2

Achieving Governance

President Chain Store Corporation abides by the principle of ethical corporate management from its internal operations to its 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 impacts 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 data generated from customer purchasing behavior.

Sustainable Development Goals & Management Policies

SDG 8 Decent Work and Economic Growth

- Annual consolidated revenue reached a record high of NT$350,734,591 thousand

SDG 16 Peace, Justice and Strong Institutions

- The Integrity, Risk and Cybersecurity Management Committee operates at the Board level, comprehensively strengthening information security control

SDG 12 Responsible Consumption and Production

- Zero information security incidents occurred
- The invoice systems of all stores and uniopen membership passed ISO 27001 Information Security Management System certification

Corresponding Material Topics

- Information Security

Policies and Commitments

- Data Protection Management System and Policy
- President Chain Store Corporation Personal Information File 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.
- In November 2023, President Chain Store Corporation's Board of Directors resolved to set up the Risk & Cybersecurity Management Committee. On July 30, 2025, the organization was renamed the Integrity, Risk and Cybersecurity Management Committee to strengthen information security control and manage risks more comprehensively.

Sustainable Goal Management Process

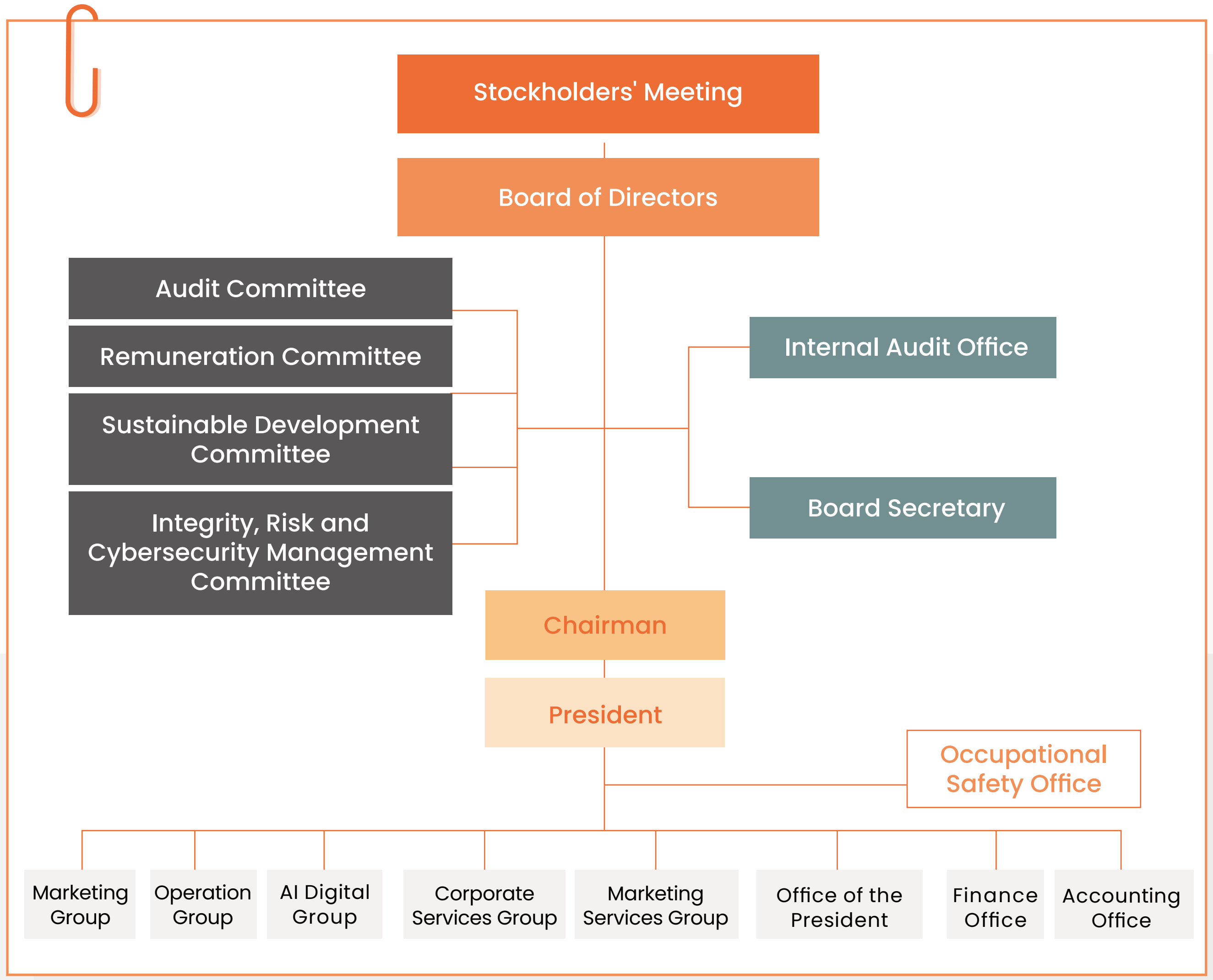
Material Topic	Management Metrics	Medium- and long-term Targets	2026 Targets	2025 Targets & Performance	
Information Security	(1) Number of information leakages (2) Proportion of information leakages containing identifiable personal information (3) Number of customers affected by information leakages (4) Number of violations that infringe on customer privacy and total fines paid due to information security incidents	By 2028 (1) ≦ 1 (2) ≦ 30% (3) ≦ 600 records (4) ≦ 700,000	(1) ≦ 2 (2) ≦ 40% (3) ≦ 800 records (4) ≦ 800,000	(1) ≦ 3 (2) ≦ 45% (3) ≦ 850 records (4) ≦ 850,000 No such incidents occurred	Exceeded

Exceeded Achieved Not Achieved

2.1 Corporate Governance

Board of Directors

Sound corporate governance is crucial to the sustainable operations of a business. President Chain Store Corporation incorporates corporate governance into the Company's system of operations and with a sound and rigorous corporate governance structure. In addition to clear hierarchical management, it also sets up functional committees or task forces for specific issues to safeguard the rights and interests of stakeholders. To continuously strengthen corporate governance, the Company drafted the "President Chain Store Corporation Corporate Governance Best Practice Principles." In addition to complying with laws and regulations, the document also covers principles such as protecting shareholders' rights, strengthening the functions of the Board of Directors, acting as a supervisor, respecting the rights and interests of stakeholders and improving information transparency.



As the highest governing body of President Chain Store Corporation, the Audit Committee, Remuneration Committee, Sustainable Development Committee and Integrity, Risk and Cybersecurity Management Committee have been set up under the Board of Directors to enhance financial information disclosure, managerial performance and stability and the Company's sustainable development. To this end, it carries out top-down management and supervision to ensure the sound operations of the Company. President Chain Store Corporation's Board of Directors consists of 9 directors (including 3 independent directors). They are elected through a nomination system and serve a 3-year term, whereby shareholders select names from a list of candidates[Note 1]. The Chairman serves as the Chairman of the Board to implement and supervise all company matters without taking up the role as the Company's President. The President Chain Store Corporation board is characterized by diversity. The average age of board members is 65 with 2 female directors included. Their backgrounds range from business administration, economy, marketing, accounting, law to information engineering. Their education, work experience, professional expertise and remuneration can be found on pages 21-26 of the 2025 Annual Report[Note 2]. Moreover, education and training related to risk management and internal control are organized for Directors each year to enhance their judgment and capabilities on risk management events. In 2025, all Directors finished 2 sessions of risk management training course, covering topics such as economy, environment and society. In 2025, each Director received an average of 7.77 hours of training. For detailed information on director training, refer to page 37 of the annual report[Note 2].

