starting from the day of vaccination until 24:00 of the following day. One of the days is granted as paid leave, a benefit beyond government regulations requiring unpaid vaccination leave. This measure aims to encourage employee vaccination.
- In 2022, 83.13% and 2.77% of SKM employees have received their third and fourth shots, respectively.

Care Packages for Infected Employees

- In response to the pandemic, we sent practical home care packages containing essential supplies to our colleagues who were unable to go outside due to quarantine, ensuring their well-being during the at-home quarantine.
- In 2022, we sent out a total of 1,300 care packages.



Note: COVID-19 infection rates include employees from HQ, direct employees at branches, dispatched employees, and counter employees, but exclude employees from subsidiaries.

The Fight Against COVID-19: Creating A Safe Shopping Environment

To ensure the health and safety of customers, SKM strictly adheres to the guidelines and regulations set by the Central Epidemic Command Center and has implemented various measures to create an excellent shopping environment where consumers feel safe. These measures include enforcing the contact information registration policy, requiring customers to wear masks at SKM locations, purchasing infrared thermometers for temperature screening at all entrances, installing partitions at the food court, increasing the number of hand sanitizer dispensers, disinfecting indoor and outdoor environments and ensuring ventilation with A.C. units every day, increasing the frequency of disinfection and bleaching/ disinfecting all seating areas once every two days (minimum) after closing.



Produced "SKM Cares" Video to Strengthen Public Communication

The video shows various COVID-19 measures implemented at SKM during the pandemic and was shared on digital signage displays and our official Youtube channel (uploaded in November 2022) to disclose our efforts and help our customers feel safe.

Link : <https://www.youtube.com/watch?v=TiTO2FTgayU>

Looking back over the past three years, SKM has remained steadfast in our commitment to COVID-19 prevention. Even during the most challenging times, we have strived to stand strong alongside our customers and employees, fulfilling our unwavering mission as a leading department store in Taiwan. SKM will continue to monitor epidemic risks, including COVID-19 and other infectious diseases, and implement necessary control measures in accordance with government guidelines to prevent any potential resurgence. Furthermore, we will capitalize on post-pandemic economic recovery as an opportunity to create a premium social and lifestyle environment, where customers can enjoy a safe shopping experience.