

Achieving Sustainable Governance

President Chain Store Corporation abides by the principle of ethical corporate management from its internal operations to external value chain to ensure long-lasting and stable operations. In the meantime, President Chain Store Corporation identifies and stays updated with the trends in regulatory revisions, as well as ensuring all operations of the Company's organizations comply with government laws and regulations to uphold the rights and interests of consumers and the Company. Risk management is the key to sustainable operations. To this end, we have set up a dedicated unit for cross-departmental communications to avoid negative impact and increase the value of the Company. In addition, we attach importance to the management and protection of customer privacy, as well as providing better services based on the big data generated from consumption.



Management Policies




Policies and Commitments

- Personal Data Protection Management System and Policy
- President Chain Store Corporation Personal Profile Data Security Maintenance Plan ([Personal Data Protection Handbook](#))
- [President Chain Store Corporation Risk Management Policy](#)
- [Articles of Incorporation](#)

Management Actions

- President Chain Store Corporation has set up a Personal Data Protection Task Force to ensure the safety of consumer data through internal audits and external verification of personal data (Taiwan Personal Data Protection and Administration System, TPIPAS), crisis prevention and education and training.
- President Chain Store Corporation set up a Risk Management Committee to classify various risks and formulate management policies. The Committee monitors and gives feedback on risk identification on a monthly basis, as well as compiling the information of each department every six months a year. Since 2024, regular reporting to the Risk and Information Security Committee has been done twice a year. Each dedicated unit offers feedback on risk response measures through a form to realize risk identification, measurement and reporting.
- In November 2023, President Chain Store Corporation's Board of Directors resolved to set up the "Risk and Information Security Management Committee." The "Cybersecurity Committee" and "Risk Management Committee" originally under the "Sustainable Development Committee" were moved under the "Risk and Information Security Management Committee" to strengthen information security management with more comprehensive control over relevant risks.
- President Chain Store Corporation is committed to pursuing steady financial growth, continuously optimizing store operating efficiency, expanding a diversified business plan, creating excellent financial performance, building a sound corporate governance system, and creating a brand that is reassuring and trustworthy for employees, store partners, franchise owners and the general public.

Sustainable Goal Management Process

Material Topic	Management Metrics	Medium- and long-term Targets	2025 Targets	2024 Targets& Performance
 Risk Management	Percentage of employees receiving risk management training courses	20% by 2028	10%	New target <div><div></div></div> 0.65%
 Business Performance	Number of total stores	7,950 stores by 2028	7,350 stores	New target <div><div></div></div> 7,077 stores
 Information Security	1. Number of information leakages 2. Proportion of information leakages containing identifiable personal information 3. Number of customers affected by information leakages 4. Number of violations that infringe on customer privacy and total fines paid due to information security incidents	2028 (1) ≤ 1 (2) ≤ 30% (3) ≤ 600 (4) ≤ NT\$700,000	(1) ≤ 3 (2) ≤ 45% (3) ≤ 850 (4) ≤ NT\$ 850,000	<div><div></div></div> (1) ≤ 3 (2) ≤ 50% (3) ≤ 900 (4) ≤ NT\$900,000 N/A



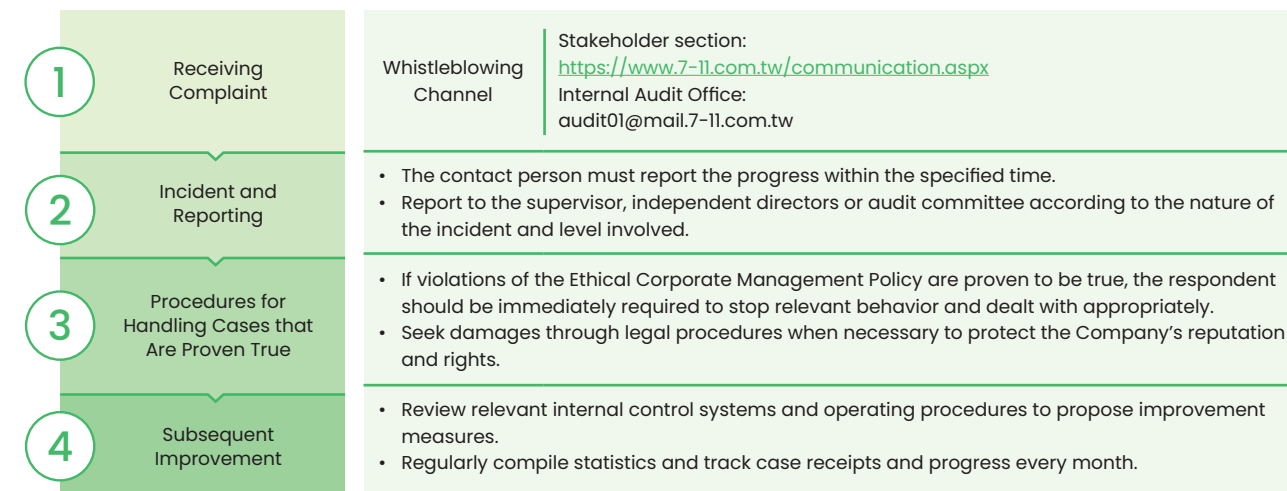
The consolidated revenue hit record high at **NT\$337,932,397** thousand, with **NT\$13,741,439** thousand in net profits that exceed the record of the previous year