Note 1 : The nomination and selection process of functional committee members can be downloaded from the Company's Investor Relations website.
Note 2 : The 2025 Annual Report can be downloaded from the Market Observation Post System and the Company's Investor Relations website.

In order to ensure the independence of the Board, per the regulations set forth in the "President Chain Store Corporation Procedures for Election of Directors," if Board members or the corporation they represent have interest in a matter before the Board which could adversely impact Company interests, they can state their opinions and provide consultations but are not permitted to participate in discussion or voting. They must recuse themselves during discussion and voting, and they are prohibited from serving as proxy for other directors [Note]. The Board of Directors must convene at least once every quarter to discuss the Company's business performance and development strategies as well as major investment issues. In 2025, the Board convened 7 times with an average attendance rate of 100%.

Note : The independence of the Board can be found on page 20 of the 2025 Annual Report, downloadable from the Company's Investor Relations website.

· Functional Committees ·

In order to improve the supervisory function and strengthen the Company's management, the President Chain Store Corporation Board of Directors has set up the Audit Committee, Remuneration Committee, Sustainable Development Committee, and Integrity, Risk and Cybersecurity Management Committee. The Integrity, Risk and Cybersecurity Management Committee was set up with the Risk Management Execution Office, Cybersecurity Execution Office and Integrity Management Promotion Team underneath, functioning independently to formulate regulations for the organization. Functional committees are responsible for the discussions of the Company's major proposals and issues such as economy, environment, society, human rights, risks and cybersecurity. For the members of each committee, resolutions and relevant information, refer to President Chain Store Corporation's website.

· Performance Evaluation and Remuneration System for Directors ·

President Chain Store Corporation has set forth the "Rules of Procedure for Board of Directors Meetings" to implement corporate governance and enhance the functions of the Company's Board of Directors as well as setting performance targets to enhance operational efficiency. A number of indicators that have been selected are highly linked to corporate governance and corporate sustainable development so as to ensure the Company's sustainable operations. In 2025, it was assessed that the Board of Directors functioned well with the directors having a clear understanding of the Company's objectives and responsibilities, as well as actively participating in the supervision of operations and internal control. Each committee demonstrated stable and consistent performance in areas such as understanding of responsibilities and quality of decision-making, meeting corporate governance requirements and effectively promoting the Company's sustainable operations, social responsibility, risk management, and long-term strategic development.

Moreover, President Chain Store Corporation has set forth the remuneration policy for directors based on the Company's Articles of Incorporation. The standards and procedures for allocating Directors' remuneration are transparent and linked to the Company's profitability. The payment of Directors' remuneration takes into account individual performance, company operating conditions, governance and ESG performance, future risks and industry standards. The results are submitted to the shareholders'meeting after the resolution of the Remuneration Committee and the Board of Directors. The Company also adjusts the remuneration system in line with the actual conditions and laws to ensure a balance between the Company's sustainable operations and risk control.

Note: The remuneration of the Board of Directors can be found on page 24-26 of the 2025 Annual Report, downloadable from the Company's Investor Relations website.

Remuneration System for Senior Management

The salary of the Company's managers is based on personal performance, including financial indicators such as the Company's profitability and their contribution to the overall operations, while taking into consideration the market salary level and the Company's operating performance. Bonus distribution is based on the Company's Rules on Bonus and Performance Management, while taking into account the Company's annual operating performance and individual performance.linkage, are expected to encourage senior executives to actively participate, pursue continuous improvement, and drive innovation, thereby promoting the Company's sustainable development.

As climate change is a core item in President Chain Store Corporation's promotion of sustainable development, carbon reduction is one of its key tasks. Since 2023, President Chain Store Corporation has taken the lead in incorporating carbon reduction indicators into the performance indicators of the senior management team, including the President and Associate Vice Presidents. In response to the Company's emphasis on ESG, President Chain Store Corporation continued to optimize the assessment mechanism linking sustainable development performance indicators with senior executive performance-based remuneration in 2025. From the Company's four major environmental task forces, including Carbon Reduction, Plastic Reduction, Food Sustainability and Health, and Sustainable Procurement and Biodiversity, as well as other material topics, President Chain Store Corporation selected sustainable development performance indicators for assessment, as shown in the table below. Among these, environmental performance indicators account for 10%, while food safety performance indicators account for 2%. These metrics not only promote the Company's advancement in sustainability, but also, through the design of indicator weighting and target linkage, are expected to encourage senior executives to actively participate, pursue continuous improvement, and drive innovation, thereby promoting the Company's sustainable development.

Assessment Item		Performance Indicator Weighting	Scoring Criteria
1. Environmental / Packaging Material Management	Proportion of single-use plastic among other plastics	2.5%	Scored according to target achievement. The score is linked to senior executive performance, accounting for 12% in total
2. Environmental / Climate Change	Year-on-year reduction rate in Scope 1 and Scope 2 GHG emissions	2.5%	
3. Environmental / Sustainable Procurement	Proportion of sustainable certified raw material procurement amount	2.5%	
4. Environmental / Food Waste Management	Annual food loss and waste discarded and reduction ratio	2.5%	
5. International Trends / Customer Health and Safety	Major food safety risk violation rate	2%	

In line with the Company's reward and remuneration system, the total performance score of senior executives is linked to the performance bonus of the current year, the calculation of salary increase and related benefits for the following year to support the progress of sustainable development with actual rewards and compensation. To implement the sustainable development strategy and promote its progress, these metrics not only promote the Company's sustainable development, but also motivate senior executives to actively participate in continuous improvement and innovation through the connection with environmental goals.

· Remuneration Payment for Senior Management ·

In 2025, the total amount of remuneration paid by President Chain Store Corporation to senior executives accounted for 0.49% of the Company's net profit after tax. For relevant information on remuneration, please refer to pages 24-26 of President Chain Store Corporation's 2025 Annual Report.

Annual Ratio of Total Remuneration	Difference in Annual Ratio of Total Remuneration
54.87~109.74	25.28

Note 1: Definition of denominator: The median salary of all employees is calculated based on the median disclosed by the Company in current the year in accordance with the provisions of "Taiwan Stock Exchange-Non-Supervisory Full-time Employee Salary Information," and is used as the denominator of the two indicators above.

Note 2: Definition of numerator: The annual total remuneration of the highest-paid individual in the organization is calculated based on the "Range of Remuneration for Directors" disclosed in the Company's annual report. The difference in the total annual remuneration of the individual is also estimated this way.

