

Mercuries & Associates Holding, Ltd.



2023

ESG

Sustainability Report

Environmental, Social, and Governance

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About This Report

This report is the 2023 Sustainability Report (ESG Report) published by Mercuries & Associates Holding, Ltd. (hereinafter referred to as Mercuries & Associates Holding or the Company), hereinafter referred to as this Report.

The Company has prepared and published its Sustainability Report since 2016 with one edition a year. This Report is the 8th Sustainability Report of Mercuries & Associates Holding, Ltd. The previous edition of the Sustainability Report was published in June 2023.

Download previous sustainability reports



Basis for Preparation

This Report has been prepared in accordance with GRI: 2021 Sustainability Reporting Standards published by Global Reporting Initiative (GRI) and AA1000:2018 AccountAbility Principles; at the same time, this Report complies with the contents required for disclosure in accordance with Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies amended by Taiwan Stock Exchange on January 26, 2024.

In addition, ESG Sustainable Development Action Plan requires TWSE/TPEX listed companies to strengthen the information disclosure of sustainability reports with reference to the standards published by Sustainability Accounting Standards Board (SASB) of the United States. The main revenue industry of Mercuries & Associates Holding is categorized as “FN-IN Insurance” in SASB standards. For detailed contents, please query the sustainability report of Mercuries Life Insurance Co., Ltd.

Report Period

This Report is intended to report the sustainable development results and data of Mercuries & Associates Holding and its major subsidiaries in 2023 (January 1, 2023-December 31, 2023), including material topics, stakeholders, management policies, implementation programs, management performance, and other related information. To improve the integrity and comparability of the information, the data of the last two years was traced back for a part of the performance.

Boundary of This Report

This Report discloses the performance of Mercuries & Associates Holding in its business scope and its subsidiaries in the industries of consumer products and catering retail (including Mercuries & Associates, Ltd., Simple Mart Retail Co., Ltd., and Mercuries F&B Co., Ltd.) in terms of major sustainability topics including governance, environment, and society, and the boundary covered includes the head offices of Mercuries & Associates Holding and the aforesaid subsidiaries as well as all their operating sites in Taiwan.

- Address of head office: No. 145, Section 2, Jianguo North Road, Zhongshan District, Taipei City (hereinafter referred to as Jianbei Building)
- Addresses of stores: Please refer to the dedication section for location of stores on the official website of each brand.

For the contents and implementation performance of sustainable development of important subsidiaries subordinate to Mercuries & Associates Holding, please refer to the sustainability reports ^{Note 1} published by these companies, or ESG section on their official websites.

- Official website of Mercuries Life Insurance Co., Ltd.: www.mli.com.tw
- Official website of SCI Pharmtech Inc.: www.sci-pharmtech.com.tw
- Official website of Mercuries Data Systems Ltd.: <https://www.mds.com.tw>

※Note 1: Mercuries Life Insurance Co., Ltd. and SCI Pharmtech Inc. have independently issued ESG reports. Please download these ESG Reports from their official websites. In accordance with the materiality principle, other subsidiaries in the consolidated statements are excluded from the ESG Report of Mercuries & Associates Holding. In the future, the information of these subsidiaries will be included in the scope of the ESG Report by stages as planned.

Review and Management of This Report

Internal Audit:

This Report has been prepared by the executive secretary of the Corporate Sustainable Development Committee of Mercuries & Associates Holding (hereinafter referred to as the ESG Committee) in accordance with the local and foreign reporting standards and the relevant standards and regulations released by the Financial Supervisory Commission and through the combination of the data and materials provided by each subsidiary and relevant organizations. This Report presents the overall performance and achievements of Mercuries & Associates Holding regarding sustainability topics of corporate governance, environment, and society.

The searching, measuring and calculation methods of data information disclosure shall comply with the requirements of local regulations. The report prepared shall be proofread and confirmed by each business division and the ESG Committee and then presented to the Board of Directors for review, verification, and approval.

External Assurance:

This Report was verified by BSI Taiwan in accordance with GRI: 2021 Sustainability Reporting Standards as well as the medium assurance grade in the first application type of AA1000:2018 AccountAbility Principles. For the scope, method, and results of the preceding verification, please refer to the Check Statement on the final page of this Report.

Information Recompilation:

Information recompilation was not reported in the past.

Contact Information

The ESG Report of Mercuries & Associates Holding is published periodically every June. All the previous ESG reports can be checked and downloaded from the “Dedicated Section for Corporate Sustainable Development” on the official website of Mercuries & Associates Holding. In case of any suggestions and advice on the ESG Report of the Company, please do not hesitate to contact us through the following approaches:

Mercuries & Associates Holding, Ltd./ESG Committee

- Address: No. 145, Section 2, Jianguo North Road, Zhongshan District, Taipei City
- Person in charge: Manager Lin, Jin-Jie
- Tel.:(02) 2503-1111 #2503
- Email:jay.lin@mercuries.com.tw



Official website of Mercuries & Associates Holding, Ltd
www.mercuries.com.tw



Message from the Chairman

In accordance with the Paris Agreement enacted in 2015, the first “Global StockTake (GST)” was published in 2023. According to this report, countries were significantly lagging behind in their response to climate change at present. Currently, global temperatures have risen by 1.2°C. To control the rising temperatures within the goal of 1.5°C, the goals of carbon reduction by 43% by 2030 and carbon reduction by 60% by 2035 must be realized globally with the year 2019 as the base year. At the 2023 United Nations Climate Change Conference (COP28), 7 major Earth-saving action plans were proposed, among which 5 plans were related to finance, including major change in climate finance, easily accessible and affordable large-scale financial support, international financial structure reform, improvement of financing pipelines, etc.

As an investment holding company, Mercuries focuses more on the trends of international ESG investments, and adopts a basic strategy of removing investment targets with unfavorable ESG performance from the investment scope, thus forming pressure on the industry and further seeking feasible sustainable investment approaches. As a result, more transparent and reliable evaluation criteria can be established for investments, and a set of KPIs suitable for investment portfolios will be established.

“Pursuit for Sincere Services, Innovation, Excellence, and Social Co-prosperity” is a corporate business philosophy and core values always adopted by Mercuries & Associates Holding. Additionally, we have integrated E (Environment), S (Social), and G (Governance) into the Company’s business philosophy to fulfill its corporate social responsibilities. Also, we pay constant attention to the expectations of the stakeholders and combine corporate sustainable development with our corporate business philosophy and core values.

Environment (E)

The Company and its subsidiaries established their greenhouse gas inventory boundaries in 2023, and it is expected to complete the third-party verification of inventory data of the Company for the first year in April 2024. In addition to the implementation of greenhouse gas inventory verification, the Company has also internally established a climate-related financial information disclosures (TCFD) mechanism, disclosed the management information in aspects like governance, strategy, risk management, and metrics and targets, and established related internal regulations and mechanisms.

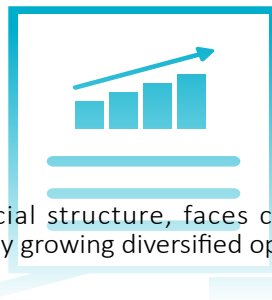




Social (S)

The Company emphasizes on the improvement of its service quality and the creation of safe, equal, and diversified labor relations and environment. It has actively promoted sports events and culture for a long term, and paid continual attention to public issues regarding children, the vulnerable groups, and the elderly. In 2023, Mercuries Life Insurance won 11 awards including Insurance Dragon & Phoenix Award, 2023 Happy Enterprise, and 2023 Insurance Faith, Hope & Love Award, and has been awarded “Sports Activist Awards” for 15 consecutive years.

Governance (G)



The Company sticks to a stable financial structure, faces customers sincerely, and strengthens risk management. Also, it focuses on the stably growing diversified operations.

Mercuries enterprises have disclosed ESG performance for many years. By disclosing sustainability-related risks and opportunities, Mercuries enterprises enable the investors to learn about its investment value and sustainable competitiveness. Besides, Mercuries enterprises have also drawn up and practiced each response measure to improve climate change on the basis of Net-Zero emission, indicating its positive attitude towards sustainability.

Looking into the future, Mercuries & Associates Holding possesses a powerful foundation as well as flexible and steady diversified operation and investment strategies. It will join hands with relevant Mercuries enterprises to create the maximum value and economic benefits, and carry out corporate sustainable development and corporate social responsibility vision together.

Chairman of Mercuries & Associates Holding

Chen, Shiang-Li



About Mercuries & Associates Holding

Introduction to the Organization

Established in 1965, Mercuries & Associates Holding (formally known as Mercuries & Associates, Ltd.) built up a fortune from trade. After more than fifty years of diversified development, the business scope of the Company has been extended to various aspects of people's lives, including food, clothing, housing, and transportation. Currently, it has become a comprehensive service enterprise group in possession of more than 1,400 stores and over 20,000 employees. In addition to its main business, Mercuries & Associates Holding has also actively engaged in social welfare activities by founding organizations like the Foundation for Taiwan Masters Golf Tournament, Chinese Slow Pitch Softball Association, and Foundation of Chinese Dietary Culture, and sponsoring multiple sports events and humanistic education foundations.

The Company was officially transformed and renamed to an investment holding company on January 1, 2015, showing the determination of Mercuries Group in long-term resource investment and sustainable corporate management. The main investment business of the Company includes life insurance, retail of consumer goods and catering, pharmaceutical industry, information services, and other relevant items. Currently, no product or service of the Company has been prohibited by any specific market.



Ratio of business turnover



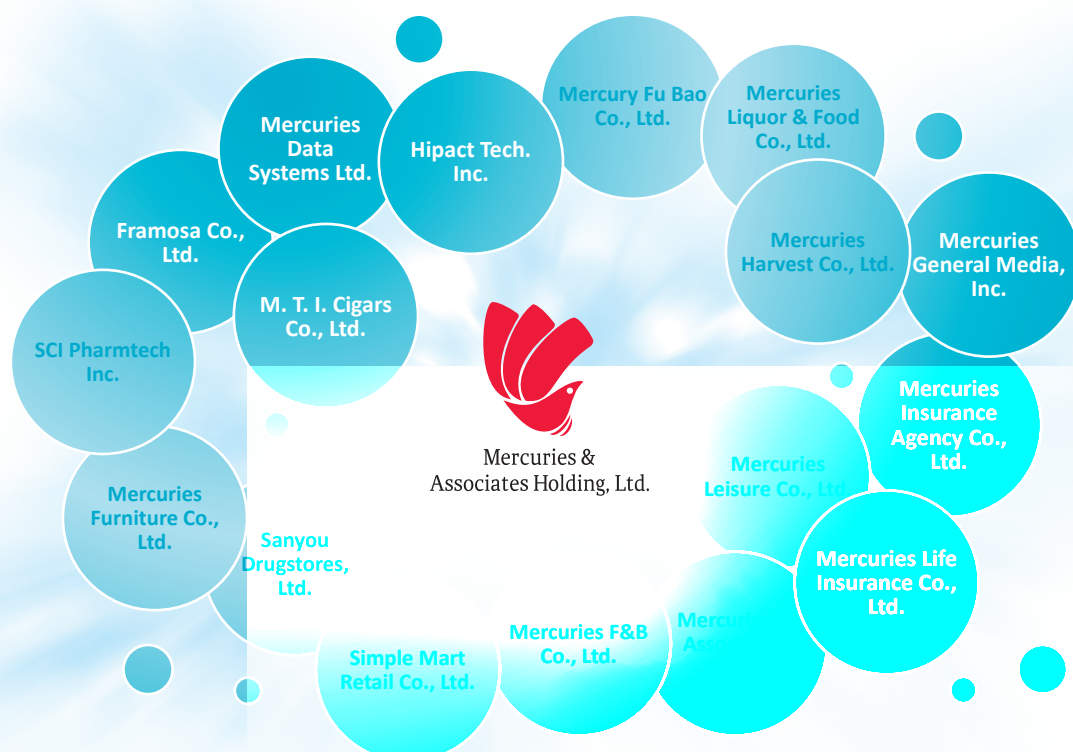
Mercuries &
Associates Holding, Ltd.



Per industry	Ratio of business turnover	Invested subsidiary	Major brands	Country (or region) of business operation	Change of operational value chain in 2023
Life insurance	81.29%	Mercuries Life Insurance Co., Ltd.		Taiwan	No material change
Retail of consumer goods and catering	14.70%	Mercuries & Associates, Ltd.	Family Shoemart, En Route, etc.	Taiwan	• 8 new stores were opened, and 6 stores were shut down.
		Mercuries F&B Co., Ltd.	Sanshang Qiaofu, Napoli, Tonkatsu, Sanshang Don Mono, Pin Chuan Lan, BANCO, Mercuries Cloud Kitchen, etc.	Taiwan	• 25 new stores were opened, and 9 stores were shut down. • The newly constructed factory 3 of the central kitchen was put into service on July 21, 2023.
		Simple Mart Retail Co., Ltd.	Simple Mart, Simple CITY, Simple Office, GOSHOPPING SIMPLE MART, Sanyou Drugstores, Ltd., etc.	Taiwan	• 5 new stores were opened, and the total number of stores reached 830. • The number of Simple Offices reached 130.
		Mercuries Furniture Co., Ltd.	Mercuries Furniture	Taiwan	1 new store was opened.
Pharmaceutical industry	0.85%	SCI Pharmtech Inc.		Taiwan	• The Guanyin Factory was commenced for construction in 2022, and trial production is expected in 2025.
Information services	2.46%	Mercuries Data Systems Ltd.		Taiwan Nanjing, China	No material change
Other industries	0.70%	Mercury Fu Bao Co., Ltd., Mercuries Liquor & Food Co., Ltd., Mercuries Leisure Co., Ltd., Mercuries General Media, Inc., etc.			No material change

※Note: The companies listed in the table above are only main operating subsidiaries per industry. To check the complete corporate structure and subsidiaries in the consolidated statements, please refer to “1.1 Governance Mechanisms” of this Report.

Companies Invested by Mercuries & Associates Holding





Chronicle of Events of Mercuries & Associates Holding



1965-1980

- In 1965, Mercuries & Associates, Ltd. was established and located on Nanjing East Road, with export of handicrafts as its main business.
- In 1975, the Company established its domestic department to promote mail-order business.
- In 1976, the Company established the first Mercuries department stores in Taiwan to launch chain store business.

1991-2000

1981-1990

- In 1982, the Company established a dining-out department to operate Chinese catering chain business.
- In 1987, Mercuries Building was put into use with its site selected on Jianguo North Road.
- In 1987, the Company held the first Mercuries Taiwan Masters Invitational Golf Tournament.
- In 1988, Mercuries & Associates, Ltd. (stock code: 2905) went public with capital of NT\$ 802,000,000.
- In 1989, the Company established a central kitchen in Dayuan District to produce food ingredients with standardized quality and supply Sanshang Qiaofu retail stores in Taiwan.
- In 1989, the Company established Mercuries Baseball Team, Foundation of Chinese Dietary Culture Library, and Mercury Fu Bao Co., Ltd.

- In 1991, the Company established Family Shoemart Co., Ltd. to engage in shoe chain business and incorporated it to Mercuries & Associates, Ltd. in 2002.
- In 1992, the Company established Mercuries General Media, Inc. to serve as a distribution and sales agency of media including NHK of Japan in Taiwan.
- In 1993, the Company established Mercuries Life Insurance Co., Ltd.
- In 1995, Mr. Chen, Ho-tung served as the chairman of Chinese Slow Pitch Softball Association and convened the first Mercuries Cup Slow Pitch Softball Championships in Taiwan.
- In 1997, the Company established Napoli Co., Ltd.
- In 2000, Mercuries Data Systems Ltd. (stock code: 2427) went public.



2001-2010

- In 2001, the Company invested in SCI Pharmtech Inc. In 2004, SCI (stock code: 4119) went public.
- In 2001, the Company established Mercuries Furniture Chain Store through joint venture with MFI.
- In 2004, Mercuries Group merged and acquired Fuh Hwa Securities Investment Trust Co., Ltd. to enlarge its financial business.
- In 2006, the Company established a home retail business department and opened "Simple Mart" chain store.
- In 2006, the Company opened "En Route" chain store to bring in casual shoes from world-famous brands.

2011-2020

- In 2012, Mercuries Life Insurance Co., Ltd. (stock code: 2867) went public.
- In 2012, the Company established Sanyou Drugstores, Ltd. through joint venture with Sumitomo Corporation.
- In 2014, the Company established Mercuries Food Service Japan, Ltd. in Japan.
- In 2015, the former Mercuries & Associates, Ltd. was transformed and renamed as "Mercuries & Associates Holding, Ltd." Also, a new wholly-owned Mercuries & Associates, Ltd. was incorporated.
- In 2016, Simple Mart+ of Simple Mart Retail Co., Ltd. was opened.
- In 2017, the home retail business division of Mercuries & Associates, Ltd. was split and incorporated to Simple Mart Retail Co., Ltd.
- In 2019, the dining-out business division of Mercuries & Associates, Ltd. was split and incorporated to Mercuries F&B Co., Ltd., and Mercuries F&B Consulting Co., Ltd. was established.
- In 2020, the Company acquired 100% of shares of Sanyou Drugstores, Ltd.

2021-2023

- In 2021, Mercuries & Associates, Ltd. and Bor Nor Co., Ltd. contributed 50% of capital respectively to establish Sanor Co., Ltd.
- In 2021, Simple Mart Retail Co., Ltd. (stock code: 2945) went public.
- In 2021, SCI Pharmtech Inc. and Veolia established "Framosa Co., Ltd." through joint venture.
- In 2022, Mercuries & Associates Holding, Ltd. invested in Framosa Co., Ltd. with a shareholding ratio of 15%.
- In 2022, Cloud Kitchen of Mercuries F&B Co., Ltd. was established.
- In 2023, the Company invested in Framosa Co., Ltd., with a shareholding ratio of 15%.
- In 2023, the Company increased capital by NT\$ 2 billion in cash, and its capital was increased to NT\$ 11,224,960,000.

Reflecting on the past, looking forward to the future, reaching the pinnacle



Honors and Recognitions



Attentive services

G

TCFA 2023 "Service Angel Award"

- Colleagues Liu, Chia-Ching and Kao, Hsiu-Hsin from Family Shoemart of Mercuries & Associates, Ltd.
- Chen, Chin-Hui, store manager of Sanshang Qiaofu of Mercuries F&B Co., Ltd., and Hsu, Chen-Yu from the central kitchen

TCFA "2023 Outstanding Store Manager Award"

- Huang, I-Ju, store manager of Sanshang Qiaofu of Mercuries F&B Co., Ltd.

Silver Prize of "2022 The Best Service in Taiwan" by CTEE

- Simple Mart of Simple Mart Retail Co., Ltd.

TCFA "2022 Store Business Excellent Experience Award"

- Yen, Hsiao-Chu, store manager of Sanshang Qiaofu of Mercuries F&B Co., Ltd.

TCFA "2022 Best Innovation Award"

- Chen, Pei-Yu, manager of Napoli store of Mercuries F&B Co., Ltd.

TCFA "2022 Interview Excellence Award"

- Chen, Pei-Yu, manager of Napoli store of Mercuries F&B Co., Ltd.

Quality products

G

Champion of the 6th Trofeo Caputo Taiwan in 2023

- Brand BANCO of Mercuries F&B Co., Ltd. won the champion of Pizza Frittata.

Campionato mondiale del Pizzaiuolo in 2023

- Brand BANCO of Mercuries F&B Co., Ltd. won the silver medal of both international team award and individual award.