President Chain Store Corporation was once again ranked in the top **5%** in the 10th Taiwan Corporate Governance Evaluation System as the only listed company in the retail industry to do so for the tenth year running

Ethical Corporate Management Grievance Channels

In the event of violations of ethical corporate management, employees can also offer feedback and suggestions to management through the Integrated Services Center, e-mail, dedicated stakeholder section on the official website and the internal proposal system. If an incident violating ethical corporate management is discovered by external stakeholders, they can report the incident through the dedicated hotline set up by President Chain Store Corporation's Internal Audit Office and Integrated Services Center, or the hotline and stakeholder section of our website. Company personnel who handle relevant reports shall keep the identity of the whistleblower and the details confidential, as well as a zero tolerance policy for retaliation, with a commitment to protect whistleblowers from any mistreatment as a result of the act.

After stakeholders send their feedback by e-mail through our website, messages are passed directly to the dedicated unit, which is then required to update the status of the case within a specified time frame. The flow chart for handling and investigating complaints is as follows. President Chain Store Corporation keeps track of the number of reports as well as the progress each month. In 2024, a total of 1,381 cases were raised in the stakeholder mailbox, with the total number of cases decreased by 94 compared with the same period last year.



Fiscal and Tax Governance

President Chain Store Corporation actively opened new stores in 2024 as an attempt to create sustainable economic value, driving growth through the integration of strategies for online and physical businesses to respond to rapidly changing market demands and consumer behaviors. President Chain Store Corporation's operating performance grew by 6.58% compared to last year, and it continues to set new highs. Please refer to the President Chain Store Corporation [individual financial statement](#) and [consolidated financial statement](#) available on the Market Observation Post System.

Direct Economic Value Distribution

Item (Unit: NT\$1,000)	2023	2024
Operating costs	130,995,405	139,489,979
Employee wages and benefits	8,287,780	8,627,124
Payment to investors	9,946,016	10,150,751
Payment to government	1,711,691	4,203,374
Community investment	26,865	26,865

(Note) Direct economic value distribution data comes from individual financial statements.

2.2 Risk Management

The Company's ability to respond to and deal with risks has been an important key to its continued growth and stable operations. President Chain Store Corporation is committed to maintaining a comprehensive risk management system that includes the Group's organization and subsidiaries in the scope of risk management. The Company aims to control various risks that may affect corporate operations through the risk management mechanism, as well as the integration of such mechanism into operating activities and day-to-day management. To further ensure the effectiveness of corporate risk management and align with international standards, President Chain Store Corporation has set up an independent unit to conduct internal audits on the risk management process, and introduced the ISO 31000:2018 risk management system in 2024 to develop awareness of corporate risk management through education and training. The incorporation of management system will subsequently be evaluated for the possibility of entrusting a third party to perform external audits of risk management. In order to achieve a culture of full employee participation in risk management, classroom and online risk management courses have been scheduled for 2025 to improve the risk management capabilities of all employees. For relevant training hours and information, please visit the official website.