Ethical Corporate Management

Ethical corporate management is an operating principle to which President Chain Store Corporation attaches great importance. Under the Integrity, Risk and Cybersecurity Management Committee, President Chain Store Corporation has established the Integrity Management Promotion Team. In addition to fully disclosing the implementation results of ethical corporate management on the official website and in the annual report, the Company has formulated the Corporate Governance Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and President Chain Store Corporation Procedures for Ethical Management and Guidelines for Conduct to regulate internal standards of conduct for ethical corporate management. To further demonstrate President Chain Store Corporation's zero-tolerance principle toward corruption, the Company completed the formulation of the President Chain Store Corporation Anti-Corruption and Anti-Bribery Policy in 2025, facilitating compliance with relevant standards by all stakeholders. The policy has also been incorporated into employee performance evaluations and linked to remuneration. In the event of violations, employees' year-end bonuses, which form part of employee remuneration, may be reduced by 5% to 45% depending on the severity of disciplinary action for violations of corporate ethics. Such violations may even result in demotion or a reduction in grade, directly affecting employee remuneration. In 2025, President Chain Store Corporation had no violations related to ethical corporate management. The status over the past two years is shown below:

	Number of Cases in 2025	Amount in 2025 (NT$)	Number of Cases in 2024	Amount in 2024 (NT$)
Corruption and bribery	None	0	None	0
Violations of the Fair Trade Act	None	0	None	0
Conflicts of interest and money laundering	None	0	None	0
Insider trading	None	0	None	0
Political contributions	None	0	None	0

Integrity Management Promotion Team

- Promotion and coordination of ethics policy education and training.
- Supervising the operation of the whistleblower system to ensure its effective execution
- Regularly analyzing and evaluating the risk of unethical behavior and formulating prevention plan accordingly
- Assisting with incorporating ethical and moral values into the corporate business strategy, as well as implementing preventive measures for ensuring ethical corporate management in accordance with the law.
- Planning of internal organizations, rosters, and responsibilities to set up checks and balances for business activities which have a higher risk of unethical behaviors.
- Assisting the Board and management with auditing and evaluating the effectiveness of preventive measures for ensuring ethical corporate management as well as routinely reporting on the compliance of relevant business processes.

< The Results and Plans of Promoting Ethical Corporate Management >

President Chain Store Corporation implements monthly internal communications on ethical corporate management. The Integrity Management Promotion Team collects ethical corporate management cases or communication matters to promote ethical corporate management concepts and policies, covering topics such as labor safety, occupational safety and food safety regulations, the Fair Trade Act, and the Personal Data Protection Act. The Company has also established an Ethical Corporate Management section in the policy communication area of its internal website, where ethical corporate management standards and communication materials are made available, enabling all employees to review and familiarize themselves with the Company's ethical corporate management standards and communication materials. Education and training on ethical corporate management apply to all employees of President Chain Store Corporation, including full-time and part-time employees, store managers, and employees of franchised stores. Certain courses are also extended to managers of affiliated enterprises. To ensure that employees fully understand how to use ethical corporate management grievance channels, all employees receive training related to the use of grievance channels through new employee training or store quality assurance and ethical corporate management certification. This clearly informs employees of when they may use reporting channels, as well as the relevant contact information.

In addition, President Chain Store Corporation has also established an annual assessment and audit mechanism. In 2025, the Internal Audit Office conducted audits in accordance with the Ethical Corporate Management Policy and Code of Conduct and other relevant standards. The audits covered headquarters operations, represented by the Board Secretary, Human Resources Department, and Legal Department, and examined the implementation, execution, and compliance status of the ethical corporate management system. Audit items included the signing process for ethical corporate management clauses in marketing contracts, ethical corporate management education and training for new employees, disciplinary procedures for violations of ethical corporate management, and implementation of ethical corporate management communications. The audit results showed no abnormalities, and all operations were carried out in accordance with the relevant standards. President Chain Store Corporation also conducts regular annual ethical corporate management audits of all stores, covering cash receipts and payments as well as cash flows related to the membership system.

With regard to external cooperation with suppliers, we have formulated the Supplier Ethical Management Guidelines to communicate ethical corporate management to suppliers. The guidelines cover the Company's ethical corporate management policy, operating procedures and code of conduct, anti-corruption and anti-bribery standards, as well as grievance and feedback channels. These guidelines help business partners understand and comply with relevant standards. The Company also regulates suppliers' ethical corporate management through the establishment of ethical corporate management clauses. In 2025, there were 216 supplier contracts and raw material supply agreements, and 814 procurement contracts. The signing rate for ethical corporate management clauses and corporate social responsibility-related clauses in the aforementioned contracts reached 100%.

< 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, email, 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 promising to protect the whistleblower from any mistreatment as a result of the act.
After stakeholders send their feedback by email 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 2025, a total of 53 cases were reported regarding fraud or issues related to ethical corporate management practices, and all cases have been processed and closed.

1 Receiving Complaint	Whistleblowing Channel: Stakeholder section : https://www.7-11.com.tw/communication.aspx Internal Audit Office : audit01@mail.7-11.com.tw
2 Incident and Reporting	• The contact person must report the progress within the specified time. • Report to the supervisor, independent directors or audit committee according to the nature of the incident and level involved.
3 Procedures for Handling Cases that Are Proven True	• If violations of the Ethical Corporate Management Policy are proven to be true, the respondent should be immediately required to stop relevant behavior and dealt with appropriately. • Seek damages through legal procedures when necessary to protect the Company's reputation and rights.
4 Subsequent Improvement	• Review relevant internal control systems and operating procedures to propose improvement measures. • Regularly compile statistics and track case receipts and progress every month.

Fiscal and Tax Governance

President Chain Store Corporation actively opened new stores in 2025 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. The Company's operating performance grew by 3.79% compared to last year, and it continues to set new highs. Please refer to the President Chain Store Corporation individual financial statements and consolidated financial statements available on the Market Observation Post System.

Direct Economic Value Distribution

Item (Unit: NT$ thousand)	2024	2025
Operating costs	139,489,979	145,761,727
Employee wages and benefits	8,627,124	8,953,196
Payment to investors	10,150,751	10,300,035
Payment to government	1,881,847	1,904,158
Community investment	26,865	27,600

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 introduced the ISO 31000:2018 risk management system in 2024. In May 2025, the Internal Audit Office conducted an internal audit of the overall risk management process in accordance with the internal audit system. The audit covered the risk assessment process, including risk review and exposure assessment, and an audit report was issued. The results showed that the risk management-related processes in 2024 operated effectively, with all operations carried out in accordance with relevant procedures, and no material deficiencies identified. Going forward, the Company will conduct such audits regularly, at least once every two years, to ensure the effectiveness of risk control. The Company also expects to engage a third party to conduct an external risk management audit in 2026. To foster a culture in which all employees participate in risk management, President Chain Store Corporation held both in-person and online risk management courses in 2025 to comprehensively enhance employees' risk management capabilities. Please refer to the official website for relevant training hours and information.