Bronze Medal of 2023 Taipei International Beef Noodle Festival

- Brand Pin Chuan Lan of Mercuries F&B Co., Ltd. won "Bronze Medal of Fresh Braised Beef Noodles Group" and "TOP10 Seasoning Bag Stewing Group".

FSSC 22000 Food safety system certification

- Central kitchen of Mercuries F&B Co., Ltd.

ISO 17025 Laboratory quality management system certification

- Central kitchen of Mercuries F&B Co., Ltd.

TQF Taiwan Quality Food Certification Scheme

- Central kitchen of Mercuries F&B Co., Ltd. (noodles production line)

"Clean Label" certification by China Grain Products Research & Development Institute

- 5 products in the braising line of the central kitchen of Mercuries F&B Co., Ltd. (i.e., braised beef soup, stewed beef soup with vegetable and fruit essence, Nanyang Laksa chicken soup, black pepper pork fillet, and curry chicken)

Environment-friendly

E

ISO 50001:2018 Energy Management System certification

- The head office of Mercuries & Associates, Ltd. and Xingfu store of Family Shoemart have successively passed the third-party certification of ISO50001 since 2017.

2023 New Taipei City Green and Circular Store Appraisal

- Tucheng store, Xinfu store, and Jingping store of Sanshang Qiaofu won 5-star, 4-star and 3-star respectively, while Xindian store of Tonkatsu won 5-star.

Uber Eats' 2023 Business Partner Award

- Mercuries F&B Co., Ltd. won 2023 Environmental Sustainability Best Packaging Award



Friendly
and healthy
workplace

S

1111 Job Bank "2023 Happy Enterprise" Awards

- Mercuries Life Insurance, Mercuries Data Systems Ltd., and Mercuries F&B Co., Ltd. won "Gold Award".
- Mercuries & Associates, Ltd., Mercuries Furniture Co., Ltd., and Simple Mart won "Silver Award".

2023 Taipei City Specific Object Friendly Enterprise Best Practice Awards

- Simple Mart Retail Co., Ltd.

2022 Taipei City Government 6th Best Practice Awards

- Mercuries F&B Co., Ltd.
- Simple Mart Retail Co., Ltd.

Certification of Middle-Aged and Senior Citizen Friendly Enterprise by the Taipei City Government in 2023

- Mercuries F&B Co., Ltd.

Grade-A Award for Institutions with Excellent Performance in Extra Employment of Indigenous Peoples in 2021

- Simple Mart Retail Co., Ltd.

ISO 45001:2018 Occupational Health and Safety Management System Certification

- The head office of Mercuries F&B Co., Ltd., and Xinyang store of Sanshang Qiaofu continually obtained third-party ISO 45001 certification of ISO 45001 since 2022.

"Healthy Workplace Certification" label by the Health Promotion Administration

- The head office of Mercuries & Associates, Ltd. continually obtained the health promotion mark since 2015.
- The head office and stores of Mercuries F&B Co., Ltd. obtained the health promotion and activation mark in 2023 respectively.

"Certification of Participation in 2023 National Workplace Safety and Health Week" from the Occupational Safety and Health Administration

- Mercuries & Associates, Ltd.
- Mercuries F&B Co., Ltd.

"Certificate of Hazard-free Working Hours" by the Industrial Safety and Health Association

- Accumulated hazard-free working hours of the head office of Mercuries & Associates, Ltd.: 2,914,688 hours
- Accumulated hazard-free working hours of the head office of Mercuries F&B Co., Ltd.: 1,207,096 hours

2023 Excellent Nursing (Milk Collecting) Room Certification by Department of Health, Taipei City Government

- Mercuries F&B Co., Ltd.

"Excellent Performance Award for Healthy Workplace" by the Department of Labor in 2020, Taipei City Government

- Mercuries & Associates, Ltd.



Social co-
prosperity

S

Winning of "Sports Activist Awards" by the Sports Administration, the Ministry of Education for 15 consecutive years

- In 2023, Mercuries Life Insurance won "Sponsorship Gold Award", "Long-term Sponsorship Award", and "Bronze Award for Promotion".

47th Golden Tripod Awards by the Ministry of Culture

- Ryori. Taiwan (a bimonthly) of the Foundation of Chinese Dietary Culture was recommended as an excellent publication among lifestyle magazines in 2023.

"Permanent Exhibition-Silver" of the 16th Art and Business Awards by the Ministry of Culture

- The Foundation of Chinese Dietary Culture won 2023 "Permanent Exhibition-Silver".

※Note: Taiwan Chain Stores and Franchise Association (TCFA)

※For the records of awards of other subsidiaries of Mercuries & Associates Holding, please refer to their websites or sustainability reports.

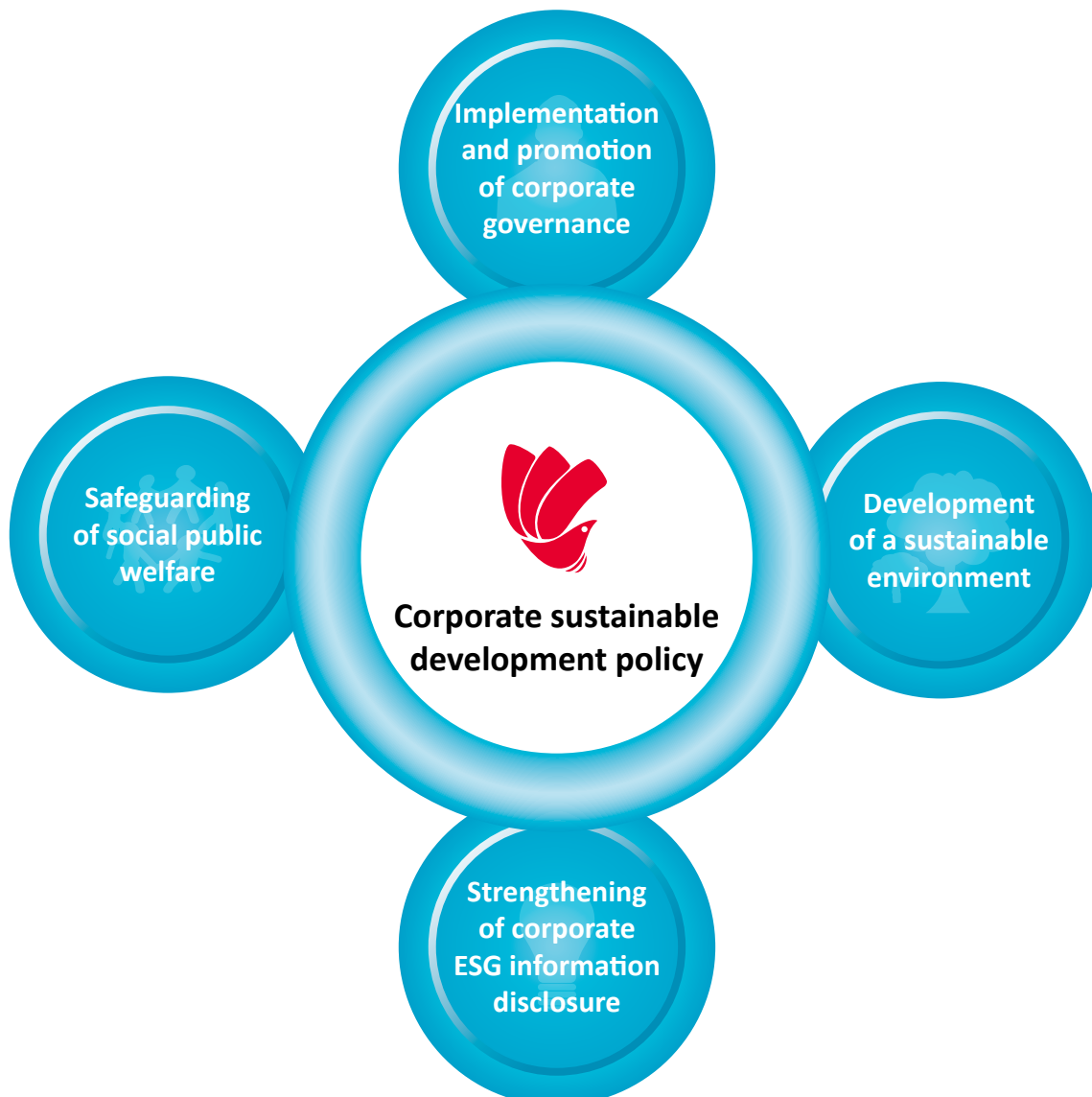


Corporate Sustainable Management

ESG Committee

To deepen the vision of corporate sustainable management and promote the corporate sustainability policy, Mercuries & Associates Holding established Corporate Sustainable Development Best Practice Principles in August 2016, and set up a Sustainable Development Committee (hereinafter referred to as the ESG Committee) under the Board of Directors. This committee is required to report to the Board of Directors annually to ensure transparent and effective communication with stakeholders. The ESG report of 2023 was already submitted to the Board of Directors on November 14, 2024.

The ESG Committee is responsible for generally arranging and supervising the ESG topics and risk management involved in the operating activities of Mercuries & Associates Holding and its subsidiaries. By establishing corporate a sustainable development policy, management guidelines, and internal control system and promoting sustainable actions, we practice our commitment to sustainable development. The chairman of the Company serves as the chairman of the ESG Committee while the vice president serves as the CEO, taking charge of establishing the sustainability policy, making decisions on material topics, and reviewing and signing off relevant procedures, etc.



Two project teams have been established under the ESG Committee to manage sustainability projects separately:

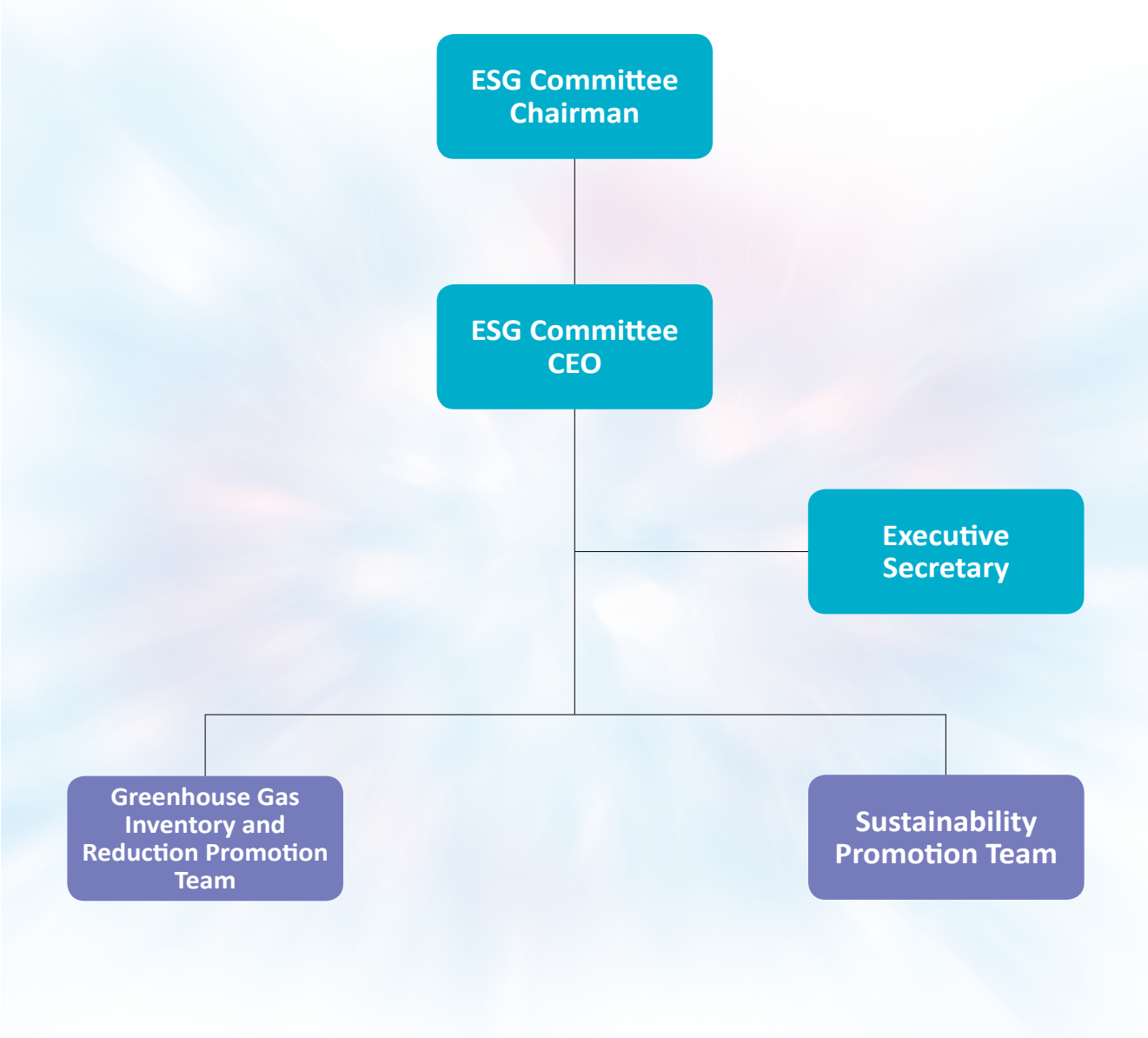
(1) **Greenhouse Gas Inventory and Reduction Promotion Team:**

The Company specifically established this time in May 2022 to coordinate the greenhouse gas inventory and verification schedule required in the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” of the Financial Supervisory Commission. This team is responsible for generally arranging and supervising the execution of greenhouse gas inventory projects of parent company/subsidiaries and reporting the inventory progress to the Board of Directors every quarter.

(2) **Sustainability Promotion Team:**

This team is responsible for planning and supervising the execution of ESG plans of Mercuries & Associates Holding and its subsidiaries, searching and summarizing achievement data, publishing annual sustainability reports, participating in the competitions for sustainability-related awards, etc.

Additionally, Mercuries & Associates Holding has established a “Dedicated Section for Corporate Sustainable Development” on its website as a platform to provide real-time inquiry and response services for investors and its stakeholders. Also, this dedicated section is available for downloading the ESG Reports of the Company over the years.









Stakeholder Engagement

Stakeholder Identification





After discussing with each business unit through the ESG Committee, referring to the stakeholder groups in the same trade, following the five major constructs of stakeholder engagement standards in AA1000 SES (i.e., Dependency, Responsibility, Tension, Influence, and Diverse Perspectives), and evaluating the degree of impact of stakeholders on the corporate operation, the Company has identified eight types of stakeholders, namely, shareholders/directors, customers, employees, suppliers, government, media, communities, and public interest groups, which has been deliberated and approved by the Board of Directors.

Stakeholder	Topics concerned	Communication channel	Communication frequency
 Shareholders/directors	<ul style="list-style-type: none"> • Corporate Sustainable Governance • Operating Performance • Ethical Corporate Management • Regulatory Compliance • Risk Management • Responsible Investment • Climate Change Responsive Strategy 	Shareholders' Meeting	Annually
		Board of Directors/Functional committees	Quarterly and irregularly
		Annual report/Financial report of the Company	Annually
		Quarterly report of the Company	Quarterly
		MOPS	Immediately
 Customers	<ul style="list-style-type: none"> • Product Quality and Food Safety • Service Quality and Customer Satisfaction • Information Security and Personal Information Protection • Products and Services & Digital Innovation • Sustainable Product Packaging 	Diversified media marketing	Irregularly
		Customer satisfaction survey	Irregularly
		Direct communication (stores)	Immediately
		Dedicated customer service hotline/Customer mailbox	Immediately
 Employees	<ul style="list-style-type: none"> • Labor Relations and Communication • Employee Remuneration and Welfare • Workplace Safety and Health • Talent Development and Cultivation • Employee Diversity and Equal Opportunity • Human Rights at Work • Appeal and Communication Mechanism 	Labor Relations Committee/Occupational Safety and Health Committee	Quarterly
		Internal websites (EIP website and email)	Irregularly
		Store audit and education & training	Per the Company's arrangements
		Professional doctor/nurse health consulting	Monthly
		Employee Welfare Committee	Irregularly
		Employee performance interview	Irregularly
 Suppliers	<ul style="list-style-type: none"> • Supplier Sustainable Management • Local Procurement • Energy Management • Waste and Water Resource Management • Product Quality and Food Safety • Product Marketing and Labelling 	Supplier evaluation	Annually
		Supply Chain Management (SCM)	Immediately
		Factory visiting, meetings, and contracts	Irregularly
		Telephone, mail, and written letters	Immediately



Stakeholder Communication

Mercuries & Associates Holding values stakeholders' rights and opinions, and has established public, direct communication channels and systems. In addition to the disclosure of relevant information in the "Dedicated Section for Stakeholders" on the official website of Mercuries & Associates Holding, stakeholders are also able to offer their suggestions on the Company's sustainability topics through paper or online questionnaires so that the Company can search for effective feedback from stakeholders. In 2023, the Company received 7 stakeholder questionnaires in total and closed them after responding to the stakeholders.