Risk Management Structure

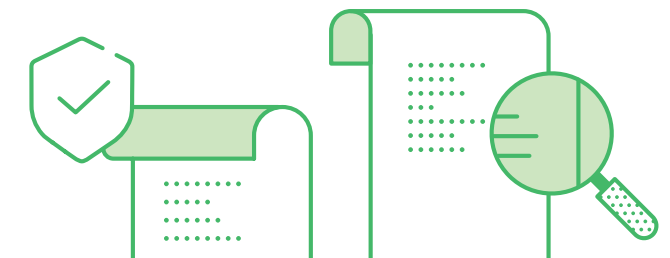
The Company's Board of Directors is the highest risk management unit that is responsible for approving risk management policies and structures to ensure the effectiveness of risk management. The Risk and Cybersecurity Management Committee is affiliated to the Board of Directors with the "Risk Management Execution Office" underneath that is a cross-departmental risk management decision-making. It exercises its powers independently of other business functions and operating activities, with the Executive Vice President of the Supportive Service Group serving as the convenor. Task forces have been set up under the execution office for overall risk monitoring, assessment and measurement for President Chain Store Corporation, integrating and managing various strategic, operational, financial and other potential risks that may have an impact on the operations and profits, as well as regularly reporting to the Risk Management Execution Office. Annual plans and implementation results are submitted to the Board of Directors after discussion by the Risk and Cybersecurity Management Committee.

+ Three Lines of Defense Model for Risk Management +

President Chain Corporation developed its risk management system and control processes following the three lines of defense model. The first line of defense is for each business unit to review risks regularly (at least twice a year) with risk management units (including risk identification, monitoring and feedback), as well as monitoring and tracking crisis or relevant risks (see Chapter: Crisis Management) to ensure effective risk control. The second line of defense consists of risk management units, including the "Risk and Cybersecurity Management Committee" and the "Risk Management Execution Office." They are tasked with supervising risk management policies and implementation, coordinating and promoting cross-organizational risk management and control plans, as well as regularly reviewing and proposing suggestions for improvement ^(Note 1). The third line of defense are the internal audit units, including the Audit Office and the Audit Committee. The former conducts audits on the overall systemic risk assessment processes, while the latter is responsible for reviewing internal audit reports and evaluating the effectiveness of the policies and procedures of the internal control system ^(Note 2). The three lines of defense work together to form a comprehensive risk management structure, ensuring that President Chain Store Corporation can effectively respond to various risks in a changing environment.

(Note 1) The Risk Management Execution Office is responsible for reviewing the Company's risk exposure, reporting the status to the Risk and Cybersecurity Management Committee through regular meetings, and reporting to the Board of Directors annually on the risks identified and assessed, as well as the monitoring and feedback of each unit.

(Note 2) The Internal Audit Office conducted an internal audit of the overall risk management process in May 2025 in line with the internal audit system, audit the risk assessment process (including risk review, exposure review, etc.), as well as issuing an audit report. It is expected to be conducted regularly (at least once every two years) in the future to ensure effective risk control.






Risk Identification	Risk Analysis and Measurement	Risk Monitoring and Response	Risk Report
Each unit should identify risks associated with their tasks based on risk management policies and procedures, including strategic risks, operational risks, financial risks, information risks, legal compliance risks, integrity risks and other emerging risks (such as climate change or infectious diseases).	All risks that have been identified should be assessed based on the "Table of Impact Degree Judgment Criteria" to analyze the cause and negative impact on the Company, as a reference for formulating subsequent corresponding measures.	Based on the result of risk analysis, relevant personnel of each unit plan and implement risk response measures requiring prioritization, as well as serving as a reference for each operating unit to formulate and select improvement measures in the future.	Regularly summarizing the status quo of risk management and control to report to the Risk and Cybersecurity Management Committee and the Board of Directors.

Risk Identification and Ranking

President Chain Store Corporation's scope of risk management includes but is not limited to operational risks, market risks, financial risks, compliance risks, climate risks and other risks that may cause significant losses to the Company. When identifying risks, each business unit analyzes the sources of risks (such as disasters/infectious diseases, contracts/laws, financial conditions, personnel behavior, asset losses, quality, supplier operating conditions, etc.) and their potential impacts (such as finance, production/products and services, personnel, reputation and image, etc. to understand all potential types of risks. The types of risks and responsible units for management and implementation are as follows:

 Financial Risks	Description	Risks associated with financial operations, including investments, loans, etc.
	Risk Management Measures	President Chain Store Corporation's Finance Office takes laws, policy and market changes into consideration when formulating various strategies, processes and indicators, regularly analyzing and assessing changes of relevant risk and taking appropriate countermeasures to reduce the Company's overall potential risks. President Chain Store Corporation also continuously reviews and updates the cash flow forecast in order to adjust the cash level in a timely manner following the pandemic situation to ensure liquidity.
	Dedicated Unit	Finance Office