Risk Management Structure

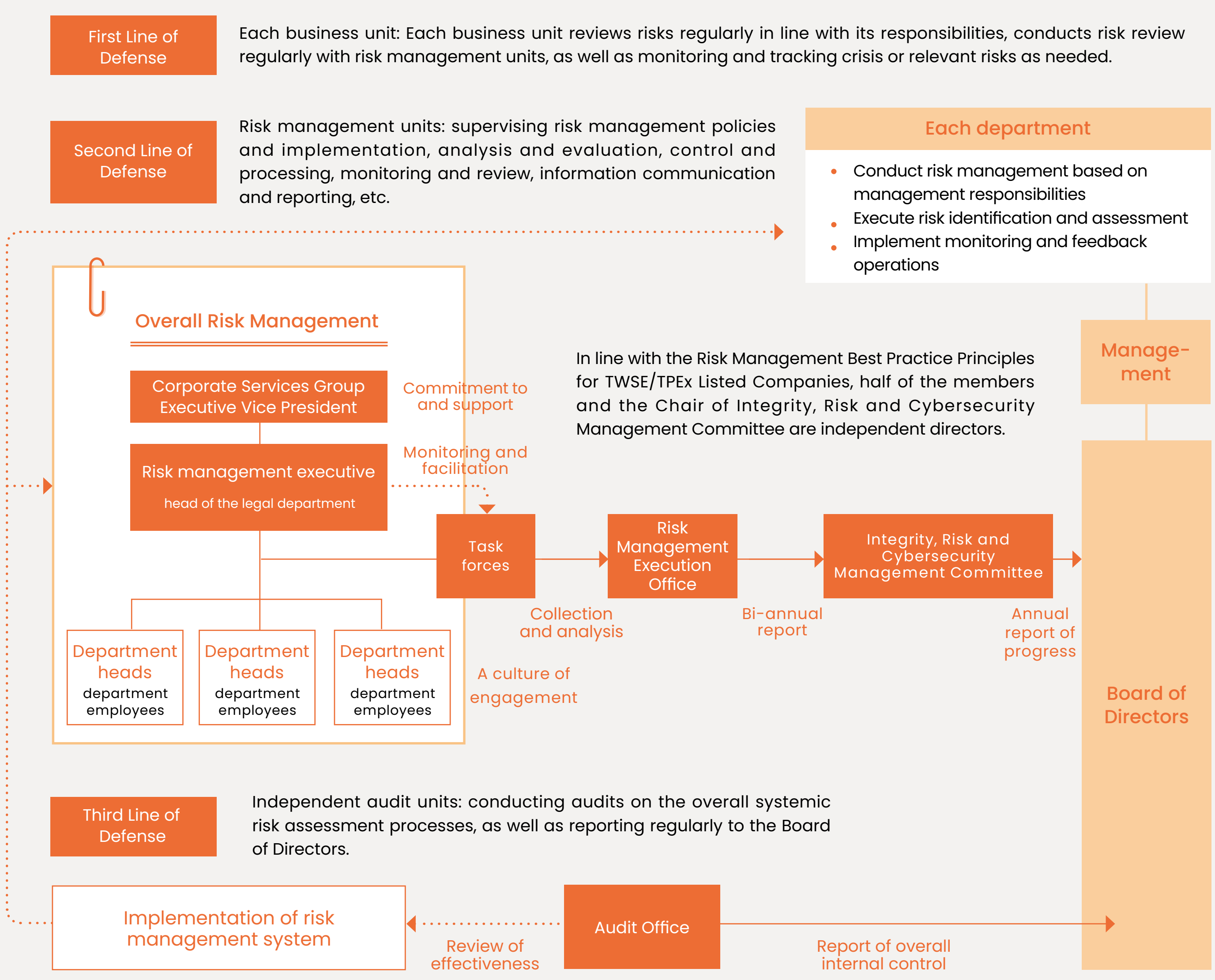
The Company's Board of Directors is the highest risk management unit that is responsible for approving risk management policies and structures to ensure the effectiveness of risk management. The Integrity, Risk and Cybersecurity Management Committee is affiliated to the Board of Directors with the"Risk Management Execution Office" underneath that is a cross-departmental risk management decision-making unit. It exercises its powers independently of other business functions and operating activities, with the Executive Vice President of the Corporate Services 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 Integrity, Risk and Cybersecurity Management Committee.

· Three Lines of Defense Model for Risk Management ·

President Chain Store Corporation has 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 Crisis Management) to ensure effective risk control. The second line of defense consists of risk management units, including the "Integrity, 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 Internal 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 Integrity, 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, and audited 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.



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 Executive Vice President of the Corporate Services 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, and reports risks based on the risk characteristics and impact levels compiled by each task force, as well as improves response measures. The processes are as follows:

1 Risk Identification	2 Risk Analysis and Measurement	3 Risk Monitoring and Response	4 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, 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. These measures and plans also serve as a reference for each operating unit to formulate and select improvement measures in the future.	Regularly summarizing the status of risk management and control to report to the Integrity, 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. Risk identification and ranking take into account the dual-axis risk matrix. The X axis represents the level of severity (I), and it is graded from 1 to 5 points. The Y-axis represents the risk likelihood (L), and it is graded from 1 to 5 points. The two are multiplied for risk level (R), which is used as the standard for finding out the scores of each financial, food safety, franchise, legal and other risks. The risks are then ranked in line with the impact and results to highlight the level of impact, likelihood and importance of each risk.

Risk Matrix

The risk acceptance value is 14 (can be adjusted if necessary)			Level of Severity				
			Extremely low	Low	Medium	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

Note 1 : Level of severity (I) indicates the impact of a risk event on the Company, with 1 being insignificant and 5 being extremely 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 46 risks assessed this year exceeded 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 2025 were carbon reduction, food waste and labor shortage. The relevant risk appetite and mitigation measures are explained as follows:

Risk	Risk Level (R)	Mitigating and Response Measures
Carbon Reduction Risk	12	In response to the international trend toward carbon reduction, increased regulatory requirements may raise the Company's operating costs and financial expenditures. Carbon reduction investments and carbon fee collection will both increase Company's costs, affecting net profit and corporate development. In particular, as the purchase cost of electric vehicles increases, profit margins may also be affected. If the pace of vehicle replacement does not keep up with the increase in carbon emissions, this mayalso affect the Company's carbon reduction performance. (1)Continuing to develop electricity-saving equipment and optimize store energy conservation management. (2)Developing renewable energy, and addressing the carbon reduction gap through self-built solar photovoltaic systems and the procurement of green electricity. (3) Monitoring policy changes and relevant subsidy measures for electric vehicles and other alternative-energy vehicles. (4)Replacing older environmentally friendly logistics vehicles and introducing new environmentally friendly logistics vehicles. (5)Improving transportation efficiency and reducing carbon emissions.
Food Waste Risk	9	As the number of stores increases, the generation of large volumes of food waste may expose the Company to public opinion pressure on sustainability, environmental protection, and other issues, resulting in a negative corporate image. Introducing a circular economy can reduce environmental impacts and operational risks, while attracting sustainability-minded consumers, enhancing brand image, and increasing revenue. Through iLove Food and food waste reuse, the Company can reduce waste clearance costs and increase fresh food revenue, achieving a win-win outcome in both environmental and financial benefits. A circular economy operating model can respond to regulatory trends and the rise of consumer sustainability awareness, creating new revenue opportunities. Its effectiveness is sensitive to consumer participation and project implementation efficiency. If participation is insufficient, short-term benefits may be affected by increased management, operation, and maintenance costs. However, as processes are optimized and participation increases, costs can still be gradually balanced and operational resilience maintained. (1)Reviewing the effectiveness of new products in each campaign period. (2)Relevant departments reviewing food waste disposal methods each month. (3)Carrying out iLove Food campaigns and developing products with longer shelf lives to reduce food waste generation. (4)Reviewing year-on-year increases or decreases in food waste data and adjusting the frequency of product delivery to stores.
Labor Shortage Risk	6	Due to the trend of declining birth rates, store operations, vendors, delivery, and other aspects are all affected to varying degrees. For example, labor shortages at stores may make recruitment difficult, leading to an increase in stores that do not operate during late-night hours and affecting store performance, which may in turn affect Franchisees' willingness to take on stores. A lack of personnel among store construction contractors may delay construction progress. Labor shortages at fresh food factories may result in insufficient production capacity. A shortage of delivery personnel may lead to a decline in on-time delivery rates. Response measures include: (1)Expanding industry-academia collaboration, campus recruitment, and recruitment of middle-aged and senior workers. (2)For certain stores that do not operate during late-night hours, reallocating manpower to other stores. (3)Encouraging franchisees to operate multiple stores, while reducing store-opening risks and Franchisees' financial pressure to increase their willingness to take on stores. (4)Regularly monitoring store construction status and product factory capacity. If abnormalities arise, vendor needs are raised in advance to ensure sufficient construction capacity. (5)Adopting modular construction, optimizing construction procedures, and formulating penalties for vendor delays. (6)In logistics, ensuring manpower by reducing vehicle purchase costs, increasing freight rates, and optimizing cooperation terms with vendors. (7)In recent years, the Company has planned to expand logistics parks and introduce automated equipment to increase logistics capacity and reduce personnel fatigue. Through diversified recruitment and cooperation channels, the Company will also increase the number of logistics personnel and delivery methods to avoid delivery delays, with the goal of keeping the impact of the Company's average annual delivery schedule delays below 5%.