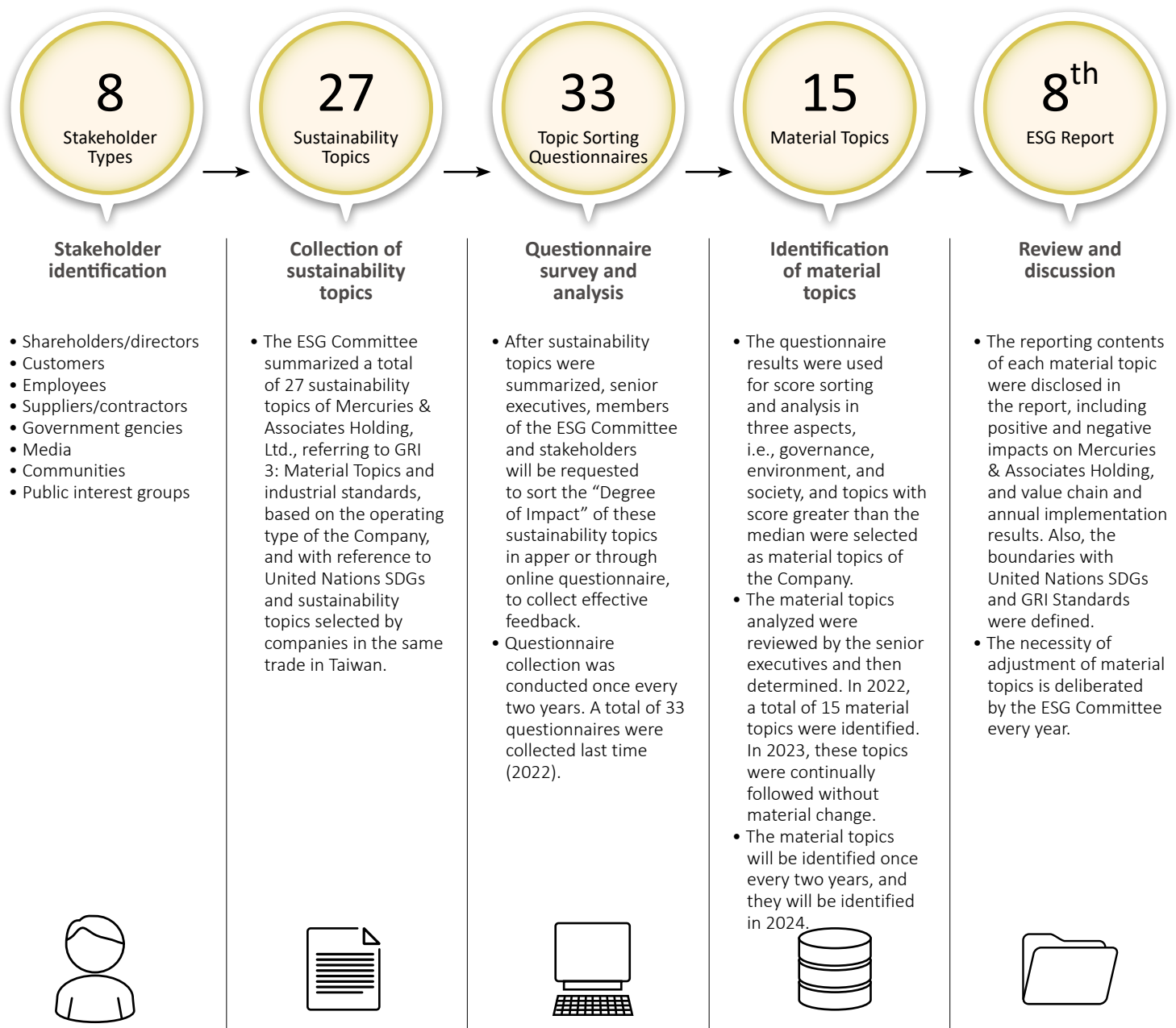
Stakeholder	Topics concerned	Communication channel	Communication frequency
 Government	<ul style="list-style-type: none"> Regulatory Compliance Energy Management Waste Resources and Wastewater Management Labor Relations and Communication Workplace Safety and Health Human Rights at Work 	Correspondences	Irregularly
		Competent authority's publicity meetings	Irregularly
		Establishment and revision of regulations	Irregularly
		Workplace auditing/safety inspection	Irregularly
 Public interest groups	<ul style="list-style-type: none"> Public Welfare and Community Engagement Leftover Management Biodiversity Human Rights at Work 	Holding of public welfare activities and services	Irregularly
		Activities for supporting social major incidents	Irregularly
		Activity websites and external communication mailbox	Immediately
 Media	<ul style="list-style-type: none"> Operating Performance Ethical Corporate Management Regulatory Compliance Products and Services & Digital Innovation Product Marketing and Labelling Public Welfare and Community Engagement 	Press conferences and newsletters	Irregularly
		MOPS	Immediately
		External communication mailbox and contact number	Immediately
 Communities	<ul style="list-style-type: none"> Local Procurement Waste and Water Resource Management Leftover Management Biodiversity Public Welfare and Community Engagement 	Community visits	Irregularly
		Community public welfare activities and services	Irregularly
		External communication mailbox and contact number	Immediately



Identification and Analysis of Material Topics

Mercuries & Associates Holding has prepared the ESG Report in accordance with the eight major reporting principles of the latest edition of GRI Standards 2021 (Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability) and AA1000 AccountAbility Principles (including Inclusivity, Materiality, Responsiveness, and Impact). The material topics have been determined through five steps, i.e., identification of stakeholders, collection of sustainability topics, questionnaire survey and analysis, identification of material topics, and regular review and discussion.

Materiality Analysis Process



Sorting of Material Topics

Mercuries & Associates Holding sorts the material topics by following the guidance of “GRI 3: Material Topics”. However, since GIR hasn’t published industrial standards that are applicable to Mercuries & Associates Holding and its subsidiaries, we have identified a total of 27 sustainability-related topics in three aspects of “Environment, Social, and Governance” according to the Company’s actual and potential impacts, with reference to the topics concerned by other companies in the same trade (life insurance, comprehensive product retail, catering, etc.) and the United Nations SDGs, and in consideration of the present international sustainable development trends.

After identifying material topics, the Company collects effective feedbacks from stakeholders in paper or through online questionnaire once every two years. According to the sorting results of 33 questionnaires filled out by senior executives, members of the ESG Committee, department heads, and stakeholders regarding “Degree of Impact” of 27 sustainability topics of the Company in 2022, a total of 14 material topics were identified; furthermore, since Mercuries & Associates Holding has always adhered to the initial intention of “Take from society, and pay back to society”, and has sponsored sports events and public welfare activities for many years, it was recognized by the senior executives that the topic of “Public Welfare and Community Engagement” also had a material impact on the Company, and therefore this topic was included among the material topics for disclosure.




In 2022, a total of 15 material topics were disclosed, and they were continually followed in 2023 without any material change. All the material topics identified were deliberated and passed at the board meetings. For the management guidance of each topic, please refer to corresponding sections.

G			E			S		
Order	Governance (G) topics	Change of order	Order	Environment (E) topics	Change of order	Order	Social (S) topics	Change of order
1	Operating Performance	○	1	Energy Management	○	1	Labor Relations and Communication	○
2	Corporate Sustainable Governance	○	2	Waste and Water Resource Management	○	2	Employee Remuneration and Welfare	▲1
3	Ethical Corporate Management	○	3	Climate Change Responsive Strategy	-	3	Talent Development and Cultivation	○
4	Regulatory Compliance	-	4	Leftover Management	-	4	Product Quality and Food Safety	▲1
5	Risk Management	○	5	Sustainable Product Packaging	-	5	Workplace Safety and Health	▼2
6	Information Security and Personal Information Protection	○	6	Biodiversity	-	6	Employee Diversity and Equal Opportunity	▲1
7	Responsible Investment	-				7	Human Rights at Work	▲1
8	Products and Services & Digital Innovation	▲2				8	Product Marketing and Labelling	-
9	Local Procurement	▲1				9	Service Quality and Customer Satisfaction	▼2
10	Supplier Sustainable Management	▼1				10	Public Welfare and Community Engagement*	○
11	Appeal and Communication Mechanism	-						




※The topic marked with “*” indicates an extra topic voluntarily disclosed by the Company.
 ※Graphical representation of change of order: “○” indicates a same order number compared with the previous year; “▲” indicates an ascending order number compared with previous year; “▼” indicates a descending order number compared with previous year.








Boundaries of Material Topics and Value Chain

Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	United Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	Involvement of stakeholders in the impact ● Direct impact; ○ Urged impact; ▲ Commercial impact							
						Employee	Shareholders/directors	Customers	Suppliers	Government	Public interest groups	Media	Communities
Governance	Operating Performance	Operating performance is the foundation for the growth of Mercuries & Associates Holding. Good operating performance cannot only increase profits and improvement production capacity, but also enhance an enterprise's market position and attract external investment opportunities.		GRI 201: Economic Performance 2016	1.3 Operating Performance	○	●	▲	○	○			
	Corporate Sustainable Governance	The corporate sustainable governance structure would affect the corporate image, operating risks, and future competitiveness of Mercuries & Associates Holding. Mercuries & Associates Holding has established ESG Committee and formulated sustainable development strategies and management models in the hope that the impact of risks on governance, environment, and society can be lowered, and long-term sustainable development can be realized.			Corporate Sustainable Management 1.1 Governance Mechanism 1.2 Functional Committees 3.1 Response to Climate Change	○	●	▲	○	○			
	Ethical Corporate Management	Mercuries & Associates Holding adheres to honest, transparent, and impartial corporate management, respects shareholders' and stakeholders' rights, and abides by laws, regulations, and code of business ethics.			1.1 Governance Mechanism	○	●	▲	○	○			
	Regulatory Compliance	Regulatory compliance may protect enterprises from legal lawsuits and losses resulting from unlawful acts in the economic activities. Mercuries & Associates Holding may protect its legitimate rights and interests in the competition as long as it sustains legality and strictly follows regulations and code of ethics.			1.4 Risk Management 2.3 Food Safety and Quality Management 3.1 Response to Climate Change 4.2 Labor Relations and Employee Benefits	●	●	▲	○	○			○
	Risk Management	Mercuries & Associates Holding establishes corresponding management strategies through early risk identification and evaluation, which can lower the risk impact cost and protect the corporate development and interests.			1.4 Risk Management 3.1 Response to Climate Change	●	●	▲	○	○			








Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	United Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	Involvement of stakeholders in the impact ● Direct impact; ○ Urged impact; ▲ Commercial impact							
						Employee	Shareholders/ directors	Customers	Suppliers	Government	Public interest groups	Media	Communities
Environment	Climate Change Responsive Strategy	With the enhancement of the awareness of Net-Zero carbon emissions, national governments have required enterprises to actively respond to the issue of climate change by establishing energy regulations and policies. If Mercuries & Associates Holding cannot effectively manage the use of energy sources in a real-time manner, and complete greenhouse gas inventory and investigation, it may face the pressure and risks from related policies and regulations.		GRI 302: Energy 2016 GRI 305: Emissions 2016	1.4 Risk Management 3.1 Response to Climate Change	○	●		▲	○			
	Energy Management	The Company may lower the climate risks and improve its sustainable competitiveness only by establishing appropriate climate change responsive strategies, properly implementing energy management and supplier management, and actively participating in the green and low-carbon development.			3.1 Response to Climate Change 3.2 Greenhouse Gas Inventory 3.3 Energy Management and Action Plans	○	●	▲	○	○			○
	Waste and Water Resource Management	Mercuries & Associates Holding is engaged in the industries of consumer products, catering, pharmaceutical industry, etc. Therefore, this topic is one of the important environmental topics it needs to face. In addition to following local environmental protection laws and regulations, the Company shall also try to improve the resource utilization rate to lower resource waste. In recent years, Mercuries & Associates Holding and its subsidiary SCI Pharmtech Inc. have invested in the technology of material reutilization after processing for the application in the processes, thus realizing the vision of circular economy.		GRI 303: Water and Effluents 2018 GRI 306: Effluents and Waste 2020	3.4 Water Resource Management 3.5 Waste Management	○	●	▲	○	○	○		○



Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	United Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	Involvement of stakeholders in the impact ● Direct impact; ○ Urged impact; ▲ Commercial impact							
						Employee	Shareholders/directors	Customers	Suppliers	Government	Public interest groups	Media	Communities
Environment	Leftover Management	The leftovers generated by the stores of Mercuries F&B Co., Ltd. and Simple Mart under Mercuries & Associates Holding shall comply with relevant laws and regulations of the Environmental Protection Administration, and relatively negative impact on the environment shall be avoided. However, if the leftovers can be properly treated, it will become an opportunity for the Company to practice public welfare. To be specific, leftovers can be properly utilized through food bank and friendly feedback store.	 		3.5 Waste Management 3.6 Loving the Earth with Ecological Actions	○	●	▲	○	○	○		○
	Labor Relations and Communication	Maintaining good labor/management communication and salary and welfare policies are the key for Mercuries & Associates Holding to create a happy workplace, which cannot only lower labor/management conflicts, and improve employees' satisfaction, but also indirectly urge employees' working willingness and productivity, better the overall work performance, and realize win-win cooperation and development of the enterprise and employees.	 	GRI 402: Labor/Management Relations 2016	4.1 Employee Profile 4.2 Labor Relations and Employee Benefits	●	●			○		○	○
Social	Employee Remuneration and Welfare			GRI 401: Employment 2016	4.2 Labor Relations and Employee Benefits	●	●			○		○	○
	Talent Development and Cultivation	Mercuries & Associates Holding provides diversified education and training planning based on business types and helps employees improve their working skills and cultivate professional talents, to improve work performance and innovation ability, so as to promote the Company's development and competitiveness.		GRI 404: Training and Education 2016	2.3 Food Safety and Quality Management 4.3 Cultivation of Professional Talents 4.4 Workplace Safety and Health	●	●			○			



Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	United Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	Involvement of stakeholders in the impact ● Direct impact; ○ Urged impact; ▲ Commercial impact							
						Employee	Shareholders/ directors	Customers	Suppliers	Government	Public interest groups	Media	Communities
Social	Product Quality and Food Safety	Enterprises are obliged to safeguard consumers’ health and safety. Mercuries & Associates Holding effectively manages stable product quality by means of product quality management process, problematic product shelf-removal process, food monitoring mechanism, and food security traceability and tracking system. As a result, the risks of losses from the recalls of problematic products can be reduced, the competitiveness of products can be improved, and the corporate reputation can be bettered.		GRI 416: Customer Health and Safety 2016 GRI 417: Marketing and Labelling 2016	Chapter 2 Retail Industry and Food Management	○	●	●	○	○		○	
	Workplace Safety and Health	Employees are the most important assets of Mercuries & Associates Holding. Providing a healthy and safe workplace environment and pursuing zero occupational disaster are the enterprises’ obligations. Mercuries & Associates Holding periodically evaluates and improves the risks in the workplaces to reduce accidents. Also, it has actively introduced an occupational safety and health management system to create a friendly workplace.		GRI 403: Occupational Health and Safety 2018	4.4 Workplace Safety and Health	●	●		○	○		○	
	Public Welfare and Social Care *	Public welfare and social care are social responsibilities requiring great attention from enterprises. Sticking to the spirits of “Taken from the community, giving back to society”, Mercuries & Associates Holding has sponsored public welfare activities, organized volunteer teams, and held sports events to promote the development of social sports for a long term, thus integrating social responsibilities into the enterprise’s business strategies and culture, establishing a good corporate culture, promoting social harmony and stability, and eliminating phenomena like social inequality.	  		3.6 Loving the Earth with Ecological Actions Chapter 5 Social Public Welfare	○	●			○	●	○	●



Corporate Governance

- 1.1 GOVERNANCE MECHANISM
- 1.2 FUNCTIONAL COMMITTEES
- 1.3 OPERATING PERFORMANCE
- 1.4 RISK MANAGEMENT

Material topics cover

- Corporate Sustainable Governance
- Operating Performance
- Ethical Corporate Management
- Regulatory Compliance
- Risk Management
- Climate Change Responsive Strategy



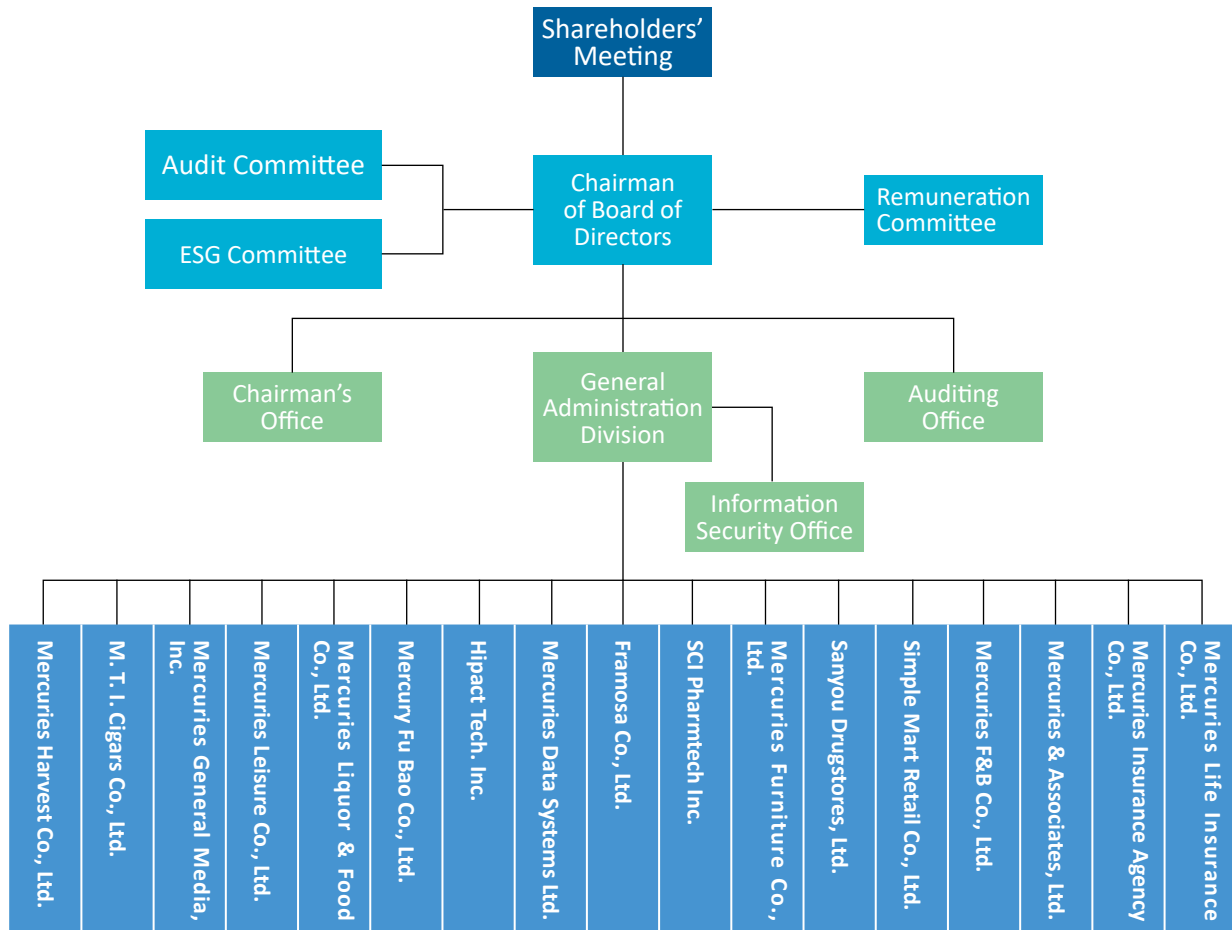
Management guideline	Content description
Policy	Honest Service, Upright Commitments, and Sincere Care
Significance and management goal	In order to realize the goal of long-term operation and maintain stable operating performance, it is essential for Mercuries & Associates Holding to establish complete risk management, ethical corporate management, and regulatory compliance. Relying on definite strategic objectives, transparent and open financial information, and appeal mechanism, the Company strives to safeguard shareholders' and stakeholders' rights and interests in order to improve the corporate governance value and long-term competitiveness.
Commitments	<ul style="list-style-type: none"> • Properly implement risk management and strictly abide by laws and regulations. • Actively optimize various investments, and continue to march towards a diversified market operation model. • Continue to improve operating performance through effective resource allocation, to realize professional labor division and scale economy and march towards sustainable economic growth. • Provide internal and external appeal mechanisms and communication pipelines to safeguard shareholders' and stakeholders' rights.
Objectives and targets	<ul style="list-style-type: none"> • Identify and analyze risks involving finance, operation, transformation, and climate change, and properly implement risk management to respond to impacts in a real-time way. • Conduct ethical corporate management, and strictly abide by each regulation, including the Company Act and other acts involving finance, taxation, labor, and environmental protection. • Apply the operation experience of each business unit under the Company to seek local and overseas cooperation opportunities, and prudently evaluate investment strategies in the hope that the business layout can be expanded and the Company's competitiveness can be improved. • Properly implement market segmentation and focus on operations to benefit the improvement of customers' brand identity of the Company. At the same time, continue to improve product quality and service staff's professional ability to create high-quality consumption experience. • Provide a complete internal and external appeal mechanisms, establish an internal supervision and review mechanism, and sustain the effectiveness of the appeal mechanism.
Responsibility and system	<ul style="list-style-type: none"> • Convene meetings of the Board of Directors and the Shareholders' Meeting regularly to communicate with stakeholders, and conduct annual performance evaluation according to the Measures for Performance Evaluation of the Board of Directors. • Establish an internal supervision mechanism and functional committees, and develop corporate governance rules and regulations, e.g., Articles of Association, Rules of Organization of the Audit Committee, Code of Ethics, Ethical Corporate Management Best Practice Principles, Corporate Sustainable Development Best Practice Principles, etc., to realize effective supervision and management of the enterprise. • Internal supervision mechanism: <ul style="list-style-type: none"> ➢ Audit Committee: Supervise the fair presentation of the Company's financial statements, appointment/dismissal, independence, and performance of CPAs, effective implementation of the Company's internal control, the Company's compliance with relevant laws, regulations, and rules, and the control of existing or potential risks of the Company. ➢ Remuneration Committee: Assist the Board of Directors in executing and reviewing the Company's overall remuneration and welfare policy, system, standards, and structure.
Resources engaged	<ul style="list-style-type: none"> • Arrange directors and supervisors to attend corporate governance related continuing education periodically to ensure the professionalism, independence, and diversity of directors. • Set up an ESG Committee to search relevant local and foreign regulations regarding sustainability, promote each ESG project in the Company, and report to the Board of Directors annually. • In 2021, Mercuries & Associates Holding established a new version of its official website where dedicated sections for company introduction, investors, corporate governance, and corporate sustainable development are established so that stakeholders can acquire all the information and latest messages of the Company more conveniently. • Introduce a digital information operation system to strengthen sales data analysis, simplify operation flows, and realize the targets of improving working efficiency and lowering operating cost.
Appeal mechanism	<ul style="list-style-type: none"> • Contact window for stakeholders: johnson@mercuries.com.tw • The Company has established a spokesperson system and assigned specific persons to deal with shareholders' suggestions, or relevant disputes and problems.
Major incidents in 2023	<ul style="list-style-type: none"> • In 2023, the Company invested in Framosa Co., Ltd., with a shareholding ratio of 15%. • In 2023, the Company increased capital by NT\$ 2 billion in cash, and its capital was increased to NT\$ 11,224,960,000.