 Compliance Risks	Description	Risks associated with legal or contractual relationships.
	Risk Management Measures	Based on the functions, all departments and business units analyze and assess major domestic and foreign policy, law and technological changes and adopt appropriate countermeasures to reduce potential operational risks in the future. Moreover, President Chain Store Corporation also has an inter-division Regulation Identification Committee that regularly holds "Regulation Identification Meetings" to keep abreast of the latest changes to laws and regulations so as to be able to adopt appropriate countermeasures. Additionally, each unit's supervisor also sets up a "Crisis Management Task Force" to effectively control and manage any potential or current market risks or crisis.
	Dedicated Unit	Various business units/Regulation Identification Committee/Crisis Management Task Force

First Line of Defense

Each business unit: Each business unit reviews risks regularly in line with its responsibilities, conducts risk review regularly with risk management units, as well as monitoring and tracking crisis or relevant risks as needed.

Second Line of Defense

Risk management units: supervising risk management policies and implementation, analysis and evaluation, control and processing, monitoring and review, information communication and reporting, etc.

Each department

- Conduct risk management based on management responsibilities
- Execute risk identification and assessment
- Implement monitoring and feedback operations

Overall Risk Management

Supportive service group – Executive Vice President

Risk management executive
head of the legal department

Department heads
department employees

Department heads
department employees

Department heads
department employees

Commitment to and support
Monitoring and facilitation

In line with the Risk Management Best Practice Principles for TWSE/TPEx Listed Companies, half of the members and the Chair of the Company's Risk and Cybersecurity Management Committee are independent directors.

Task forces

Collection and analysis
A culture of engagement

Risk Management Execution Office

Bi-annual report

Risk and Cybersecurity Management Committee

Annual report of progress

Management

Board of Directors

Third Line of Defense

Independent audit units: conducting audits on the overall systemic risk assessment processes, as well as reporting regularly to the Board of Directors.

Implementation of risk management system

Review of effectiveness

Audit Office

Audit Committee

Report of overall internal control

To create a culture where all members of the Company are actively engaged in risk prevention, President Chain Store Corporation employees at all levels have their own roles and responsibilities: the head of the Supportive Service Group commits to and supports the Company's overall risk management policy, as well as serving as or appointing the CEO of Risk Management (head of the Legal Department) to be responsible for supervising and promoting the strategies from the Risk Management Task Force. The Risk Management Task Force is in turn composed of department heads and employees for risk assessment and identification, as well as reporting the results of the risk treatment plan.

Risk Management Processes

The Risk Management Execution Office identifies, analyzes, measures, monitors, responds to, reports risks based on the risk characteristics and impact levels compiled by each task force, as well as improving response measures. The processes are as follows:

<div><div></div><div>Food Safety Risks</div></div>	Description	Risks caused by poor quality or risks of loss caused by product safety.
	Risk Management Measures	<p>President Chain Store Corporation attaches a great deal of importance to consumer health and safety and has made food safety its top priority while continuing to invest each year to ensure rigorous quality control. Food safety risks can have a serious impact on the Company's image as well as income and profits. To this end, a product safety process control mechanism has been set up to enhance management of the supply chain as a long-term effort on the part of the Company. The countermeasures are listed as follows:</p> <ol style="list-style-type: none">1. Establishing the Merchandise Safety Committee and holding regular meetings to discuss topics such as government laws and regulations, contract manufacturers and supplier assessment deficiencies, product safety information, food safety testing programs and implementation progress.2. Establishing the Product Safety Information Collection and Inventory Tracking Operational Standards, collecting own product safety information and setting up inventory and tracking procedures to ensure the safety of our products.3. With measures such as contractual cooperation, production site management, ingredient tracing mechanisms and systems, supplier grading, management and on-site assessment system, distribution centers and periodic store checks, as well as occasional sampling of raw materials and finished products, we continue to stay on top of the entire supply chain from production to store in order to set up a food safety net for our consumers.
	Dedicated Unit	Operations Group/Marketing Group

<div><div></div><div>Franchise Risks</div></div>	Description	Risks caused by franchise owners' operations.
	Risk Management Measures	To keep individual stores growing and the overall operations of the Company stable, President Chain Store Corporation continues to optimize its franchising mechanism, improving the remuneration to franchisees, and keeping franchises in good order as countermeasures.
	Dedicated Unit	Operations Group/Marketing Group