· 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
Changes in the demographic structure	The impact of different product structures and services required by the elderly consumer group
According to the statistics published by the Ministry of the Interior for 2025, only over 107,000 babies were born, hitting the all-time low with 27,000 fewer than 2024. 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.	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. 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: 1. Impact on talent recruitment and personnel costs 2.The impact of different product structures and services required by the elderly consumer group

Countermeasures

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.
4. Focus on developing products for the elderly and introduce the Veggie Section® compound store.
5. Evaluate the adoption of age-friendly store design to provide a friendly environment for consumption.

Economy - Trend of Coexisting Economic Growth and Inflationary Pressure

Emerging Risk	Future Impact
Global economic uncertainty	
Amid continued volatility in the international political landscape, uncertainties such as geopolitical tensions, changes in trade and tariff policies, fluctuations in energy prices, and extreme climate events continue to pose challenges to the global trade market and overall economic environment. These factors may also give rise to risks such as inflationary pressure, labor shortages, and unstable supply chain deliveries. Driven by demand from the technology industry, Taiwan's economic growth rate in 2025 is estimated to reach 8.63%, indicating that the overall economy has growth momentum. However, fluctuations in international energy prices have pushed up adjustments to domestic public utility rates. Coupled with persistently high uncertainty in the global economy and geopolitical landscape, as well as related cost pressures, these factors will affect overall consumer confidence.	The product structure of President Chain Store Corporation mainly includes food, supplies and services. Under the global economic uncertainty, the following impacts may occur: 1. Labor shortage risk leads to supply chain uncertainties: Labor 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 developing 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 star-rated hotels/well-known restaurants to create appeal. 3. Energy price increase: Rising energy prices may lead to increased electricity and logistics costs in stores, reducing operating profits

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 store equipment with energy-saving equipment, 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 star-rated 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
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 if insufficient resources are invested in protection measures. 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.	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: 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.

Countermeasures

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.
The Company's e-commerce platform has actively implemented a number of relevant measures, including but not limited to:

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 the product is put on the shelves with details of scam tactics.
3. Blocking the internal chat system from displaying QR codes or external links, as well as scam keywords.

Sustainability – Food Waste Risk

Emerging Risk	Future Impact
With the recent rise in environmental awareness, society has become more sensitive to food waste. In the retail and convenience store sectors, the continued expansion in store numbers, the growing proportion of ready-to-eat products with shorter shelf lives, and changes in store traffic and time-period distribution brought about by delivery platforms and online retail have increased the possibility of product disposal. In addition, the government has been gradually strengthening the management and regulation of organic waste, raising compliance thresholds for recycling, sorting, and reuse. At the same time, increasing attention and expectations from social media and civil society organizations have created substantive pressure on corporate image and reputation, further heightening external expectations for corporate sustainability actions. Overall, under the combined influence of increased production and sales uncertainty, stricter regulatory requirements, and rising external attention, emerging food waste risks have rapidly surfaced and intensified.	As large volumes of food waste are generated, or if adjustments to relevant government laws and regulations result in poor recycling rates, the following potential impacts may arise: 1. Increase in disposal volume: Product clearance and disposal costs may rise, increasing operating costs. 2. Stricter regulations: Higher requirements for recycling, sorting, and reuse will require the Company to invest more resources and management costs to ensure legal compliance and avoid fines. 3. Damage to brand and reputation: Negative feedback from stakeholders or public opinion may affect customer traffic and partner confidence, thereby impacting revenue performance.

Countermeasures

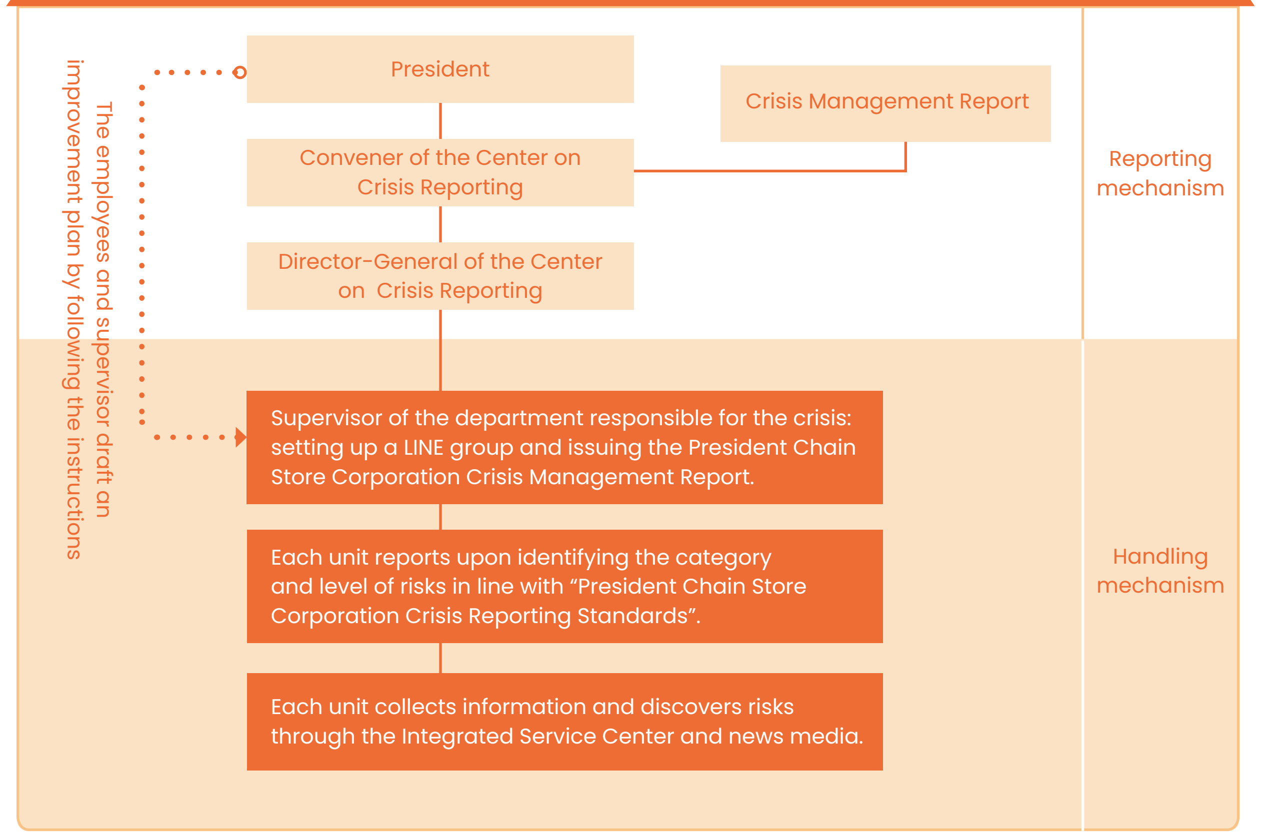
1. Introducing circular economy can reduce environmental impacts and operational risks, while responding to regulatory trends and attracting consumers who pay attention to sustainability issues. This can enhance brand image and create new revenue opportunities. The effectiveness of the circular economy operating model is sensitive to consumer participation and project implementation efficiency. If participation is insufficient, short-term benefits may be affected by increased management, operation, and maintenance costs. However, as processes are optimized and participation increases, costs can still be gradually balanced and operational resilience maintained.
2. Through iLove Food and food waste reuse, the Company can reduce clearance costs and increase fresh food revenue, achieving a win-win outcome in both environmental and financial benefits.