Corporate Governance

1.1 Governance Mechanism

As an investment holding company, Mercuries & Associates Holding mainly invests in the following industries: Life insurance, consumer goods retail, catering retail, pharmaceutical industry, information service, and others. The Company expands its business with a vertically integrated and diversified operation model, and assists each subsidiary in resource integration. The governance mechanism of the Company is formulated and operated by Chairman's Office, General Administration Division, Information Security Office, and Auditing Office. The authorities and responsibilities of each unit are indicated below.



Responsibilities of each department

Chairman's Office

Establish operating strategic guidelines, and assess and supervise operating performance and budget.

General Administration Division

Execute strategic planning, operation management, and management planning of legal affairs and public affairs, as well as strategies formulated by the Chairman's Office.

Auditing Office

Establish audit plans independently and objectively according to the possibility of adverse risks of the Company, and evaluate and improve risk management, internal control, and corporate governance through systematic and disciplined methods.

Information Security Office

Be responsible for planning and executing information security management, assuring the personal data, core systems and cybersecurity, maintain the normal, safe, and stable information operations, to provide reliable information services. Assure the confidentiality, integrity, availability, and legitimacy of information.



Board of Directors

The Board of Directors is the committee of the top governance unit of Mercuries & Associates Holding, and the representative of stakeholders is chairman Chen, Shiang-Li. With the operation management experience in each business division as well as leadership, decision-making capabilities, operation judgment capabilities, crisis handling capabilities and awareness of international market, Chen was elected by the Board of Directors as the chairman, and also held a concurrent post of the president of the senior management. Chen mainly performs the following authorities and responsibilities:

- Handle business externally on behalf of the Company, execute the resolutions made by the Board of Directors, and set up and manage the Company's overall strategies, annual business plan, investment plans, and dividend policy internally.
- Be responsible for advocating the corporate culture and business philosophy to create a corporate image.
- Attend the board meetings and operation management meetings of each business division, listen to reports, and adjust the Company's operation direction as appropriate based on the market changes.
- Decide on senior managers' appointment/dismissal, remuneration, and reward/punishment, and improve a unified, efficient organizational system of the Company.

When any proposal discussed in the Board of Directors has an interest relationship with the chairman, the chairman must excuse himself and shall not participate in the discussion and voting of this proposal. Also, the chairman shall prudently abide by "Code of Ethics", "Ethical Corporate Management Best Practice Principles", and "Procedures for Handling of Major Internal Information and Prevention of Insider Trading" to avoid a conflict of interest.

Appointment of Directors

The composition of the Board of Directors of Mercuries & Associates Holding is diversified, and the directors are members of relevant industrial operation teams, managers in the industry, and professionals with finance and accounting backgrounds. The Company establishes its corporate government strategies, appoints and supervises the management, audits the operating performance, prevents conflicts of interest, guarantees its compliance with laws and regulations, and actively engages in the operation strategies of ESG (Environment, Social, and Governance) with reference to opinions from experts specialized in different fields and from the perspective of stakeholders, so as to improve the corporate sustainability value and future competitiveness.

A candidate nomination system is adopted for the election of directors, and it is handled in accordance with the provisions of the Company Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the Company's Regulations Governing the Election of Directors. Diversity is required for the composition of the members of the Board of Directors. Independent directors and non-independent directors are elected at the same time, and the elected quota is calculated separately. Also, disclosed cumulative voting is adopted. Those with more votes will be elected.

Currently, the Board of Directors of Mercuries & Associates Holding comprises 10 directors with tenure of 3 years. Among these directors, there are 4 independent directors who account for 40% of all directors. The Board of Directors convenes meetings at least once every quarter. If certain matters need voting, interim meetings will be convened. In 2023, a total of 9 meetings were convened by the Board of Directors with average attendance rate of 88% (including attendance by proxy).

Continuing Education of Directors and Supervisors

In addition to integrity and abundant experience in relevant fields, the members of the Board of Directors are also arranged to attend continuing education courses so that they can continually improve their knowledge on operation and risk management, and maintain their core values and professional advantages and competency. In 2023, a total number of 10 directors attended relevant courses with the duration of 96 hours in total and 9.6 hours per director on average.



List of Members of the Board of Directors of Mercuries & Associates Holding, Ltd.

Title	Representative unit	Name	Gender	Main position(s) at present	Continuing education hours in 2023	Capabilities		
						Economy	Environment	Society
Chairman	ShangLin Investment Co., Ltd.	Chen, Shiang-Li.	Male	Chairman & president of Mercuries & Associates Holding	9	●		●
Director	ShangLin Investment Co., Ltd.	Chen, Shiang-Chung	Male	Chairman of Mercuries Data Systems Ltd.	6	●		●
Director	ShangLin Investment Co., Ltd.	Chen, Shiang-Feng	Male	Chairman of Simple Mart Retail Co., Ltd., Mercuries F&B Co., Ltd., Mercuries & Associates, Ltd.	6	●		●
Director	Shuren Investment Co., Ltd.	Wong, Wei-Chyun	Male	Chairman of SCI Pharmtech Inc.	12	●	●	●
Director	Shuren Investment Co., Ltd.	Mao, Ming-Yu	Male	Independent director of Rodex Fasteners Corp.	6	●		●
Director	Natural person	Cheng, I-teng	Male	Independent director of Sentelic Holding Co., Ltd.	15	●		●
Independent director	Natural person	Lee, Mao	Male	Chairman of Allter Technology Co., Ltd.	12	●		●
Independent director	Natural person	Jeffrey Chen	Male	Director of ASE Technology Holding Co., Ltd.	6	●		●
Independent director	Natural person	Tu, Te-cheng	Male	Chairman of Xuan He Technology Corp.	12	●		●
Independent director	Natural person	Liu, Han-Tsung (Note 1)	Male	Independent director of Mercuries Life Insurance Co., Ltd. Director of director of China Investment & Development Co., Ltd. Supervisor of Grand Cathay Venture Capital Co., Ltd.	12	●		●

※ The tenure of this Board of Directors started from August 13, 2021 and will expire on August 12, 2024.

※ All the members of the Board of Directors of the Company are male Taiwanese with age above 50, and they are not vulnerable social groups.

※ Note 1: Elected as an independent director of the Company on June 16, 2023.

Participation in External Organizations

Name of external organization	Position served	Participating company
Taiwan Criminal Investigation and Prevention Association	Vice chairman	Mercuries & Associates Holding, Ltd.
Taiwan Masters Golf Foundation	Chairman	Mercuries & Associates Holding, Ltd.
Foundation of Chinese Dietary Culture	Chairman	Mercuries & Associates Holding, Ltd.
Taoyuan County Mercuries Welfare and Charity Foundation	Chairman	Mercuries & Associates Holding, Ltd.
Taiwan Slow-Pitch Softball Association	Executive director	Mercuries & Associates Holding, Ltd.
Taiwan Chain Stores & Franchise Association	Honorary chairman	Mercuries & Associates Holding, Ltd.
Taiwan Chain Stores & Franchise Association	President	Mercuries F&B Co., Ltd.
Taiwan Chain Stores & Franchise Association	Director	Mercuries & Associates, Ltd.



Recusal by Conflict of Interest

To avoid and mitigate the issue of conflict of interest, the Company implements supervision and management from the following aspects: (1) When meeting notice and agenda of the Board of Directors are sent to directors, “Please recuse from relevant proposals that have a conflict of interest with you” is specified at the end of each page of the agenda to remind directors to pay attention to proposals that may require their recusal. During the proceeding of each proposal, the corporate governance officer will also ask directors involving conflict of interest and personnel irrelevant from the proposals to leave; (2) The Company supervises and urges the top governance unit and personnel who are aware of relevant information due to business relations to prudently abide by the Company’s relevant regulations, and avoid conflicts of interest; (3) The Company forwards official documents or notices released by the competent authority and to be duly followed by relevant directors and internal personnel of the Company in a real-time way.

In addition, the Company transparently discloses the contents of conflicts of interest to the stakeholders in the annual report quarterly and annually, including: (1) Concurrent positions held by directors and managers in the Company and other companies; (2) Information regarding the relationships among top 10 shareholders of the Company in terms of shareholding ratio, including related party relationship, spousal relationship, or kinship with the second degree; (3) Number of shares held by the Company, its directors and managers, and companies directly or indirectly controlled by the Company in a same invested company, and consolidated calculation of comprehensive shareholding ratios.

Communication of Key Major Events

If a key major event occurs, relevant manager will immediately provide a possible solution to the top governance unit, and submit it to the chairman or the Board of Directors for verification and approval according to the Company’s internal control system. CPAs communicates governance matters, and the impact of changes or application of financial accounting standards on the Company’s finance and business operations with directors every quarter in accordance with the provisions of Statement of Auditing Standards No. 62 “Communication with Those Charged with Governance of an Audited Entity” and other auditing standards.

In 2023, no event that had a potential and actual negative impact on the stakeholders occurred through the appeal mechanism and other procedures.

Performance Evaluation of Corporate Governance

The Company executes performance evaluation for each director, each functional committee, and the Board of Directors independently once every year according to “Rules for Performance Evaluation of Board of Directors”. Self-evaluation through the filling of questionnaires is adopted as the evaluation method, with contents covering (1) understanding of the Company’s targets and missions, (2) understanding of the directors’ and functional committees’ responsibilities, (3) participation in the Company’s operation, (4) management and communication of internal relations, (5) election, expertise, and continuing education of directors and functional committees, (6) composition and structure of the Board of Directors and functional committees, (7) improvement in the Board of Directors’ the functional committees’ decision-making quality, (8) internal control, and (9) other items.

In 2023, the overall operation performance of the directors, each functional committee, and the Board of Directors of Mercuries & Associates Holding was favorable and disclosed in the annual report as stipulated.





Ethical Corporate Management

It is stipulated in “Ethical Corporate Management Best Practice Principles” established by the Company that the Company’s directors, managers, employees, appointed persons, or those with substantial control over the Company shall not, during the process of commercial practices, directly or indirectly provide, promise, require, or accept any illegitimate interests, or adopt other unethical acts that violate the principles of integrity, legality, or fiduciary duty in order to acquire or sustain their interests. The targets of the aforesaid acts include public officials, political candidates, political parties or party members, as well as any public and private enterprises or institutions and their directors (council members), supervisors, managers, employees, substantial controllers, or other stakeholders.

Appeal Mechanism

It is clearly stipulated in “Code of Ethics” established by the Company that the directors and managers of the Company shall advocate the concept of ethics at any time, and encourage personnel of the Company to immediately report violations of laws, regulations, rules, or this Code found or reasonably suspected to managers, internal audit officer, or other appropriate personnel according to relevant provisions. In order to encourage the employees to report illegal situations found, the Company has established a whistleblowing system that allows anonymous whistleblowing and enables employees to know that the Company will spare no effort to assure the whistleblowers’ safety and protect them from revenge. Those accused shall not adopt any behavior to retaliate or threaten the aforesaid whistleblowers. If the whistleblowers are revenged, threatened, or harassed, they shall report to the superiors or other appropriate personnel in a real-time way, and the Company shall deal with the matter in an immediate and appropriate way.

Commitments and Policies

The Company has established commitments, rules, methods, procedures, and bylaws regarding corporate governance, and made them available on the official website of Mercuries & Associates Holding for stakeholders to consult. The top management responsible for approving each organization bylaw is the Board of Directors. The aforesaid documents are reviewed, or added (amended) every year according to laws and regulations, or based on the Company’s operational demand. The policies are applied in all activities and commercial relations of the organization.

Rules/measures/regulations related to corporate governance		
<ul style="list-style-type: none"> ♦ Articles of Association ♦ Corporate Governance Best Practice Principles ♦ Sustainable Development Best Practice Principles ♦ Ethical Corporate Management Best Practice Principles ♦ Code of Conduct ♦ Regulations Governing the Internal Control System ♦ Detailed Rules for Implementation of Internal Audit ♦ Implementation Measures for the Reporting System ♦ Rules of Procedure for the Shareholders’ Meeting ♦ Regulations Governing the Election of Directors ♦ Rules of Procedure for the Board of Directors 	<ul style="list-style-type: none"> ♦ Diversity Policy of Members of the Board of Directors ♦ Rules for Performance Evaluation of Board of Directors ♦ Rules of Procedures of the Audit Committee ♦ Procedures for Endorsement Guarantee ♦ Procedures for Acquisition or Disposal of Assets ♦ Procedures for Lending Funds to Others ♦ Code of Ethics Governing Procurement Personnel ♦ Rules of Procedures of the Remuneration Committee ♦ Information Security Policy ♦ Procedures for Handling of Major Internal Information and Prevention of Insider Trading 	<p>For relevant contents, please query on the official website of Mercuries & Associates Holding</p> 

1.2 Functional Committees

Audit Committee

An Audit Committee has been established in the Company, comprising 4 independent directors. The Audit Committee is responsible for supervising the following issues of the Company: Fair presentation of the financial statements, appointment/dismissal, independence, and performance of CPAs, effectiveness of internal control, compliance with each law and regulation, control of existing or potential risks of the Company, and other authorities granted according to law. In 2023, a total of 9 meetings were convened by the Audit Committee with average attendance rate of 89% (including attendance by proxy).



Remuneration Committee

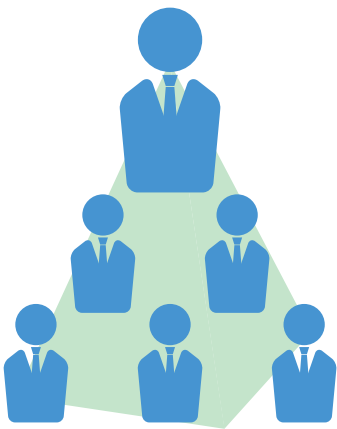
The Company has established a Remuneration Committee which convenes at least 2 meetings every year. 3 independent directors serve as the members of the Remuneration Committee with main responsibilities as follows: Assist the Board of Directors in formulating the overall salary, remuneration, and welfare policies of the Company relying on the independent directors’ professional and objective evaluation, and supervise and review the performance of senior managers of the Company as well as plans for their remuneration. In 2023, a total of 4 meetings were convened with average attendance rate of 83% (including attendance by proxy).



Remuneration policies for top governance unit and senior management:

Top governance unit: No salary is paid to the directors of the Company. The directors only receive traffic allowance incurred in their participation in the meetings of the Board of Directors, and director compensation paid according to the Articles of Association and with the approval from the Board of Directors; for the remuneration of independent directors, the Board of Directors will make a corresponding resolution in accordance with the participation of each independent director in the corporate operation and the value they have contributed and with reference to the normal payment level in the industry.

Senior management:The remuneration of managers includes fixed salary (including basic salary, meal allowance, duty allowances, etc.) and floating salary (year-end bonus). Also, they participate in the distribution of employee compensation paid according to the Articles of Association and with the approval from the Board of Directors. The remuneration of managers is linked with the value they contribute, management performance, corporate performance, and ESG achievements, and will be deliberated by the Remuneration Committee first and then submitted to the Board of Directors for discussion and determination.



※Except those mentioned above, the Company does not provide signing bonus, or recruitment bonus, severance pay, recourse mechanism, and retirement benefits.

Annual Remuneration Ratios of Mercuries & Associates Holding, Ltd. ^{Note 1}			
Company name	Indicator	2022	2023
Mercuries & Associates Holding	Annual total remuneration ratio ^{Note 2}	12.02	12.19
	Rate of change in annual total remuneration ^{Note 3}	-1.37	-0.08
Mercuries Life Insurance Co., Ltd.	Annual total remuneration ratio	20.22	20.28
	Rate of change in annual total remuneration	3.23	0.95
Mercuries & Associates, Ltd.	Annual total remuneration ratio	19.25	19.93
	Rate of change in annual total remuneration	2.21	1.63
Mercuries F&B Co., Ltd.	Annual total remuneration ratio	20	17
	Rate of change in annual total remuneration	-2.1	-0.04
Simple Mart Retail Co., Ltd.	Annual total remuneration ratio	19.49	20.49
	Rate of change in annual total remuneration	-10.66	2.16

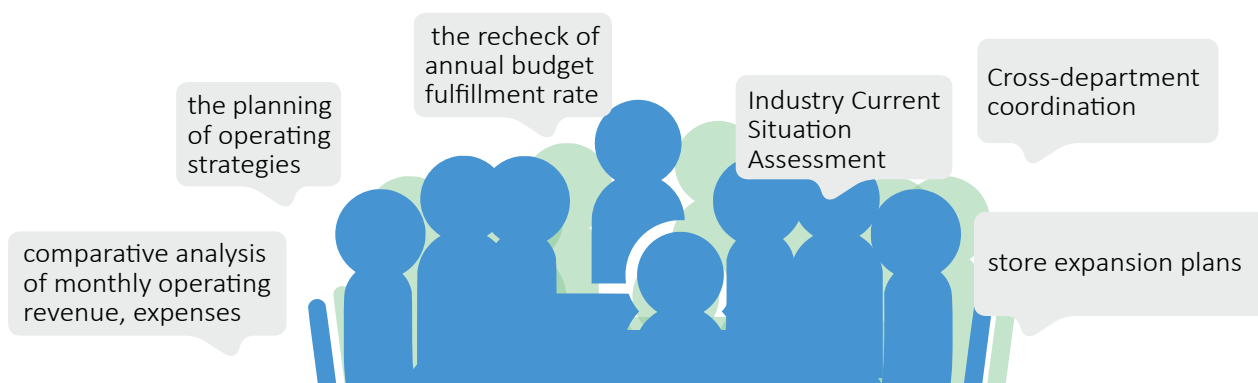
※Note 1: In accordance with the definition in paragraph 2 of Article 2-1 of Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, the important subsidiaries of Mercuries & Associates Holding include Mercuries Life Insurance Co., Ltd.