<div><div></div><div>Information Security Risks</div></div>	Description	Risks such as major information system downtime and hacking incidents.
	Risk Management Measures	President Chain Store Corporation takes stock of information and communication systems and services, assesses their management and technical vulnerabilities, as well as the types of threats they may face, the degree of impact and the probability of occurrence to invest in protection resources for risk management and control in line with the value and impact they bring to the Company's operations. It continues to strengthen the information security risk management and control mechanism to reduce the threat of external hackers and internal human error, as well as building an information security management system that complies with laws and regulations to protect consumers' personal information and the Company's business secrets.
	Dedicated Unit	Cybersecurity Execution Office

Risk identification and prioritization are conducted using a dual-axis risk matrix. The X-axis represents the impact level (I) of the risk, rated on a scale from 1 to 5; the Y-axis represents the likelihood of occurrence (L), also rated from 1 to 5. The risk level (R) is calculated by multiplying the two scores. This serves as the standard for assessment. Scores are assigned to various risks, such as financial, food safety, franchising, and regulatory risks, and ranked according to the potential impact and consequences they may have, thereby highlighting the severity, likelihood, and significance of each risk to the Company.

Risk Matrix

The risk acceptance value is 14 (can be adjusted if necessary)			Level of Severity				
			Insignificant	Low	Moderate	High	Extremely High
			1	2	3	4	5
Likelihood	Extremely high	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Extremely low	1	1	2	3	4	5

Residual Risk Status :	insignificant	Low	Moderate	High	Extreme High
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(Note 1) Level of severity (I) indicates the impact of a risk event on the Company, with 1 being insignificant and 5 being extreme high.
(Note 2) Likelihood (L) indicates the probability the incident will occur, with 1 being extremely unlikely and 5 being extremely likely.
(Note 3) When conducting the assessment of the level of risk (R), the residual risk under the existing control measures is taken into consideration. If it is higher than 14 points (red block), it represents extremely high risks.

Relevant units will implement prevention and improvement measures for each level of risk. When the risk level (R) is higher than 14 points, the impact on the Company's operations will be more significant, so this score is adopted as the risk appetite. If risks above this level occur, relevant units should promptly respond and improve. None of the 76 risks assed this year exceeds the risk appetite. Therefore, the top three risks were selected. After review and adjustment by the head of the Risk Management Execution Office, the top three risks in 2024 were labor shortage, operational and food safety risks. The relevant risk appetite and mitigation measures are explained as follows:

Risk	Risk level (R)	Mitigating and Response Measures
Labor shortage risk	8	<p>The aging population and declining birthrate have led to a shortage of manpower in the service industry, making recruitment difficult. As a result, some franchise stores have encountered operational difficulties due to the shortage of manpower, resulting in an increase in the number of contract terminations compared to last year. In order to stabilize the proportion of franchise stores, franchise owners have been encouraged to operate multiple stores in close proximity in recent years, so that store partners can cover multiple stores to reduce operating costs. The following countermeasures have been taken:</p> <ol style="list-style-type: none">(1) Encourage franchise owners to operate multiple stores in the same area to improve manpower efficiency.(2) Increase the proportion of new franchise owners and encourage them to recommend good employees to become franchise owners.(3) Reduce operating costs and increase store profits.(4) Assist stores with no operating opportunities to be combined with suitable stores.(5) Increase education, training and management to improve operational ability and sales.
Operational risk	3	<p>Logistics and distribution have not been expanded in response to the growing number of stores, resulting in delayed delivery schedules. Continuous store expansion will increase the number of stores that each logistics center is responsible for, resulting in insufficient inventory and storage space for goods. When there are large shipments of new products or activities, store delivery delays and complaints will arise, increasing waiting time or loss of business opportunities. In recent years, plans have been made to expand logistics parks to increase logistics capacity, as well as increasing logistics personnel and transportation methods to avoid delivery delays through diversified recruitment and collaboration channels.</p>
Food safety risk	2	<p>If raw material manufacturers do not meet food safety standards or laws, food safety risks will arise, affecting the normal supply of raw materials and store operations. At present, relevant departments hold monthly meetings to confirm the latest situation, regularly conduct training on food safety-related information, and establish emergency food safety reporting procedures and other measures to ensure a stable supply of raw materials and reduce risks.</p>