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 Vice President of the Corporate Services 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.

Organizational Chart of the Headquarters' Crisis Response Task Force



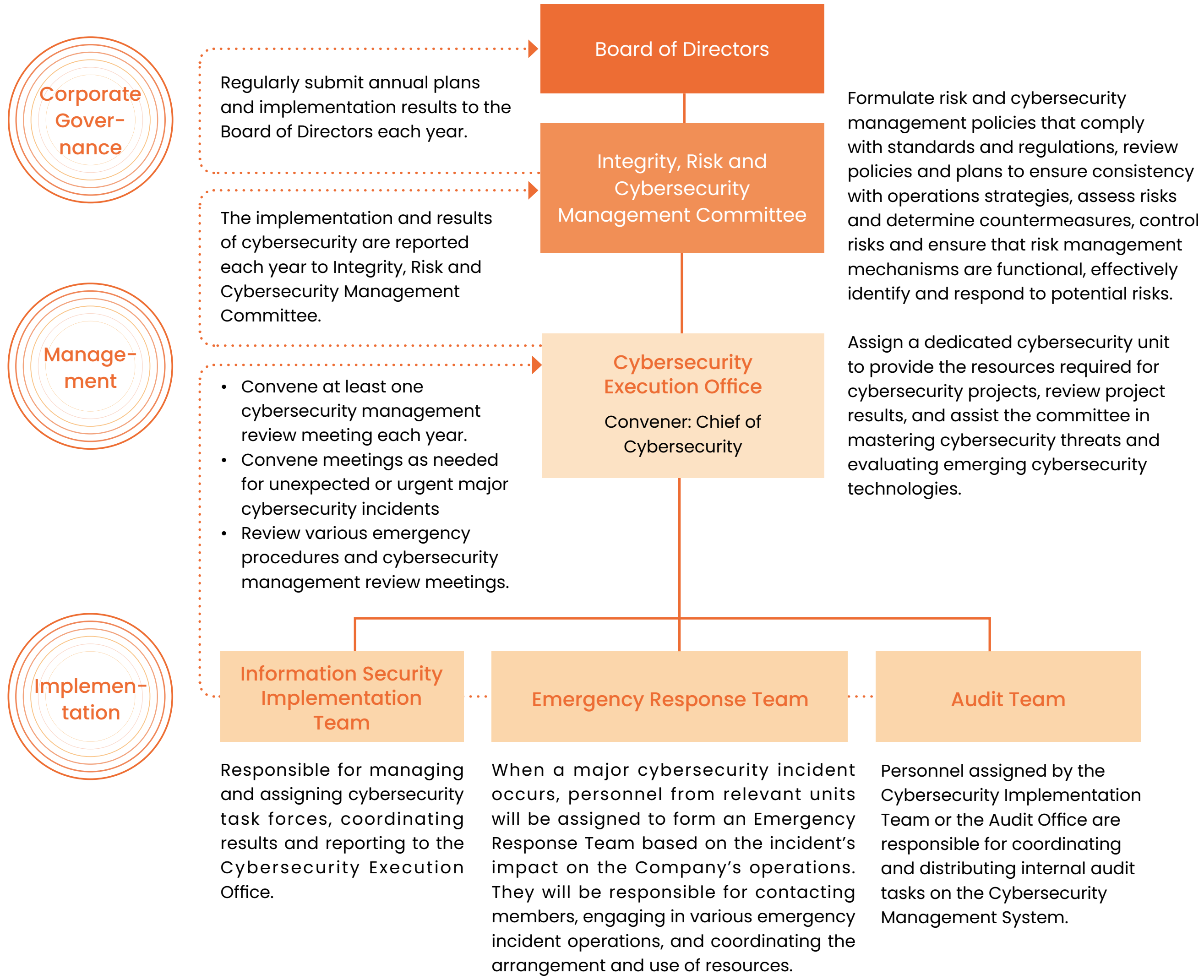
2.3 Information Security and Privacy Protection

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,uniopen, ibon, OPEN Wallet, icash Pay, icash 2.0, OPENPOINT app (including iGroupbuying® 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 "Integrity, Risk and Cybersecurity Management Committee" in 2023. Previously known as the Cybersecurity Committee, it was renamed as the Cybersecurity Execution Office in December 2024. Chaired by the Chief Information Security Officer, the Office oversees the "Information Security Implementation Team," "Emergency Response Team," and "Audit Team," and convenes at least one review meeting annually, 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 by the Cybersecurity Execution Office can be obtained from the Company website.