※Note 2: Formula of "Annual total remuneration ratio": [Annual total remuneration of the individual with the highest remuneration in the organization] ÷ [Median of the annual total remuneration of all employees (not including this individual with the highest remuneration)]

※Note 3: Formula of "Rate of change in annual total remuneration": [Increased percentage of the annual total remuneration of the individual with the highest remuneration in the organization] ÷ [Increased percentage of median of the annual total remuneration of all employees (not including this individual with the highest remuneration)]

Operation Management Committee

The Company has established an Operation Management Committee which convenes meetings once every month. The members of this committee are top managers of each business unit and brand. The main responsibilities of the Company are to assist the Company in executing the evaluation of industry status, the planning of operating strategies, the recheck of annual budget fulfillment rate, and the coordination of the cooperation among each department as well as the promotion of related plans. In 2023, a total of 12 meetings were held by the Operation Management Committee with contents containing discussion of store expansion plans of each brand, comparative analysis of monthly operating revenue, expenses, and net profits and description of the conditions in the same trade, to realize the function of supervising the operating performance.





1.3 Operating Performance

Financial Performance

In 2023, the paid-in capital of the Company reached NT\$ 11.2 billion, and its consolidated operating revenue reached NT\$ 166.3 billion, down by 20% compared with 2022. The standard reaching rate of the budget reached 100%. Due to the appreciation of NTD against USD compared with that in the previous period, the huge exchange profit of the life insurance business in the last year was transformed to exchange loss. Besides, due to the increase in the hedging cost of foreign exchange, the net profit after tax attributable to the parent company reached NT\$ 2.874 billion in 2023. The loss per share after tax reached NT\$ 3.09, the return on assets presented in the individual financial statements reached -12.55%, and the return on equity of individual shareholders reached -21.23% respectively.

For detailed financial statements, please refer to MOPS or the dedicated section for investors on the Company's official website (www.mercuries.com.tw).

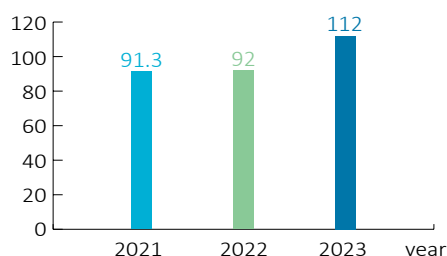


Financial Performance of the Last Three Fiscal Years

※ Report period of the financial statements of 2023: January 1, 2023-December 31, 2023.

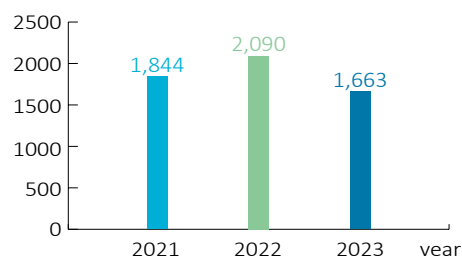
Paid-in capital

Unit: 100 million yuan



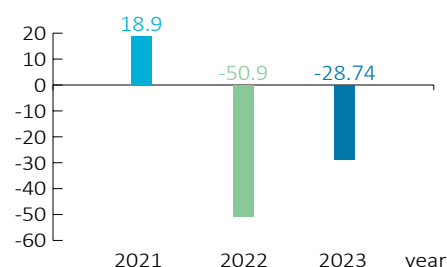
Consolidated operating revenue

Unit: 100 million yuan



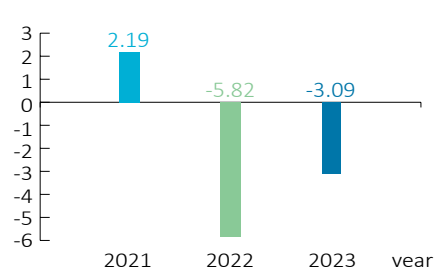
Individual net profit after tax

Unit: 100 million yuan



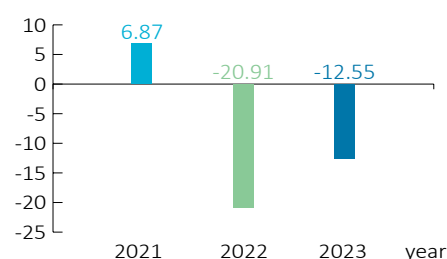
Earnings per share (EPS)

Unit: NT\$ 1



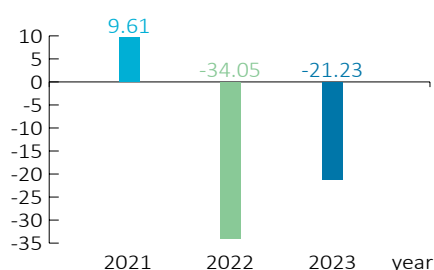
Return on assets presented in the individual financial statements

Unit: %



Return on individual shareholder's equity

Unit: %





1.4 Risk Management

The real-time mastery of and the quick response to risks are the key to ensure the stable operation of an enterprise. The overall risk management policy of Mercuries & Associates Holding emphasizes on the unpredictable issues in the financial market, with the objective to lower potential adverse impact on the financial position and financial performance of the Company.

In addition to the parent company, Mercuries & Associates Holding has also included the risks of the subsidiaries engaged in different types of business into the management scope, and established relevant control measures to lower the impact of such risks on the enterprise by means of risk elimination, risk transfer, and risk reduction. The risk management work is executed by the risk management units of each company with reference to the transaction authority approved by the board of directors. Through close communication with the operating units, the risk management units are responsible for identifying, evaluating, and avoiding financial risks, and actively expanding opportunities to enhance corporate resilience and realize sustainable governance.

Types of Risks and Control Method

Type of risk	Description	Control strategies and performance
Financial risks	<ul style="list-style-type: none"> The operation of the Company and its subsidiaries is affected by multiple financial risks, including market risks (risk of exchange rate, risk of interest rate, and risk of price), credit risks, liquidity risks, and operating risks. The financial assets or liabilities of the Company are vulnerable to investing behaviors to result in its financial risks. For example, fund-raising, long- and short-term investments, profit distribution, high-risk and high-leveraged operations, derivatives trading, etc. may result in financial losses. 	<ul style="list-style-type: none"> The Company and its subsidiaries pay close attention to the changes in the interest rate and exchange rate, and adopt floating interest rate and bank loans that feature short disbursement period to master the trends of the interest rate in form of cyclic disbursement. Also, they utilize methods like forward exchange to avoid the risk of exchange rate. Limit control is adopted for the management of credit risk, and different limits are established per industry, issuer, and national risk exposure, and monitored at any time to avoid the excessive centralization of risks. Risks of capital liquidity are effectively managed at short-term level and medium- and long-term level. With respect to the short-term liquidity management, in addition to the determination of asset liquidity ratio as an indicator for measurement and control, relevant departments have already established a real-time capital notification mechanism and applied appropriate monetary market instruments for daily capital scheduling; with respect to medium- and long-term liquidity management, a cash application analysis mode is applied through the periodical inspection of assets and liabilities to monitor the allocation of assets and liabilities and thus plan the reduction of related risks. As for the risks of market liquidity, the Company has already considered risks caused due to the proportionality between market transaction volume and positions held as well as the changes of market prices by the huge-amount transactions, and established relevant monitoring mechanisms as well as relevant regulations governing the centralization of daily transactions, limits of investment positions, and liquidity asset allocation, to avoid the generation of the risks of market liquidity. The management goal of the operating risks is to lower the Company's operating risks relying on a complete operating risk management mechanism already established and effectively implemented. The Company has established business rules and regulations and internal control system that govern the products and operating activities so that the operating units may practically follow them.
Climate risks	<ul style="list-style-type: none"> The climate change has resulted in the increasing frequency and intensity of extreme climate events, e.g., rainstorm, typhoon, flood, drought, earthquake or other relevant natural disasters. These events would result in casualties, property damages, interruption of supply chain or operation and production, causing serious damages to the corporate operation. 	<ul style="list-style-type: none"> Purchase relevant insurance to lower the losses caused by natural disasters to the business, e.g., commercial asset insurance or inventory insurance, commercial interruption insurance, public accident liability insurance, etc. Evaluate the natural disaster risks, and establish emergency response plans and disaster recovery plans to ensure that the business operation can be timely recovered after the disasters. Carry out daily automatic inspection work, e.g., store building inspection, electrical safety inspection, and periodical equipment repair and maintenance. Establish a major event notification mechanism and provide logistics manpower for support. <p>※For more contents, please refer to Chapter 3 Environmental Protection.</p>
Information security risks	<ul style="list-style-type: none"> Since modern enterprises have already become highly dependent on digital technology and information systems to support their business operation, enterprises may face the risks of hacker attacks, ransomware, or theft of consumers' personal data or consumption data. 	<ul style="list-style-type: none"> The Company has already established relevant administrative measures for information security, and periodically reviewed the effectiveness of these measures, to lower the possible damages of the corporate operation and image. At the same time, the Company has contributed certain budget for information security protection to lower the impact of hacker invasion on corporate operation and reputation. In 2023, in addition to the cooperation with a famous information security company in Taiwan to lower information security risks, we also increased relevant dedicated unit and personnel to strengthen information security and reduce risks.
Market transformation risks	<ul style="list-style-type: none"> Due to the continuous development of online transactions, people's consumption habits and payment methods have changed, and the e-commerce and take-away platforms have impacted the physical retail industry. 	<ul style="list-style-type: none"> In the retail industry of consumer products, paper pressing machine continually develops self-owned network platforms, and integrates online and offline business to improve operating revenue and profits. In the catering industry, paper pressing machine utilizes online and take-away platforms to improve the efficiency of order receipt, and actively develops new products to improve the added value of channels. In 2022, the first cloud kitchen of Mercuries F&B Co., Ltd. was established. In 2023, "Simple Cafe" was sold in 600 stores, accounting for 70% of all stores. At the same time, the online "Pick up coffee at any Simple Mart stores" service makes consumers more convenient to buy coffee. In 2023, Simple Mart introduced Uber Eats for take-away to complete the take-away sector. 600 stores of Simple Mart provide this service, offering a new service distance from 500m to 5km. In 2023, Simple Mart optimized the user interface of online "GoShopping Simple Mart", making the operation easier. Also, product displays were expanded and categories of electronic coupons increased. Paper pressing machine continued to cooperate with e-payment or electronic coupon practitioners in different industries, including updating of payment devices in the stores, to lower the friction of the last mile of consumption, provide consumers with more convenient and safer payment trips and marketing activity experience, and thus create abundant business opportunities.



Type of risk	Description	Control strategies and performance
Operating risks	<ul style="list-style-type: none"> In the industry of consumer products and catering retail, risks like high homogeneity and substitutability of products, price-cutting competition in the same industry, and market seizure by enterprises in other enterprises (e.g., supermarkets and vendors in the dining-out market) are faced, resulting in the division of market and decrease in corporate profits. 	<ul style="list-style-type: none"> The R&D plan focuses on the improvement of consumer experience and the enriching of types of products and services. In addition to the introduction of new products at home and abroad and R&D of products of the self-owned brands, the Company continually strengthens Customer Relationship Management (CRM) and data analysis to learn about the consumer characteristics of each region of sales, so as to satisfy diversified consumer products of neighbors and service product needs and profoundly develop communities. Also, marketing activities were conducted to strengthen membership relations, improve consumer identity of brand, and avoid the involvement in relevant price war. In 2023, Mercuries F&B Co., Ltd. promoted new patterns or new service types based on market changes and continued to improve the taste of regular products. In 2023, Simple Mart did not pursue the speed of opening new stores, but refitted and optimized more than 122 stores, adjusted product displays, and built a more comfortable shopping environment. In 2023, Simple Mart continually provided differentiated products, with “self-owned brands” and “self-operated import” accounting for ten percent of all products; additionally, through continual adjustment of fresh fruits and vegetables, it realized the operating revenue of NT\$ 100 million for the first time as an annual business breakthrough. In 2023, there were already 51 stores of Simple Mart with shelves of “Tomod’s” to improve the advantages of customer sources. In 2023, exclusive wine shelves were introduced to 24 stores of Simple Mart with “Simple Mart wine store”. Most products were very cost-effective and thus attracted customers and was widely favored by the market.
	<ul style="list-style-type: none"> The fixed operating cost of stores is relatively high, including personnel, rent, depreciation, etc. Losses are very likely to occur in case of economic downturn or change in the business district. 	<ul style="list-style-type: none"> The operation of retailers is developed towards a large-scale, chained, and differentiated direction. Large-scale operation can effectively apportion the fixed cost of retails, and form certain economic scale, improve bargaining capacity, and lower the purchasing cost. Paper pressing machine has also installed VOIP to save communication fees, reduce the managerial and business expenses, and improve the efficiency. Chain operations make the store opening process standardized, so as to quickly expand stores and profit and lower each administrative cost. Paper pressing machine introduces new technologies to update store POS system, develops online selling, improves ERP integration of internal resources, and develops SCM system to link with suppliers for purchasing, sales, storage and payment operations.
	<ul style="list-style-type: none"> The logistics scale of the retail industry is limited, thus affecting the Company’s overall expansion effect. 	<ul style="list-style-type: none"> Continually optimize warehousing management system, electronic label assisted sorting system, and automatic sorting system, and introduce automatic equipment including paper pressing machine, to lower warehousing management cost and improve the logistics operation efficiency.
Food and product safety risks	<ul style="list-style-type: none"> Since consumers increasingly emphasize on the issue of product safety, and the competent authority has also raised increasingly stricter requirements for products, the failure to follow such requirements may cause penalties to the Company and damage its reputation. If the product quality declines due to unfavorable control processes of suppliers, a risk of provision of products that do not comply with standards may be caused. 	<ul style="list-style-type: none"> Establish a standardized product safety management process and conduct random sampling of the products independently. Establish a standardized problematic product handling process and notify and take down relevant products from the shelves in a real-time way. Purchase relevant product financial insurance to avoid risks, e.g., product liability insurance. Deepen the supplier management mechanism, and strictly execute supplier evaluation and selection (The Company is mainly engaged in retail and wholesale. In addition to wine business which is exclusive business with relatively centralized purchasing, other purchasing and sales channels are very decentralized without the risk of centralization). Factory 3 of the central kitchen of Mercuries F&B Co., Ltd. was already expanded and put into operation in 2023. In the future, in addition to the improvement of product self-making rate and full mastery of quality, it also plans OEM business to increase profit sources.
HR risks	<ul style="list-style-type: none"> The competition in the catering industry and retail industry is fierce with high personnel turnover, easily resulting in the risk of decline of service quality and employee satisfaction. If labor related regulations are not followed, risks of losses from litigation, finance, and reputation may be caused. 	<ul style="list-style-type: none"> Complete a talent cultivation system, establish systematic or electronic education and training, and provide opportunities for diversified education and training so that colleagues can conveniently obtain resources and competitiveness can be improved. Gradually improve employees’ welfare and satisfaction, reduce personnel turnover, and improve service quality. Establish a labor appeal mechanism and provide colleagues with friendly communication pipelines.
Workplace safety and health risks	<ul style="list-style-type: none"> If employees suffer from occupational disasters in the workplaces, risks of loss of working hours, property losses, damage of corporate reputation, decline of employees’ morale, and even legal litigation. 	<ul style="list-style-type: none"> Actively establish an occupational safety and health management system, minimize the risks imposed on the environment in the workplaces as well as machines, equipment, and operation contents, and reject any form of occupational hazards. Implement occupational safety and health education and training periodically, and improve employees’ safety awareness. Execute automatic inspection of workplace safety and health as well as firefighting equipment every month, and conduct audits on an irregular basis. Establish an emergency response team, and carry out disaster classified management and periodical implementation of emergency response drills according to the emergency response plan.

Internal Control System

Mercuries & Associates Holding has established an internal control system and set up an Auditing Office under the Board of Directors. The auditors shall carry out internal audit and internal control self-evaluation according to “Detailed Rules for the Implementation of Internal Audit” and “Procedures for the Self-evaluation of the Internal Control System”, and utilize the five effectiveness criteria (control environment, risk evaluation, control work, information and communication, and supervision work) of Regulations Governing the Internal Control System of Public Companies to periodically review and evaluate the performance and effectiveness of the Company’s internal control system every year. For detailed operation of audit organization and the self-evaluation results of internal control, please query on the official website of Mercuries & Associates Holding.

Regulatory Compliance in Connection with Economy and Society

In 2023, neither parent company nor subsidiaries of Mercuries & Associates Holding was involved in any major situation that violated regulations in connection with economy and society.



Retail Business and Food Management

- 2.1 SUPPLIER SUSTAINABLE MANAGEMENT
- 2.2 QUALITY MANAGEMENT OF RETAIL PRODUCTS
- 2.3 FOOD SAFETY AND QUALITY MANAGEMENT
- 2.4 CONSUMER SERVICE AND COMMUNICATION
- 2.5 INFORMATION SECURITY MANAGEMENT

Material topics covered

- Product Quality and Food Safety
- Leftover Management
- Talent Development and Cultivation



Management guideline	Content description
Policy	Mercuries aims to provide consumers with high-quality and affordable products. Through strict product quality management processes, problematic product shelf-removal processes, food monitoring mechanism, and food safety traceability and tracking system, the Company strives to effectively manage quality stability. We also periodically review the compliance of product marketing and labelling, showing the Company's determination in strictly following regulations and safeguarding customers' health and safety.
Significance and management goal	It is an enterprise's basic responsibility to provide excellent products and service quality. Stable products and services help improve the corporate image and operating performance, as well as better customer satisfaction and brand loyalty to realize the goal of stable operation.
Commitments	<ul style="list-style-type: none"> Sticking to the tenet of "Satisfying All Family Members' Needs for Affordable Shoes", Mercuries & Associates, Ltd. provides customers with comfortable and environment-friendly shoe products through strict supplier management. Mercuries F&B Co., Ltd. takes "Food Safety" as the highest principle, deems "Quality Foremost, Safety and Health, and Customer Satisfaction" as the tenet, and adopts the strengthening of source management of raw materials and the reinforcement of process health control as the main strategy. Simple Mart Retail Co., Ltd. sticks to the tenet of providing "Affordable, Safe, Assuring, Healthy" products and strengthens quality control.
Objectives and targets	<ul style="list-style-type: none"> The R&D plan focuses on the improvement of consumer experience and the enriching of types of products and services. The Company continually strengthens Customer Relationship Management (CRM) and data analysis to learn about the consumer characteristics of each region of sales, so as to satisfy diversified consumer products of neighbors and service product needs and profoundly develop communities. The catering retail of the Group is expected to promote new patterns or new service types based on market changes and continue to improve the taste of regular products. Continue to cooperate with e-payment or electronic coupon practitioners in different industries, including updating of payment devices in the stores, to lower the friction of the last mile of consumption, provide consumers with more convenient and safer payment trips and marketing activity experience, and thus create abundant business opportunities. Continually optimize warehousing management system, electronic label assisted sorting system, and automatic sorting system, and introduce automatic equipment including paper pressing machine, to lower warehousing management cost and improve the logistics operation efficiency.
Responsibility and system	<ul style="list-style-type: none"> The subsidiaries in the retail industry have established "Supplier Evaluation Management System" and regularly convened supplier communication meetings, to implement supplier management. The subsidiaries in the retail industry have established relevant procedures and standards governing "Product Quality Management", "Problematic Product Shelf-removal", "Product Inspection", and "Store Food Safety and Hygiene Management" to comprehensively control product quality. Ensure the compliance of products and dining environment of each store with the standards through periodic execution of "Product Safety and Hygiene Audit", "Food Safety Monitoring", and "Food Tracking and Traceability". Practically execute education and training plans for employees, and arrange corresponding courses based on operation contents, to improve employees' service quality and safety and health awareness.
Resources engaged	<ul style="list-style-type: none"> Dayuan Factory of the central kitchen of Mercuries F&B Co., Ltd. passed "FSSC/ISO 22000:2018 and HACCP Certification" and "Clean Label" verification by China Grain Products Research & Development Institute; the noodles factory acquired "TQF Verification Label"; the quality control laboratory passed "ISO/IEC 17025 Laboratory quality management system certification". A total investment of approximately NT\$ 772 million was made to expand the central kitchen in 2022. The central kitchen is mainly used for production and processing, low-temperature freezer, and storage of normal-temperature raw materials, to improve the product self-making rate and more comprehensively control product quality as well as shorten the delivery period. The central kitchen was completed and put into operation in 2023. Introduce new technologies to update store POS system, develop online selling, improve ERP integration of internal resources, and develop SCM system to link with suppliers for purchasing, sales, storage and payment operations. The logistics center has been developed towards an automatic direction, to effectively lower inventories and save manpower operations.
Appeal mechanism	<ul style="list-style-type: none"> [Mercuries & Associates, Ltd.] Customer service hotline: 0800-068-333 (Family Shoemart); customer email: service@familyshoes.com.tw (Family Shoemart). [Mercuries F&B Co., Ltd.] Customer service hotline: 0800-003-375 (Sanshang Qiaofu), 0800-07-6666 (Napoli), 0800-822-922 (Tonkatsu), 0800-555-750 (Sanshang Don Mono); customer email: m4015@mfb.com.tw (Sanshang Qiaofu), napoli0800@mfb.com.tw (Napoli), t0800@mfb.com.tw (Tonkatsu), donmono@mfb.com.tw (Sanshang Don Mono). [Simple Mart Retail Co., Ltd.] Customer service hotline: 0800-42-6666; customer email: webservice@simplemart.com.tw
Major incidents in 2023	<ul style="list-style-type: none"> Factory 3 of the central kitchen of Mercuries F&B Co., Ltd. was completed and put into operation on June 21, 2023.