+ Emerging Risks +

In order to stand firm in the fast-changing food retail industry, President Chain Store Corporation places great importance on significant social, economic, and environmental trends to better control risks that might affect the Company's profits and sustainable operations. President Chain Store Corporation has integrated the way we identify and respond to emerging risks into our risk management structure. Emerging risks that have been identified are as follows:

Social – employment and life crisis

Emerging Risk	Future Impact
<p>Changes in the demographic structure</p> <p>According to the statistics published by the Ministry of Interior for 2023, only around 135,000 babies were born, hitting the all-time low with 3,415 fewer than 2022. The low birth rate and an aging population are expected to lead to a reduction in the working age population and an aging consumer group in the next few years.</p>	<p>The impact of different product structures and services required by the elderly consumer group</p> <p>President Chain Store Corporation refers to the population estimation released by the National Development Council, and the information provided by government agencies such as the aging society and utilization of human resources to conduct scenario analysis, predict future population changes, and estimate the impact on the human resources and customer base of the stores in the medium and long term.</p> <p>As high labor input is vital for ensuring stable operations of the stores and high-quality logistics operations, President Chain Store Corporation will suffer from a decreasing workforce. In addition, an aging society will also lead to changes in the main consumer group. Therefore, President Chain Store Corporation may experience the impacts listed below as a result of this risk:</p> <ol style="list-style-type: none"> 1. Impact on talent recruitment and personnel costs 2. The impact of different product structures and services required by the elderly consumer group
<p>Countermeasures</p> <ol style="list-style-type: none"> 1. Plan to collaborate with colleges to develop diverse employment channels, and establish a human resources recruitment platform to integrate resources for store/logistics personnel recruitment. 2. Create a local recruitment mechanism to increase the recruitment of middle-aged and elderly partners, and propose flexible work arrangements to rearrange the work processes for middle-aged and elderly partners. 3. Plan to introduce various AI intelligence and labor-saving tools in stores, such as AI ordering system, self-checkout machines and self-service coffee machines, to achieve the goal of saving labor and personal costs as well as meeting the needs for the workforce. 4. Focus on developing products for the elderly and introduce the Veggie Section compound store. 5. Evaluate the age-friendly store design to provide a friendly environment for consumption. 	

Economy – inflation slowing down

Emerging Risk	Future Impact
<p>Global economic uncertainty</p> <p>International political turbulences, geopolitical tensions, changes in trade tariff policies, energy price fluctuations, extreme climate events and other factors have brought instability to the global trade market and economy, leading to inflationary pressures, labor shortage and supply chain instability. Taiwan's economic growth rate was 4.59% in 2024 and is expected to drop to 3.14% in 2025. The slowdown in economic growth and the increase in Taiwan's utility rates due to international energy price fluctuations have an impact on overall consumer confidence.</p>	<p>The product structure of President Chain Store Corporation mainly includes food, supplies and services. Under the global economic uncertainty, the following impacts may occur:</p> <ol style="list-style-type: none"> 1. Labor shortage risk leads to supply chain uncertainties: Power shortage may lead to reduced efficiency in supply chain production, processing or transportation with an impact on supply stability and product prices, operating costs, and thus reducing profits. 2. Decline in consumer confidence: The economic slowdown may have an impact on consumer behavior. Consumption may decrease with a direct impact on President Chain Store Corporation's operating income. It is crucial to develop innovative products and enhance brand management to maintain revenue, for example Star Rated Cuisine, Veggie Section and Ohlala and other fresh food products co-branded with 5-star hotels/well-known restaurants to create appeal. 3. Energy price increase: Leading to increased electricity and logistics costs in stores, reducing operating profits.