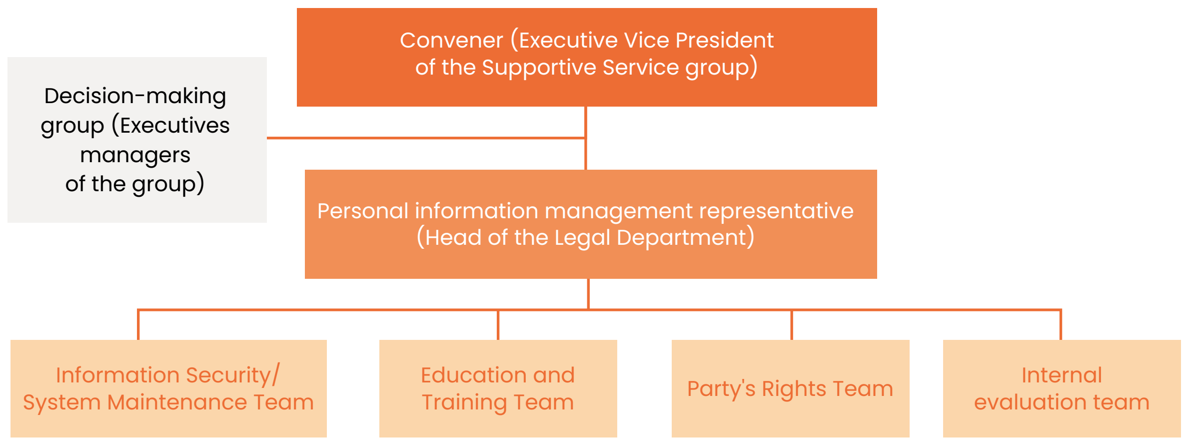


· Personal Data Protection Task Force ·

President Chain Store Corporation uses customer data for non-primary collection purposes, which include marketing or communications with customers in compliance with laws and with the consent of customers. We comply with relevant government regulations and information management principles to ensure that the collection and use of data must be within the scope of authorized data established by the Company, adopt appropriate technical and organizational security measures, and preserve data strictly in highly secure and stable data storage systems to fulfill the confidentiality obligations of personal data of customers and investors. In 2025, the proportion of customer personal data used by the Company for marketing and communications accounted for 99.5%. Digital technologies involve a lot of customers' personal data. President Chain Store Corporation has established a special task force and reporting mechanism, and conducts training and internal audits to ensure the protection of consumers' personal data.

The "Personal Data Protection Task Force" is an cross-departmental task force that regularly performs personal data inventory, risk analysis, internal system review, notification and revision, data destruction, education and training. Education and training is systemized with courses and forums for new employees and personal data liaisons of each unit to complete via testing, achieving a 100% internal training completion rate. In order to enhance the awareness and expertise of all employees regarding cybersecurity, we regularly publish cybersecurity e-newsletters to share the latest trends in cybersecurity, information on threat and protective measures. In the meantime, all subsidiaries and system contractors' IT personnel are required to complete 3 hours of cybersecurity education and training every year. In addition to integrating personal data risk management into the overall risk management and audit mechanism of the Company, personal data protection management reports are formulated for each department, as well as adding personal data protection clauses to contracts when working with external suppliers to ensure that all operating units and suppliers comply with the Company's personal data protection policy. President Chain Store Corporation's internal evaluation plan and external verification system can effectively supervise and assist various departments in formulating corrective, preventive or improvement measures for non-conformities discovered during internal evaluations or audits. Records of improvement are equally made and kept. Corresponding penalties are also formulated for employees who violate the Company's personal data management rules. Any violation will be reported to the supervisor and included in the employee's personal performance evaluation and records.

Organizational Structure of the President Chain Store Corporation Personal Data Protection Task Force



The above figure presents the organizational structure for 2025. The working group adjusted the organizational structure effective April 1, 2026.

Internal Audit and External Certification

President Chain Store Corporation integrates information security management and control into the overall risk management and auditing mechanism of the enterprise, and further links the annual performance evaluation of employees. Through the internal assessment and external verification system, it can effectively identify risks and supervise various departments in formulating corrective and preventive measures for non-compliance matters to achieve continuous improvement. For critical information and communication systems, a business continuity plan or regular testing plan (Note) should be conducted at least once a year. In addition to checking the settings of operating systems and network services and evaluating account and password management principles, testing will also cover other related areas to identify vulnerabilities in the information and communication environment. For overall information and communication protection, red team drills are performed to identify the vulnerabilities, as well as immediately implementing management and technical strengthening measures based on the result to ensure that the security of the information and communication systems meets the requirements of international common standards and best practices.

Note: Business continuity/regular testing plan include vulnerability scanning and penetration testing, business continuity drills, social engineering drills and red team drills.

Note : Detailed cybersecurity test results can be accessed on President Chain Store Corporation's website.

Q1	Q2	Q3	Q4
• Vulnerability scanning • Penetration testing	• Business continuity • Planned drills	Red team drill	Social engineering drill

President Chain Store Corporation first obtained certification under the Taiwan Personal Information Protection and Administration System (TPIPAS) in 2014, and received renewed certification valid for two years in 2023. In addition to this personal data protection certification, the Company passed renewed certification for the ISO 27001:2022 Information Security Management System in 2025, covering the electronic invoice systems of all stores and uniopen membership, thereby strengthening its information security management mechanism. In addition, we undergo external audits each year. The 2025 audit was completed on November 7, 2025, with no nonconformities identified, and the certificate is valid until January 10, 2029. In accordance with ISO 27001:2022 requirements, we also conduct supplier audits twice a year. For high-risk contractors identified by the Company, we regularly assess preventive measures for potential risks such as information security vulnerabilities, data breaches, and privacy compliance.

Based on the above certifications, the Company further implements the principle of Privacy by Design in the development processes for products, services, and systems. This covers data minimization, restrictions on use for specified purposes, and default protection measures. Personal data review procedures are also established at each stage of development, including determination of personal data involvement at the requirements stage, data flow analysis at the design stage, and personal data and information security risk assessments before launch, ensuring that privacy protection runs through the entire development lifecycle.

Stage	Key Actions	Document Output
Applicability Determination	Confirm whether President Information Corp. is responsible for the entire process, from planning, design, and construction to operations and maintenance	
Requirements Stage	BIF Determine whether personal data is involved ▶ identify personal data and prepare the BIF	BIF Enterprise Information Flow Overview Diagram
Design Stage	Conduct data flow analysis and confirm the five major assessment items	Data Flow Analysis Document
Pre-launch Review	Major / controlled projects must complete personal data and information security risk assessments	Risk Assessment Report; PMP006 CheckList
Operations and Maintenance Management	regular spot checks ▶ improve deficiencies when identified ▶ continue the cycle	Spot Check Records; Improvement Reports

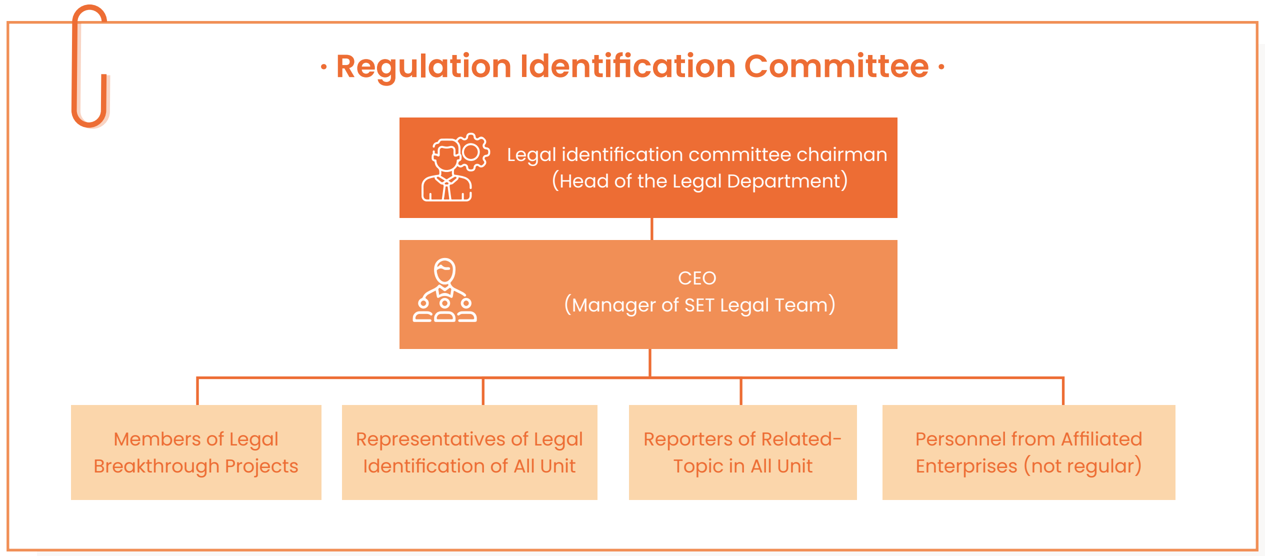
Grievance Mechanism

To provide customers with comprehensive personal data protection, President Chain Store Corporation has also set up personal data issue reporting and contacts that correspond to our various personal data collection channels. In 2025, no complaint was received regarding customer privacy infringement from the competent authority or external parties.