In this section, the subsidiaries of Mercuries & Associates Holding, Ltd. in the retail industry are adopted as the main scope of disclosure, including “Mercuries & Associates, Ltd.” in the shoe retail industry, “Simple Mart Retail Co., Ltd.” in the comprehensive product retail industry, and “Mercuries F&B Co., Ltd.” in the catering industry.

2.1 Supplier Sustainable Management

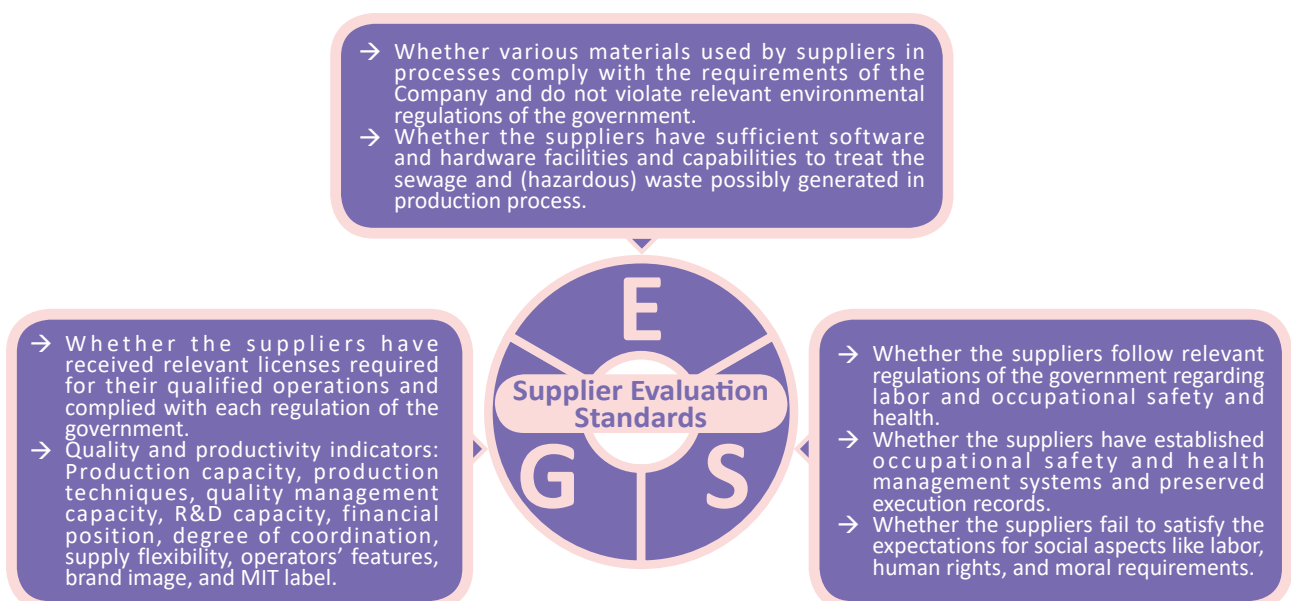
Mercuries & Associates Holding sticks to the thinking model of quality management from the source, and has established supplier management systems applicable to each industry, to ensure that the suppliers abide by laws and regulations in the processes of manufacturing and product provision and fulfill the expectations for product quality related certification, workplace health and safety, environmental protection, workers’ human rights, and moral requirements.

Adhering to the concepts of long-term development and common survival and prosperity, we also actively assist suppliers in process standardization and work computerization, in order to improve suppliers’ production capacity and product yield. To establish closer business relations with suppliers, subsidiaries will regularly hold multiple supplier meetings every year, to promote benign communication, integrate resources advantages of the two sides, and jointly expand the market. Hopefully, we can exert collective efforts to make innovations in products and services, and bring high-quality products and service experience to customers.

Supplier Management in Retail Industry

Supplier Selection Standards in Retail Industry

The subsidiaries of the Company in the shoe and comprehensive product retail industries have established strict supplier management standards. Only suppliers evaluated as eligible can be listed in the cooperation list of the Company. In addition to the evaluation requirements of quality and productivity indicators, we also include the performance of the suppliers in sustainability aspects including environmental protection, workplace safety and health, and human rights at work as evaluation criteria.





Supplier Evaluation System in Retail Industry

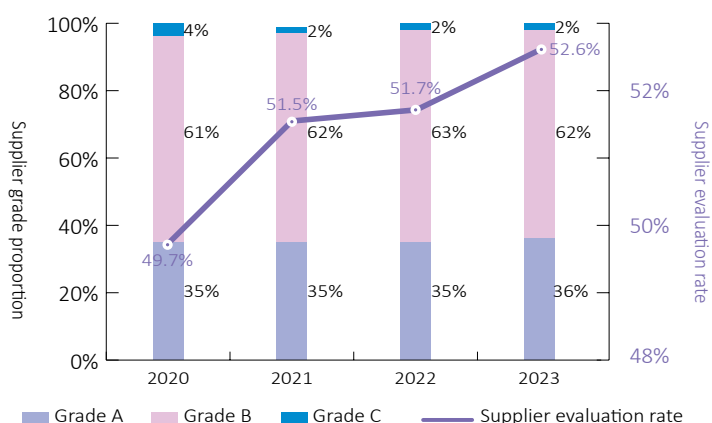
Subsidiaries in the retail industry evaluate eligible suppliers with continuous transactions every year according to the supplier management standards. Since the selling contents of each subsidiary are slightly different from the supplier evaluation management system, the execution methods and appraisal achievements of each subsidiary are described separately below.

• Mercuries & Associates, Ltd. (Brand of Family Shoemart)

Family Shoemart of utilizes “Supplier Evaluation Form” to classify the supplier evaluation results into four grades: Grade A (above 95 points) represents excellent suppliers; grade B (85-94 points) represent eligible suppliers; grade C (60-84 points) represents suppliers to be guided and improved with transactions reduced; grade D (less than 60 points) represents suppliers with cooperation not recommended. Also, it has determined an annual targeted appraisal rate of 40%.

In 2023, Family Shoemart cooperated with 95 suppliers, and evaluated 50 suppliers (evaluation rate: 52.6%, up by 0.9% compared with that in the previous year. Among the evaluation results, there were 18 grade A excellent manufacturers (accounting for 36%), 31 grade B eligible suppliers (accounting for 62 %), 1 grade C manufacturer (accounting for 2%), and 0 grade D supplier. The company already terminated the cooperation with suppliers of grade C and below since their products failed to meet the its requirements.

Supplier Evaluation of Family Shoemart of Mercuries & Associates, Ltd.



※ It is clear from the chart that supplier selection quality could be stably maintained through the supplier evaluation mechanism from 2020 to 2023.

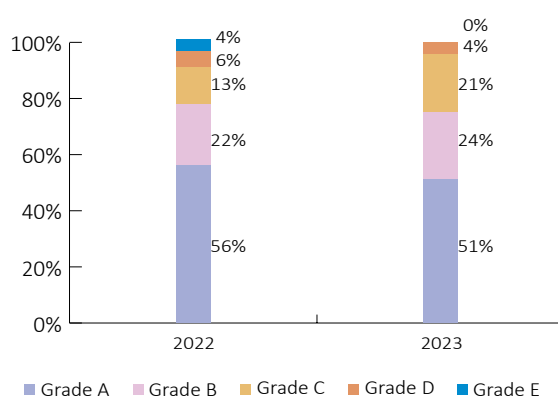
• Simple Mart Retail Co., Ltd. (Brand of Simple Mart)

Simple Mart Retail Co., Ltd. has launched self-owned products by strictly selecting excellent manufacturers. To assure product quality, we clearly specify in supplier contracts that their manufacturing factories must comply with the auditing clause of Simple Mart. The company has not only required suppliers to provide basic qualified data and establish technical specifications for products, but also assigned lead auditors with ISO 9001 and ISO 22000 certification to execute audits

The cooperative suppliers are classified into five grades (i.e., A-E) for audit management after products are shelved. The company assigns relevant personnel to visit the factory once every year. The auditing frequency is adjusted according to different grades: Once every 3 years for grade A suppliers; once every 2 years for grade B suppliers; once every year for grade B suppliers; once every year for grade C suppliers; 6 months are provided for grade D suppliers to improve within a certain time limit; grade E suppliers are evaluated and rechecked, or will not be used again.

In 2023, Simple Mart cooperated with 72 original equipment manufacturers (OEMs) and evaluated all of them with evaluation rate of 100%. Among these suppliers, there were 37 grade A excellent manufacturers (accounting for 51%), 17 grade B eligible suppliers (accounting for 24%), 15 grade C suppliers (accounting for 21%), 3 grade D suppliers (accounting for 4%), and 0 grade E suppliers.

OEM Supplier Evaluation of Simple Mart



Supplier Communication in Retail Industry

To effectively communicate with suppliers, the subsidiaries held 1,550 supplier communication meetings in 2023. In addition to periodical benign communication with suppliers, we also adopted Supply Chain Management (SCM) to link suppliers for purchasing, sales, storage and payment operations, and instantly respond to suppliers' needs, to realize effective stakeholder communication. At the same time, the introduction of electronic procurement system has also simplified the operation processes and made supplier management quicker and more accurate.

Brand	Group	Number of meetings	Content discussed
Mercuries & Associates, Ltd. (Family Shoemart)	Men's shoes	12	Product development, preparation and bargaining
	Women's shoes	15	Product development, inspection of goods, and quality improvement
	Sports shoes	8	Brand budgeting, product planning, and activity sponsorship
	Children's shoes	15	Introduction of new cartoons and development of shoes suitable for children
Simple Mart Retail Co., Ltd. (Simple Mart)	Product Department	1,500	New product development, promotion on festivals, and non-industry cooperation

Food Supplier Management






Food safety shall start from the source. Our priority for safeguarding consumers' "Food Safety" is to establish a standard supply chain model. Subsidiaries in the catering industry always select eligible suppliers, and evaluate and conduct on-the-spot audit of existing and newly developed suppliers every year, to establish a strict food safety protection network, assure the stable quality of materials purchased from them, and enable consumers to eat healthily and securely.





Food Supplier Selection Standards

The food suppliers selected by Mercuries F&B Co., Ltd. shall be legally registered companies (agents/importers) or factories, which is a basic condition. Also, this company adopts system-certified food ingredients or suppliers with priority, e.g., certification of CAS (Certified Agricultural Standard), TAP (Traceability/Good Agricultural Product), TQF (Taiwan Quality Food) verification, FSSC/ISO 22000 Food Safety Management System, and HACCP (Hazard Analysis Critical Control Point), to control the food safety together.

In 2023, the central kitchen of Mercuries F&B Co., Ltd. cooperated with 105 suppliers, including 101 suppliers in Taiwan which obtained food business registration numbers and 4 foreign suppliers all of which obtained HACCP certification.

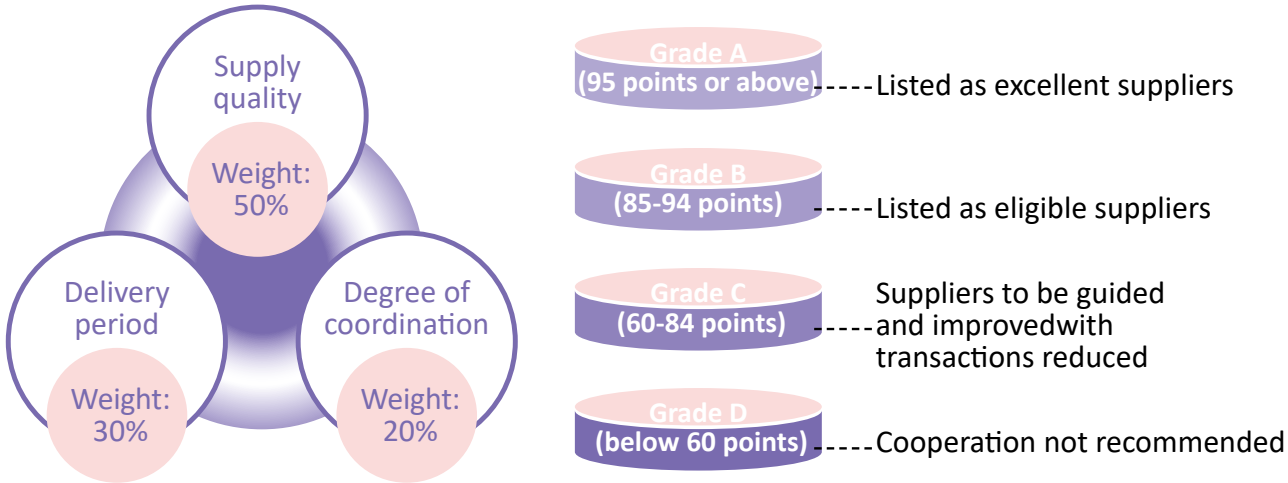
Among suppliers in Taiwan, there were 67 suppliers with the certification of at least one system, accounting for 66% of total number of suppliers in Taiwan, and 70 suppliers which purchased products complying with internationally recognized product liability standards, accounting for 67% of overall procurement. In addition, suppliers of consumables with non-food grade including 37 food ingredient suppliers and 1 packing adhesive tape supplier didn't obtain system certification yet, accounting for 36% of overall procurement. Most of them were intermediaries or distributors. The reason lied in that the company chose to directly purchase from intermediaries in order to reduce cost and inventories. Currently, these suppliers have been actively included in the food safety system.

Domestic suppliers (Unit: Number)	Food business registration number	HACCP	ISO 22000	ISO 9001	CAS	TQF
						
Suppliers of food ingredients (87 in total)	87	32	32	1	0	5
Suppliers of agricultural and animal products (10 in total)	10	9	9	2	9	0
Suppliers of packing materials and consumables (4 in total)	4	0	1	2	0	0
Total number of suppliers (101)	101	41	42	5	9	5
Ratio of passing of system verification	-	41%	42%	5%	12%	5%

Foreign suppliers (Unit: Number)	HACCP	FSSC 22000	BRC	IFS
				
Suppliers of food ingredients (2 in total)	2	1	0	1
Suppliers of agricultural and animal products (2 in total)	2	0	1	0
Total number of suppliers (4)	4	1	1	1
Ratio of passing of system verification	100%	25%	25%	25%

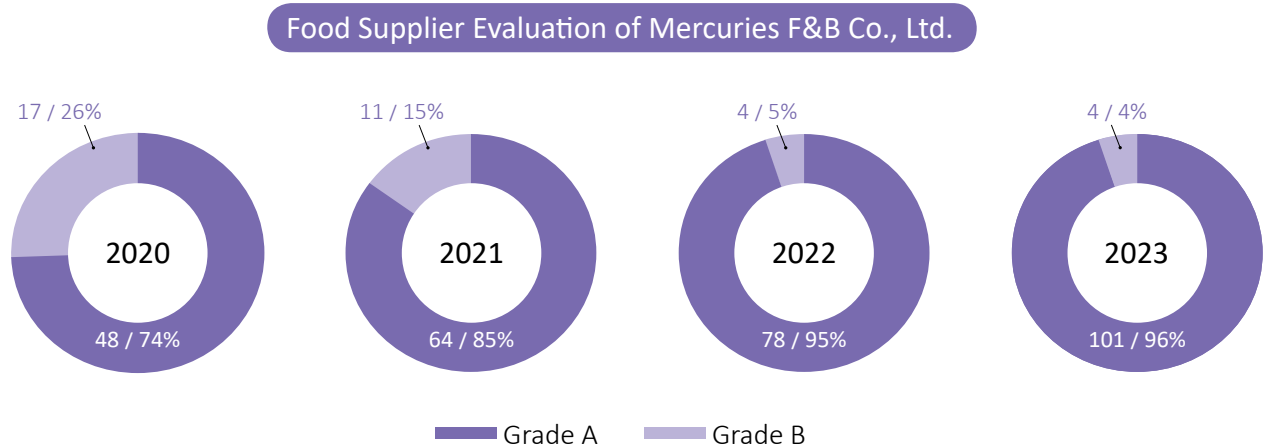
Food Supplier Evaluation

Suppliers who are registered as qualified with continuous transactions will be evaluated quarterly on three aspects: Product quality (weight as 50%), delivery time (weight as 30%), and cooperation (weight as 20%). The evaluation score is divided into four grades as shown in the figure below.





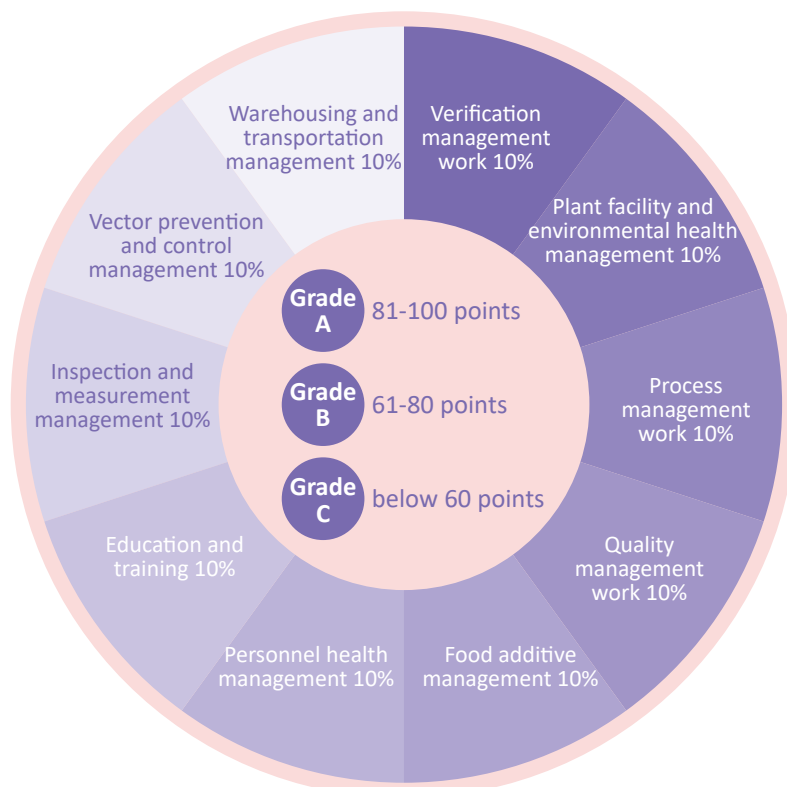
In 2023, Mercuries F&B Co., Ltd. evaluated a total of 105 food suppliers. According to the evaluation results, there were 101 grade A excellent suppliers, accounting for 96%, 4 grade B eligible suppliers, accounting for 4%), and no suppliers of grade C and below. The company paid on-site visits to 9 food ingredient suppliers, which was twice as many as the previous year.