Economy – inflation slowing down

Countermeasures

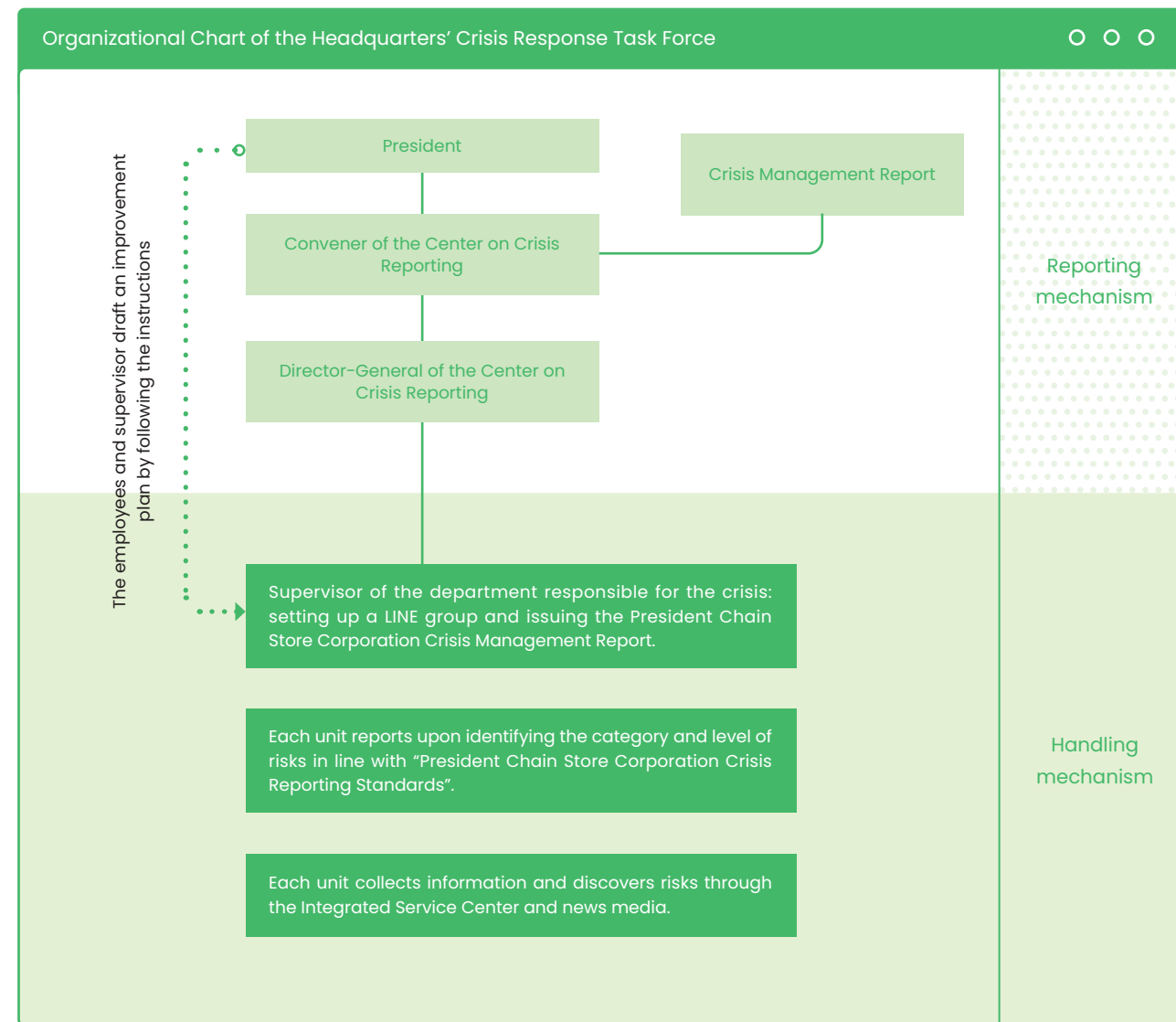
1. Engage with multiple suppliers to improve bargaining power, ensuring supply chain stability and reducing the risk of product shortage.
2. Integrate companies in the Group for joint purchases that will lower the costs to maintain price competitiveness.
3. Replace energy-saving equipment in the stores, such as energy-saving light bulbs, refrigerators, etc., to cope with the risk of electricity price hikes.
4. Continue to develop innovative products and new brands, such as Star Rated Cuisine, Veggie Section and Ohlala. Fresh food selections are launched in collaboration with 5-star hotels/well-known restaurants to enhance the sense of value and satisfy consumers' needs for eating out.