Personal Data Grievance and Contact	
Consumer	Integrated Services Center Tel：0800-008711 E-mail：public@mail.7-11.com.tw All President Chain Store Corporation departments have respective contact persons for reporting privacy issues.
Non-consumer	As there are many departments within President Chain Store Corporation, it is impossible to list every point of contact for reporting privacy issues. These points of contact are also responsible for handling and responding to privacy issues. The processed cases will be reported to the Personal Data Task Force for record-keeping.

2.4 Legal Compliance

President Chain Store Corporation has formulated the "President Chain Store Corporation Principles of Legal Control and Breakthrough", stating that the Legal Identification Committee as the guiding body on legal compliance. The legal identification contact is included in each unit to ensure legal compliance in order to stay updated with the trends in legal revision, as well as involving all employees in the identification and countermeasures of risks to ensure the operations of each company organization comply with government regulations.



Legal Compliance Mechanism

With the establishment of the Regulation Identification Committee, President Chain Store Corporation is committed to fulfilling the goals of "legal information reporting," "regulation identification" and "legal breakthrough." The Company also set up a cross-unit Regulation Identification Team. In addition to staying updated with legal trends, regular "regulation identification meetings" are held. In 2025, 4 regulation identification meetings were held with a total of 453 new regulations, amended bills or other major legal changes identified. The regulations mainly cover fire safety, labor conditions, fraud prevention, taxes and other relevant regulations, with countermeasures formulated and implemented by different departments.

Aspect	Legal Information Reporting	Regulation Identification	Legal Breakthrough
Target and Mechanism	1 Collect newly revised laws and draft amendments of various central and local government agencies 2 Provide each unit for identification based on its business relevance to the Company 3 Encourage all units to immediately respond to new amendments to laws and drafts	1 Each unit conducts an impact assessment on the Company's operations based on the laws and regulations collected within the scope of business 2 Information is provided to each unit in the legal identification meeting based on the assessment result 3 Facilitate legal breakthroughs based on bills with impact	1 Evaluate feasible projects for laws and regulations that have a significant impact on the Company's business, and plan for changes in draft laws and regulations that can be implemented in accordance with the Company's needs, including the formation of action units, assignment of tasks, scheduling, etc. 2 Set up a new system based on the final result

In 2025, President Chain Store Corporation actively communicated the importance of regulatory compliance to employees. To strengthen employees' awareness of regulatory compliance and ethical corporate management, President Chain Store Corporation planned education and training in 2025 for supervisors, all employees, and store personnel. The courses covered labor safety, ethical corporate management, food safety, and information security risk prevention. Through in-person, online, and external training courses, the Company has progressively built a friendly working environment that values the rule of law and occupational safety. Quantitative results, including the course structure, number of participants, and training hours for relevant education and training, are fully disclosed in Chapter 6, Employee Education and Training.

Legal Compliance in 2025

President Chain Store Corporation actively stays updated with various aspects of laws and regulations, as well as adjusting relevant internal systems and business operations accordingly. All Food products sold through President Chain Store Corporation stores must all comply with the Act Governing Food Safety and Sanitation as well as its sub-laws. The sub-laws include "Regulations on Good Hygiene Practice for Food," "Food Sanitation Standards," as well as other relevant laws issued by the Ministry of Health and Welfare. In 2025, there were no product removal incidents resulting from notifications by competent authorities. In addition to complying with the competent authority to remove products from the shelves, President Chain Store Corporation also independently reviews the quality of products sold, as well as taking the initiative to remove irregular products from the shelves. In 2025, one directly operated President Chain Store Corporation stores received fines for violating Article 15-1 (8. expiry date) of the Act Governing Food Safety and Sanitation for selling expired products. The incident accounted for a total of NT$60,000 in fines. In 2025, President Chain Store Corporation headquarters received fines for 2 cases of franchise stores violating Article 15-1 (8. expiry date) of the Act Governing Food Safety and Sanitation. The total amount of fines was NT$120,000. The company is continuously improving its processes to ensure complete and accurate tracking of franchisee fines.
In 2025, President Chain Store Corporation had a total of two violations of laws and regulations, with total fines paid amounting to NT$260,000. This included one material violation [Note]. The Company will continue to improve, regularly review, and optimize relevant measures to prevent similar incidents from recurring.
In June 2026, a food safety incident involving products supplied by Chung Lien Oils & Fats Co., Ltd. affected parts of the food industry supply chain. The Company complied with regulatory requirements and withdrew relevant products as a precautionary measure. As of the publication date of this Report, no information indicates that products within the 2025 reporting period were affected. The Company continues to monitor the investigation and take appropriate actions as necessary.

Note : The materiality of penalties for President Chain Store Corporation refers to the fines where the amount exceeds NT$100,000.
Note : Except for all cases involving violation of the Act Governing Food Safety and Sanitation, the rest are listed as major violations in the table below.

Regulation Violated	Violation	Number of cases	Total Amount of Fines	Measures for Improvement and Response
Subparagraph 1, Article 12 of the Tobacco Hazards Prevention Act	Users of the "MyShip" online platform posted several tobacco product transaction listings, violating the Tobacco Hazards Prevention Act.	1	$200,000	1. Strengthened communication: Prohibited and restricted product rules are clearly disclosed in the terms of service, login process, and listing process to strengthen sellers' regulatory compliance. 2. Keyword blocking: The platform has established a prohibited product keyword blocking mechanism to intercept suspected non-compliant products and reduce the risk of prohibited products being listed. 3. AI detection: AI image and text recognition technology has been introduced to detect product names, images, and content, improving the ability to identify non-compliant products. 4. Preventive delisting: For stores or products identified as risky through system scanning, preventive delisting measures are taken to reduce platform compliance risks.
Article 15-1 (8. expiry date) of the Act Governing Food Safety and Sanitation	Ming-an store violated the Act Governing Food Safety and Sanitation by selling expired products	1	$60,000	1. Joined Capital Consultant Corp.'s quality assurance project, with Capital Consultant Corp. assisting stores in quality assurance inspections. 2. Store quality assurance self-inspections were adjusted from checking products for the current month to checking products for the following three months. Photo albums and product time records are also established to ensure effective management. 3. For daily-delivered products, the morning shift first conducts self-inspections of D+1 products each day and establishes a product database in the store group. On Day D, morning and evening shifts conduct repeated checks.