※ The statistical chart indicates that the supplier selection quality could be effectively improved through the supplier evaluation mechanism from 2020 to 2023.

On-the-Spot Audit of New Food Suppliers

Before cooperation with a newly developed supplier, or transaction of a new raw material, Mercuries F&B Co., Ltd. would adopt rigorous evaluation procedures: The corresponding grades will be evaluated according to all the certifications of the supplier as well as product inspection reports, e.g., acquisition of Good Hygiene Practices (GHP) and compliance with relevant domestic regulations and rules, etc. The evaluation items are shown in the table below. In 2023, Mercuries F&B Co., Ltd. conducted site visits to 4 newly developed suppliers and written audit of 3 newly developed suppliers respectively.



Sustainable Supply Management-Local Procurement

In response to the United Nation SDG “Responsible Consumption and Production” and in order to ensure sustainable consumption and production modes, Mercuries & Associates Holding manages to assure supply, promote stable development of local economy, and protect community relations at the same time by supporting local suppliers.

Family Shoemart of Mercuries & Associates, Ltd. actively requires suppliers to provide products complying with MIT Smile Logo, including men’s shoes, women’s shoes, children’s shoes, slippers, sports shoes, and other relevant products. In Taiwan, a region known as the kingdom of textile, we emphatically require manufacturers of textile products (e.g., towels and socks) in Taiwan to apply for MIT Smile Logo, to assure product quality and safety. In 2023, Family Shoemart joined “MIT Smile Cooperation Stores” program of the Industrial Development Administration, the Ministry of Economic Affairs, to improve consumers’ confidence and security during consumption.

As for purchasing of food ingredients, Mercuries F&B Co., Ltd. strongly adheres to the concepts of local support and sustainable development. Except a minority of imported products such as beef, cheese, mushrooms, canned tuna, canned pineapple, fixed frying oil, etc., the company purchases other food ingredients from local suppliers with priority, accounting for 95% of the total procurement budget. This practice not only helps promote local economy and employment, but also benefits the establishment of a benign supply chain. At the same time, Simple Mart and Simple Mart+, as brands under Simple Mart Retail Co., Ltd., emphasize the essence of food and source traceability and advocates a high-standard product selection principle. The products provided by these brands cover the local agriculture, fishery, and animal husbandry as well as fine exotic food, and are further expanded to more nutritious and healthcare products.

Take the products from the self-owned brands as an example. The place of origin of “Simple Mart Enoki Mushroom” is located in Houli District, Taichung City. In the growing process of this product, air-conditioning is applied all the way and the product is planted without pollution or chemical substance treatment or bleaching. Also, this product has obtained the verification of organic agricultural product, showing the company’s high concern over food quality and sustainable production. Currently, there are already more than 100 products under the self-owned brand of Simple Mart+ and all of them are manufactured in Taiwan. Furthermore, relevant records of production and sales of these products are provided.



Simple Mart Retail Co., Ltd.	Ratio of procurement from local suppliers (%)
Vegetables	100%
Fruit	100%
Simple Mart Enoki Mushroom	100%
Mercuries F&B Co., Ltd.	Ratio of procurement from local suppliers (%)
Vegetables	90%
Fruit	100%
Meat	100%
Family Shoemart	Ratio of procurement from local suppliers (%)
Men’s shoes	90%
Women’s shoes	86%
Children’s shoes	75%
Slippers	79%
Sports shoes	48%
Accessories (towels and socks)	89%

※ The ratio of local procurement is calculated using “Budgeted Procurement Ratio”.



2.2 Quality Management of Retail Products

The products and services provided by the enterprise are closely related to consumers' daily lives. It is our most important and long-term commitment to the consumers and local communities as how to enable the consumers to "buy securely". In 2023, the subsidiaries of Mercuries & Associates Holding in the retail industry didn't violate regulations on product and service labelling, or regulations related to product safety. For detailed information, you may refer to our annual report.

Quality Control Strategies for Retail Products	
Improvement of quality requirements for suppliers	We require suppliers to attach quality warranty, sample confirmation sheet, checklist of finished products, and other relevant documents related to eligible manufacturers and testing before delivery of new products, in order to effectively manage product quality, lower reject ratio of products, and reduce consumer complaints.
Rigorous spot check of products	Regularly implement product spot check and inspection operations to ensure the continual supply of stable product quality and avoid the violation of relevant government regulations. For imported products, in addition to government's border inspection and signing and review by relevant professional customs broker, we also implement strict internal product review before the products can be delivered to Taiwan.
Definite product labelling	All the products shall comply with Commodity Labeling Act so that the consumers can know clearly the contents and relevant information of the products, so as to protect consumers' rights and interests.
Nonconforming product handling and response	If it is confirmed that the product quality is nonconforming through relevant procedures, all such products will be taken off from the shelves immediately and returned or scrapped.

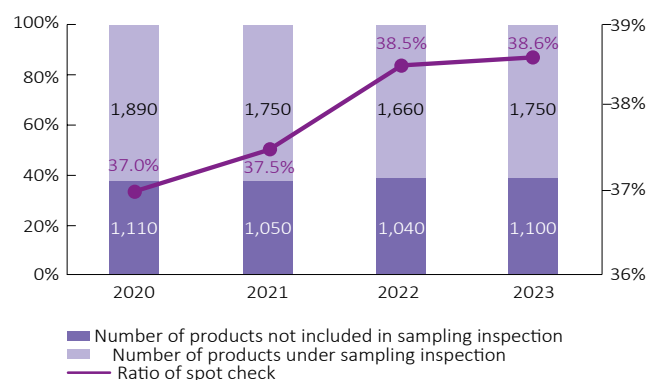
Product Labelling and Sampling Inspection

During the stage of product sampling inspection management, subsidiaries Mercuries & Associates, Ltd. and Simple Mart Retail Co., Ltd. implement a comprehensive product inspection system. Upon shipments by the suppliers, the first product sampling inspection will be conducted. After the goods arrives at the logistics center, acceptance of product labelling will be carried out. Therefore, their products are strictly controlled. After the products are delivered to the stores, the store personnel will check the primary packaging of products again before shelving. The labelling regulations of Commodity Labelling Act and Act Governing Food Safety and Sanitation are firmly observed to ensure that the product labelling includes necessary information to disclose, such as Chinese label, place of production, date of manufacture, or components and materials. At the same time, product purchasers or quality assurance personnel will conduct site product sampling inspection (at factories, suppliers, and stores) irregularly, to safeguard consumers' rights and interests.

Family Shoemart of Mercuries & Associates, Ltd.

In 2023, the total number of main products of each department of Family Shoemart reached 2,850. A total of 1,100 products were put under sampling inspection with a sampling inspection rate of 38.6%, and all of them were qualified. We have also increased the sampling inspection rate year by year to strengthen quality control.

Ratio of Spot Check of Products of Family Shoemart



Simple Mart of Simple Mart Retail Co., Ltd.

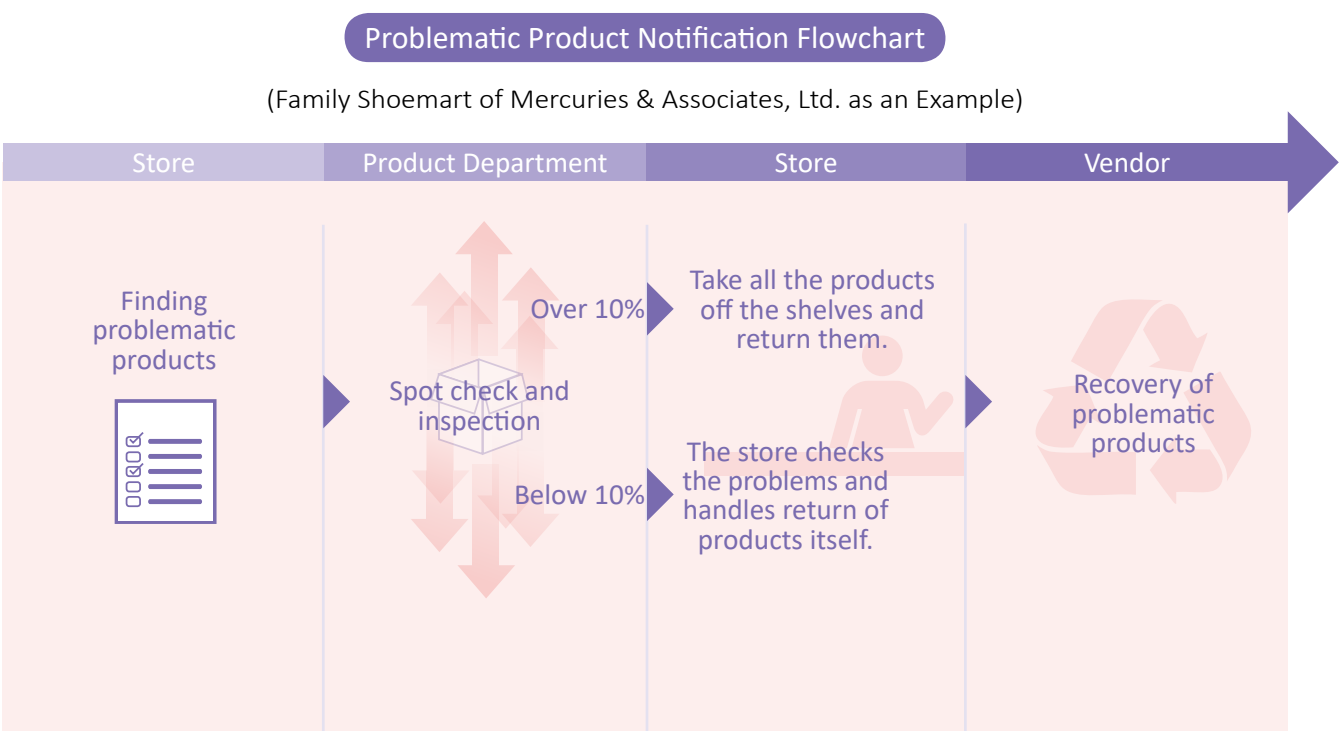
Before products of Simple Mart are put on shelves, it is required to assure the intact packaging of the products and review whether they are products nearing expiration date or defective products; low-temperature products shall be shelved within the specific time limit. Product assurance standards shall be implemented on a daily basis. Also, it is required to check whether the primary packaging of products complies with Commodity Labelling Act to avoid consumers purchasing overdue or defective commodities.

For imported products, it is required to check whether the places of origin of products and their components comply with Act Governing Food Safety and Sanitation before these products can be imported. In 2023, 83 imported food products were checked; 121 OEM self-owned brand products were checked. All of them complied with relevant regulations and rules.

In addition, Simple Mart sends some products for third-party inspection annually, to assure food sanitation and safety. In 2023, among 89 test items under sampling inspection of the third party, 88 complied with the food safety and sanitation specifications of Taiwan (yield: 99%). 1 nonconforming item is shown in the table below, and it was already improved within the specified time limit.

Date of submission for inspection	Product name	Category of nonconformance	Detailed nonconforming item	Reason for nonconformance	Result of recheck
April 18, 2023	Grande Iced Latte Coffee	Enterobacteriaceae	Enteric bacilli exceeded the limit (≤10CFU/g)	Temperature of the refrigerator, personnel's hygiene, and coffee maker cleaning operation may contribute to the breeding of microorganisms.	Conforming

Problematic Product Shelf-removal Mechanism





To safeguard consumers' health and safety, we conduct strict sampling inspection of products with any problems or doubts. Once such products are confirmed, they will be immediately removed from shelves to cease selling. Simple Mart has also established an unpaid recovery, refund, or return mechanism for products damaged due to collision in the process of delivery or sending, and has the customer service center assist consumers in dealing with individual cases, so as to ensure the consumers' rights and interests.

In addition, by establishing a complete problematic product appeal channel, the Company enables the consumers to inquire at the stores, or raise requirements using dedicated customer service hotline or email. Sticking to the commitment to the strict quality control of products, Mercuries & Associates Holding prevents the risks existing in the selling of problematic products in a real-time way to ensure that consumers can purchase products securely.

Time	Situation of problematic product	Method for handling of problematic product
March 2023	The store staff of Family Shoemart reported that the shoe uppers of a slipper style were stained.	After the purchasers conducted sampling inspection in relevant stores, an announcement was made on March 16 to notify the stores selling these problematic shoes to immediately remove them from shelves and return them to the factory.
October 2023	The store staff of Family Shoemart found that the shoe buckles of 2 styles of lady's shoes fell off.	After confirming that this problem existed in multiple pairs of shoes, the purchasers immediately reported to the manufacturer, and notified relevant stores to remove these products from shelves, store them in the warehouse, and then return them to the factory on October 18.

Store Audit Mechanism in Retail Industry

The subsidiaries in the retail industry implement source management before purchasing products. After the products are delivered to the stores, "abiding by the standard operating procedure", "controlling the operational compliance" and "safeguarding the store safety and sanitation" are adopted as main management strategies. The subsidiaries establish their store audit systems according to industry characteristics, and regularly assign auditors to conduct auditing and appraisal at different stores, to improve the quality of products and services of these stores.



Family Shoemart of Mercuries & Associates, Ltd.

The auditors of Family Shoemart are served by directors of six regions. The store audit items include table of return/replacement of cash registers, handover table of cash registers, worker attendance records, water and electricity record form, automatic checklist of occupational safety and health, environmental patrolling, etc. The directors of these regions will audit the store operations and then make suggestions on improvement as well as require the stores to improve within a certain time limit. In 2023, a total of 4,096 store-times' auditing was performed with audit rate of 100% and improvement completion rate of 100%.



Simple Mart of Simple Mart Retail Co., Ltd.

The auditors of Simple Mart are served by store patrolling personnel from the General Administration Division and Auditing Office of the head office. Itemized scoring is adopted with the full score as 100 points. The auditing contents include quality of products and services, regulatory compliance, store/cashier safety, store affairs, basic cleaning, and other relevant items. In 2023, a total of 8,450 store-times' auditing was performed for the Simple Mart stores with audit rate of 100%. Stores with points deducted immediately improved after current audits.

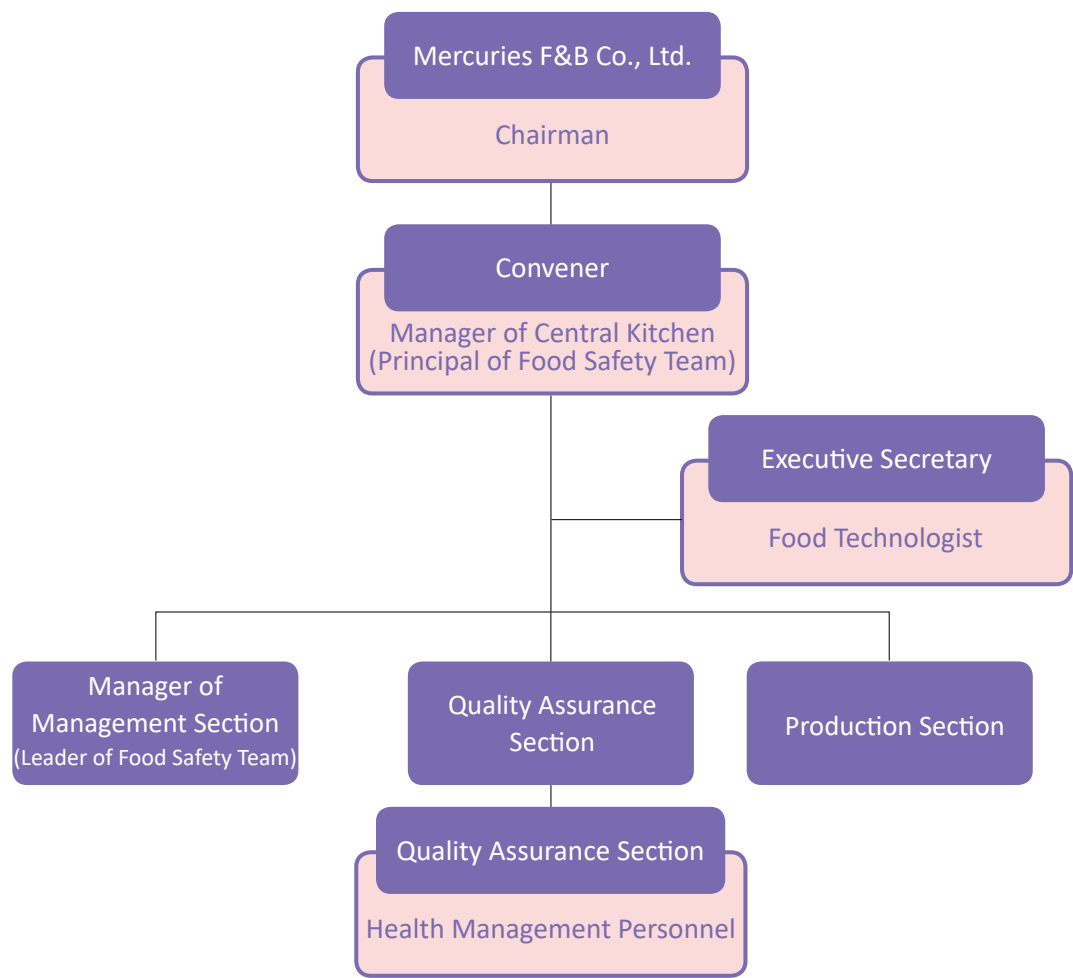
2.3 Food Safety and Quality Management

In this section, the food safety and quality management of the stores and central kitchen of “Mercuries F&B Co., Ltd.”, a major subsidiary in the catering industry will be disclosed. We take “Food Safety” as the highest principle, deem “Quality Foremost, Safety and Health, and Customer Satisfaction” as the tenet, and adopt the strengthening of source management of raw materials and the reinforcement of process health control as the main management strategy.

Food Safety Team

Mercuries F&B Co., Ltd. established “Food Safety Team” in 2012. Led by the chairman, the manager of the central kitchen serves as the convener, and personnel from relevant departments including the Management Section, the Production Section, and the Quality Assurance Sections serve as members to dedicate to the inspection and integration of food safety and quality management. This team holds internal meetings periodically every month. In addition to the routine inspection of factory operation and the review of matters related to food safety and quality, the Food Safety Team also establishes the food safety culture of the enterprise and determines food safety objectives.