Technology – online transaction security

Emerging Risk	Future Impact
<p>As the scale of e-commerce continues to grow over the past few years, many e-commerce operators face information security challenges and prone to frauds and vulnerabilities in information security. Scammers may hack into their databases to steal personal information and transaction records. For example, they may call consumers with a fake number that looks like that of the e-commerce or bank customer service hotline. Scammers use fraudulent tactics such as "cancelling installment payment," "repeated deductions" or "VIP upgrade" to con victims into transferring money from ATM machines. Moreover, consumers may fall victim to "one-page website scams." Scammers might also take advantage of social media to con consumers into providing bank information with excuses such as being unable to place orders. These tactics have an impact on consumers' trust in e-commerce platforms, ultimately changing their buying decisions and spending. This in turn puts pressure on the Company's image and revenue, affecting its ability to achieve its targets.</p>	<p>As scams evolve with each passing day, consumers have doubts about information security on e-commerce platforms with a direct impact on their consumption patterns and decision-making processes. Due to concerns about the safety of personal data, consumers may reduce the frequency of online shopping. This poses a fundamental challenge to President Chain Store Corporation, which has already expanded into the domain of e-commerce. President Chain Store Corporation's e-commerce platforms such as iOPEN Mall, 7-ELEVEN iPre-order (convenience store in e-commerce), iGroup-buying and other digital services may suffer from the following potential impacts:</p> <ol style="list-style-type: none"> 1. Consumers have doubts about information security protection of e-commerce platforms, which leads to a declining interest in making online purchases with a direct impact on the platform's sales and profits. 2. If an e-commerce platform suffers from a cybersecurity incident such as a hacking or data leak, the e-commerce platform will not only have to bear huge compensation and repair costs, but may also face severe penalties from the competent authorities, including fines, suspension of business, etc., with a serious impact on the corporate image and operations.
<p>Countermeasures</p> <p>To cope with the increasing number of online transactions and various new online scams, the Company will not only continue to actively prevent fraud but also prevent fraud crimes through public-private cooperation, building an anti-fraud safety net to effectively ensure the safety of people's property.</p> <p>The Company's e-commerce platforms have actively implemented a number of relevant measures, including but not limited to:</p> <ol style="list-style-type: none"> 1. Adding clear anti-fraud slogans on the homepage, regularly sending anti-fraud messages and emails to remind consumers to be mindful of scam messages. If they can't place an order, they can instantly verify the contact information of the customer service department. 2. Anti-fraud notices and anti-scam messages are put in place when products are put on the shelves with details of scam tactics. 3. Making customer service more available by extending the hours to 21:00. 4. Blocking the internal chat system from displaying QR codes or external links, as well as scam keywords. 	

Crisis Management

In addition to managing risks, President Chain Store Corporation has also set up a comprehensive dedicated risk management unit and SOP for dealing with crises to minimize potential losses. The Company drafted the “President Chain Store Corporation Crisis Management Mechanism” to minimize losses caused by crisis. The mechanism means that each unit receives and collects public opinions against President Chain Store Corporation through the Integrated Service center, franchisee feedback app, news and other channels, as well as reporting based on the “President Chain Store Corporation Crisis Reporting Standards.” The crisis report is headed by the President, who has the Crisis Reporting Center answering to him, and the executive manager of the Supportive Service Group serves as the convener of the Crisis Reporting Center. The type and level of crisis is determined by employees of the department in charge and reported to the supervisor, who will then escalate through a crisis reporting sheet. All departments involved will set up a review team (LINE group) for the crisis for prompt response and discussion. Subsequently, all departments involved will make improvements and provide responses to the crisis to avoid recurrence. We review the crisis management process with strict mechanisms to consolidate the operations of President Chain Store Corporation from occurrence, handling to external response to crisis events.



2.3 Information Security and Privacy Protection

President Chain Store Corporation takes advantage of the power of digital technology to make consumers' lives more convenient. To this end, it provides customers with cash flow, logistics and information flow services with digital tools such as the 7-ELEVEN online shopping site, ibon, OPEN Wallet, icash Pay, icash 2.0, OPENPOINT app (including iGroup-buying® and iPre-order) and MyShip. This allows consumers to make the most of President Chain Store Corporation as the base and service center for everything in life.

+ Cybersecurity Execution Office +

The “Cybersecurity Execution Office” is the highest decision-making unit for President Chain Store Corporation’s information security management. It was originally under the “Sustainable Development Committee,” and moved under the “Risk and Cybersecurity Management Committee” in 2023 with the Chief of Information Security as the convener. Previously known as the Cybersecurity Committee, it was renamed as the Cybersecurity Execution Office in December 2024. The “Information Security Implementation Team,” “Emergency Response Team” and “Inspection Team” under the committee hold at least one review meeting a year, with the convener regularly reporting the implementation and results of information security implementation to the Risk and Cybersecurity Management Committee ^(Note).

(Note) The policies, specific management plans and resources invested of the Cybersecurity Execution Office can be obtained from [the Company website](#).