The Food Safety Team convenes a management review meeting every year (the most recent meeting was held on February 21, 2023). This meeting focused on the analysis of results of internal and external auditing activities, changes in laws, regulations, and rules, continual improvement and updating of FSSC/ISO 22000, etc., and reviewed and made resolutions on matters related to the food safety and quality management of Mercuries F&B Co., Ltd.









Rights and Responsibilities of Food Safety Team

Food Safety Team		Work responsibilities
Team representative	Corporate title	
Convener	Factory manager	<ul style="list-style-type: none"> • Preside over the meetings of food safety team. • Review and sign documents or records related to food safety control system. • Take charge of allocating resources needed for communication and authentication. • Supervise the implementation of food safety control system. • Lead the formulation of validation procedures. • Provide resources needed.
Team member	Food technologist	<ul style="list-style-type: none"> • Plan and execute the food safety control system. • Plan and execute food traceability or tracking system. • Plan and execute emergency response measures to address food safety incidents. • Conduct risk evaluation and control of food health and safety. • Study and analyze local and foreign food-related regulations.
Team member	Management Section	<ul style="list-style-type: none"> • Supervise the implementation of work related to internal audit and effect verification. • Assist the allocation of resources needed for communication and authentication. • Plan, supervise, and guide employees' execution of education and training.
Team member	Quality Assurance Section	<ul style="list-style-type: none"> • Execute and supervise Good Hygienic Practice. • Draft, execute, and supervise food safety control system. • Carry out food safety management and employees' education and training work. • Establish and control laboratory quality assurance. • Conduct inspection work, and correct and manage instruments.
Team member	Production Section	<ul style="list-style-type: none"> • Summarize product items and product description data. • Confirm product processing flowchart and processing conditions. • Execute HACCP, including control boundary, monitoring, correction, and validation. • Assist the effect verification measures. • Execute and sustain the food safety control system.

Food Safety Management System

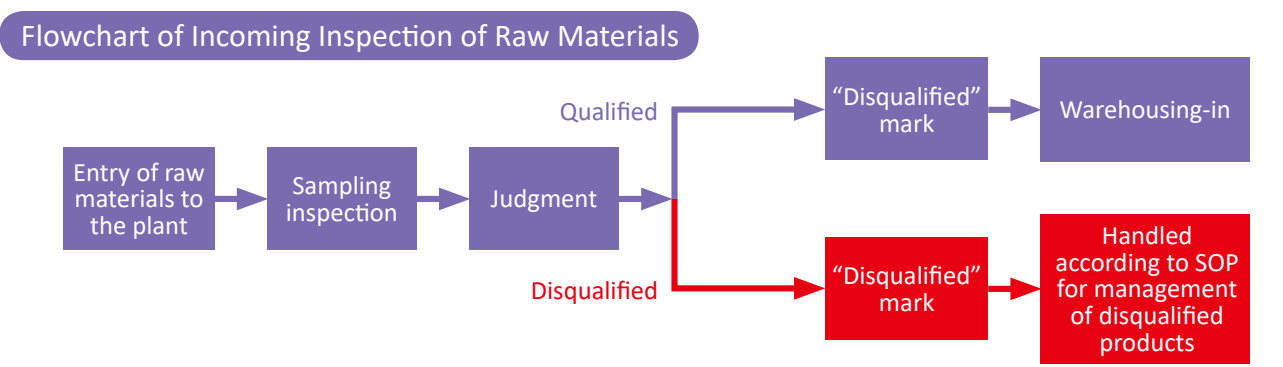
Dayuan Factory of the central kitchen of Mercuries F&B Co., Ltd. acquired the FSSC/ISO 22000:2018 and HACCP certificates in July 2019. After completing renewal review in 2022, it passed the follow-up inspection in June 2023. Additionally, the flour factory of Dayuan Factory of the central kitchen passed TQF renewal review and obtained a verification certificate. The company will continue to review the effectiveness and operation status of the food safety management system to assure the effective operation of food safety management.

			
FSSC 22000	ISO 22000:2018	HACCP	TQF verification scheme
Date of acquisition: July 20, 2022	Date of acquisition: July 20, 2022	Date of acquisition: July 20, 2022	Date of acquisition: September 9, 2023
Valid until: July 20, 2025	Valid until: July 20, 2025	Valid until: July 20, 2025	Valid until: September 8, 2024

Food Raw Material Management Flow

Mercuries F&B Co., Ltd. implements source management of food raw materials based on “Table of Incoming Inspection of Raw Materials” to ensure that data regarding the raw materials of food ingredients, materials, and food additives used in the catering stores comply with the standards of relevant regulations of the government on food safety and health. Also, this company requires the implementation of relevant work upon inward delivery of the raw materials, including sampling, inspection, recording, and labelling, to assure the safety and compliance of food ingredients.

The traditional supply chain is based on the mutual trust with the suppliers. However, the reasons for the occurrence of multiple food safety events came from the supply chain. Therefore, this company reviews the quality of its supply chain again, establishes anti-counterfeiting and adulteration identification process, and cooperates with relevant internal departments to ensure the safe and stable supply of raw materials.





Food Safety Monitoring Mechanism

The food safety monitoring mechanism is designed to execute risk evaluation and hazard control in accordance with regulations related to food safety. Mercuries F&B Co., Ltd. implements continual monitoring in the important control processes including sources of raw materials, manufacturing, storage, and sales every year in accordance with HACCP and ISO/FSSC 22000 Food Safety System, to ensure the health management of employees, mechanical equipment, and working environment. Furthermore, it has established inspection plans for raw materials and finished products. These plans have been assured by third-party verification units every year.

Raw Material Monitoring Methods

• Independent Testing

Rapid screening of “animal drug residues” is conducted for different parts of various kinds of raw meat in the central kitchen of Mercuries F&B Co., Ltd. In 2023, 638 samples were selected from the raw materials of 21 product items for inspection, up by 21.1% compared with that in the previous year with yield of 100%.

Raw material monitoring	Categories sampled	Number of product items	Number of samples	Yield (%)
Independent testing	Chicken	7	297	100%
	Beef	8	78	100%
	Pork	6	263	100%
	Total	21	638	100%

※Due to the increase of suppliers of pork raw materials, the number of samples selected in 2023 increased by 1.2 times that in 2022 to ensure that the supply meets the requirements.

Rapid Screening Reagent Report

三商餐飲股份有限公司
快篩檢驗試劑報告

報告日期: 11/2
產品名稱: 豬肉
廠商名稱: 外購肉類
產地: 中國
檢驗日期: 2023/11/14
批號: 231114
檢驗日期: 2023/11/15
報告日期: 2023/11/15

檢驗項目	檢驗日期	判定	備註
氯霉素 (Chl) (CUE)	檢驗日期: 11/14 判定: 合格	合格	
氯霉素 (Chl) (CUE)	檢驗日期: 11/14 判定: 合格	合格	
沙丁胺醇 (Sal) (SAL)	檢驗日期: 11/14 判定: 合格	合格	

1. 表示方式: 檢驗為呈現兩條紅線, 判定為呈現“C”的檢驗呈紅線。
2. 判定: 合格“合格”; 不合格“不合格”
3. 備註: ①檢驗日期: 11/14 ②檢驗日期: 11/15 ③檢驗日期: 11/15

廠商: 外購肉類 主管: 曾國雄 檢驗員: 張金福

Pork chop

Test item: Testing of animal drug residues
Testing date: November 15, 2023

三商餐飲股份有限公司
快篩檢驗試劑報告

報告日期: 11/2
產品名稱: 牛肉(20P)
廠商名稱: 三商餐飲股份有限公司
產地: 美國
檢驗日期: 2023/11/7
批號: 231107
檢驗日期: 2023/11/9
報告日期: 2023/11/9

檢驗項目	檢驗日期	判定	備註
氯霉素 (Chl) (CUE)	檢驗日期: 11/7 判定: 合格	合格	
氯霉素 (Chl) (CUE)	檢驗日期: 11/7 判定: 合格	合格	
沙丁胺醇 (Sal) (SAL)	檢驗日期: 11/7 判定: 合格	合格	

1. 表示方式: 檢驗為呈現兩條紅線, 判定為呈現“C”的檢驗呈紅線。
2. 判定: 合格“合格”; 不合格“不合格”
3. 備註: ①檢驗日期: 11/7 ②檢驗日期: 11/9 ③檢驗日期: 11/9

廠商: 三商餐飲股份有限公司 主管: 曾國雄 檢驗員: 張金福

Beef leg tendon

Test item: Testing of animal drug residues
Testing date: November 9, 2023

三商餐飲股份有限公司
快篩檢驗試劑報告

報告日期: 11/2
產品名稱: 豬肉
廠商名稱: 外購肉類
產地: 中國
檢驗日期: 2023/12/5
批號: 231205
檢驗日期: 2023/12/7
報告日期: 2023/12/7

檢驗項目	檢驗日期	判定	備註
氯霉素 (Chl) (CUE)	檢驗日期: 12/5 判定: 合格	合格	
氯霉素 (Chl) (CUE)	檢驗日期: 12/5 判定: 合格	合格	
沙丁胺醇 (Sal) (SAL)	檢驗日期: 12/5 判定: 合格	合格	

1. 表示方式: 檢驗為呈現兩條紅線, 判定為呈現“C”的檢驗呈紅線。
2. 判定: 合格“合格”; 不合格“不合格”
3. 備註: ①檢驗日期: 12/5 ②檢驗日期: 12/7 ③檢驗日期: 12/7

廠商: 外購肉類 主管: 曾國雄 檢驗員: 張金福

Minced pork

Test item: Testing of animal drug residues
Testing date: December 7, 2023



• Independent Health Monitoring

The central kitchen of Mercuries F&B Co., Ltd. conducts independent sanitation inspection of five categories every month. In 2023, a total of 213 sampling points (up by 4% compared with last year) were independently inspected with 2,278 sample-times in total (up by 13% compared with last year) and yield of 100%.

Raw material monitoring	Sampled category	Sampling points	Number of samples	Yield (%)
Independent sanitation monitoring	1. Finished products	126	1,229	100%
	2. Water quality and ice cubes	6	67	100%
	3. Colony formation in the environment of the plant area	30	360	100%
	4. Application on mechanical equipment	29	354	100%
	5. Hand sanitary application of employees	22	268	100%
	Total	213	2,278	100%

※Due to the increase of finished products and employees in 2023, the total number of sampling points increased by 2% and 29% respectively, and the total sampling times increased by 19% and 31% respectively compared with last year.

• Third-party Impartial Unit Testing

The central kitchen of Mercuries F&B Co., Ltd. conducted third-party impartial unit testing of 28 raw material items (accounting for 21% of total raw material), 95 types of finished products (accounting for 95% of total finished products), and water quality for 4 times respectively, with 148 sample-times in total, in accordance with the monitoring plans. The inspection results were 100% qualified. The number of samples will be adjusted according to the quantity of new products or occurrence of abnormalities every year.

Raw material monitoring	Category	Product item	Test item	Number of samples	Yield (%)
Third-party impartial unit testing	Raw materials of meat	Chicken	Animal drug residues	11	100%
		Beef		15	100%
		Pork		10	100%
	Raw materials of cheese	Cheese	Salmonella, Staphylococcus aureus, Listeria monocytogenes in dairy products, melamine, and preservative	3	100%
	Raw materials of medicinal materials/spices	Traditional Chinese medicinal materials	Heavy metals and pesticide residues	1	100%
		Vanilla raw material		1	100%
	Raw materials of flour	Flour	Mycotoxins and bleaching agent	3	100%
	Canned raw materials	Canned tuna	Methylmercury and heavy metals	Not included in sampling inspection	
		Canned pineapple	Sweetener and heavy metals		
		Canned button mushrooms	Bleaching agent and heavy metals		
	Quality of finished products	Noodles (9%)	Microorganisms, bleaching agent, and preservative	5	100%
		Finished products (91%)	Microorganisms	95	100%
	Water quality	Water dispenser/ water column	Escherichia coli, Pseudomonas aeruginosa, fecal streptococcus, and heavy metal residues (mercury, lead, cadmium, arsenic, and copper)	4	100%
	Total			148	100%



Test Reports from Third-party Impartial Unit

			
Lanzhou Stretched Noodles	2801 powder for frying food	(Product) Braised beef tendon	Chuck (IBP)
Microorganisms, Salmonella, Staphylococcus aureus, Listeria monocytogenes, and Bacillus cereus	Bleaching agent and preservative	Microorganism examination of finished product	Animal drug residue testing, heavy metals in livestock products, and pesticide residues in livestock products
September 8, 2023	May 5, 2023	November 10, 2023	November 8, 2023

In addition, Mercuries F&B Co., Ltd. completed the follow-up inspection of five major products with “Clean Label” in the braising line of the central kitchen (i.e., braised beef soup, stewed beef soup with vegetable and fruit essence, Nanyang Laksa chicken soup, black pepper pork fillet, and curry chicken) in August 2023. The validity period of verification expires on December 31, 2024.

“Clean Label” Verification Certificate



Data of acquisition: January 1, 2023
Valid until: December 31, 2023

Strengthening of Independent Testing Capacity

Through annual participation in the proficiency testing held by recognized laboratories, Mercuries F&B Co., Ltd. tests and learns about the professional ability of its inspection personnel to ensure the quality and safety of food ingredients and final finished products. In December 2023, the inspection personnel of the Quality Management Section of Mercuries F&B Co., Ltd. participated in the proficiency test held by SuperLab, a proficiency testing executing agency recognized by TAF and complying with ISO/IEC 17043. Items of “Total bacterial count (AOAC 990.12)”, “Escherichia coli group (AOAC 991.14)” and “Escherichia coli (AOAC 991.14)” passed the testing.

Additionally, the laboratory of Mercuries F&B Co., Ltd. acquired ISO/IEC 17025 Laboratory quality management system certification on December 23, 2020, and completed renewal certification in December 2023, to assure the compliance of verification system, personnel’s capacity, and testing instruments. In 2023, we also upgraded the equipment of the laboratory, including replacement of probe thermometer, saccharimeter and electronic scale and purchasing of new equipment like pointer-type thickness meter and dispenser, to improve the independent testing efficiency and quality. In 2023, relevant expenses of the laboratory (Note 1) accounted for approximately 0.15% of the annual net operating revenue from food.

Certificate of Approval of SuperLab Proficiency Testing



Participation in testing regularly every year

ISO 17025 Laboratory Certification



Date of acquisition: December 23, 2023
Valid until: December 22, 2026

Test item	Test contents	
Products	Microbiological testing	Total bacterial count, Escherichia coli group, Escherichia coli, Bacillus cereus, Salmonella, Enterobacteriaceae, Staphylococcus aureus
	Physical test	Sugar content, salinity, moisture content
Water quality	Microbiological testing	Total bacterial count, Escherichia coli group, Escherichia coli, Pseudomonas aeruginosa, fecal streptococcus
	Physical test	pH value, available residual chlorine
Meat products	Animal drug residues	Ractopamine, clenbuterol hydrochloride, salbutamol
	Antibody residues	Chloramphenicol, sulfadimethoxine, sulfadimidine
Application on personnel and equipment	Microbiological testing	Total bacterial count, Escherichia coli, Escherichia coli group
Colony formation in plant area	Microbiological testing	Total bacterial count, Escherichia coli group, Escherichia coli, mould, saccharomycetes

※Note 1: The laboratory related expenses include expenses for contracted testing, cost of laboratory drugs and consumables, expenses for purchasing and calibration of instruments, equipment, and other relevant items, personnel’s salaries, sundry expenses for proficiency testing, external education and training, and stationery repair, etc.

Food Safety Traceability and Tracking

In order to realize the effective traceability of products manufactured in each stage from purchasing of raw materials and production to delivery, Mercuries F&B Co., Ltd. utilizes its internal ERP system to record the basic data of raw materials, products, suppliers, etc., and provide functions of purchasing and sales management, traceability management, ordering and acceptance, production history registration, and uploading to public cloud. The systematic management cannot only reduce manpower and paper work, but also strengthen the raw material traceability mechanism that targets at food suppliers.

In 2023, the raw materials used in accordance with the administrative provisions of food regulations of Taiwan included 392 food ingredients and 120 non-food ingredients. Tracking and traceability management was implemented for 100% of food ingredients and 98% of non-food ingredients. The remaining 2% of non-food ingredients were packaging bags.

Item for traceability and tracking	Review highlights	Implementation status in 2023
Product quality specification	<ul style="list-style-type: none"> Field of food business registration number was newly added to the list of suppliers. Import license of imported raw material and food additive license number were provided. Suppliers of food ingredients with compound formulas should disclose required information. Labelling of allergens of formulations of raw materials 	The quality specifications of raw materials and the packaging labelling of "food raw materials" were checked. To be specific, 290 product items (accounting for 74% of all product items) were checked with inspection rate of 87.6% (targeted rate as 70%). The review results were qualified.
Safety documents related to raw materials imported from foreign countries	<ul style="list-style-type: none"> Certificates of origin (import license, certificate of inspection and quarantine, and customs declaration) Certificate of radiation testing (relevant announcement or certificate needed for specific food in specific regions) 	There were 125 imported food ingredients, and relevant certificates of places of origin of all these food ingredients were reviewed.
Food ingredient and raw material monitoring plan	<ul style="list-style-type: none"> Testing objectives of animal drug residues and antibodies in processed meat products Testing objectives of fungaltotoxin of flour raw materials 	Among the mandatory test items of raw materials, 39 items were submitted for contracted testing with yield of 100%.
	<ul style="list-style-type: none"> General food sanitation specifications and standards: Total bacterial count, Escherichia coli group, Escherichia coli, Bacillus cereus, Salmonella, Enterobacteriaceae, Staphylococcus aureus 	A total of 1,229 sample-times were involved in the independent sanitation sampling inspection of "finished products" produced by the central kitchen with yield of 100%.
	<ul style="list-style-type: none"> Implement mandatory independent testing management, and require relevant manufacturers of aquatic products, dairy products, meat processing, edible fat and oil, food additives, flour, etc. to conduct independent testing and provide independent test reports periodically. 	Independent test reports provided by normal suppliers were acquired periodically. A total of 183 reports were obtained this year.

Food Safety and Sanitation Education and Training

The central kitchen of Mercuries F&B Co., Ltd. provides suitable internal and external "Food Safety and Sanitation Education and Training Courses" based on employees' different work contents, with the objective to strengthen employees' professional functions, improve employees' awareness of food safety and sanitation, and lower the food safety and sanitation risks.

In 2023, the central kitchen executed a total of 2,508 hours for all food and safety education and training programs, and the average training duration per capita reached 18.3 hours, up by 36.6% compared with that in the previous year.

Statistics per level of position		Internal education and training		External education and training	
Management positions	No. of trainee-times	25		7	
	Total training hours	486		69	
	Average training duration	19.4		2.8	
General employees	No. of trainee-times	112		3	
	Total training hours	1,928		25	
	Average training duration	17.2		0.2	

Statistics per gender		Internal education and training		External education and training	
Male employees	No. of trainee-times	98		3	
	Total training hours	1,762		20	
	Average training duration	18		0.2	
Female employees	No. of trainee-times	39		7	
	Total training hours	652		74	
	Average training duration	16.7		1.9	

※ In the central kitchen, there were 25 employees in management positions and 112 general employees; 98 male employees and 39 female employees.



Category	Contents of food safety and health education and training	Hours
Internal education and training	Training on provisions of FSSC 22000:2018 Food safety management system	4
	Introduction to food and sanitation	2
	Food allergen management	2
	Food defense management	2
	Employees' personal sanitation awareness	2
	Code of environmental sanitation and cleanliness	2
	Introduction and prevention of food poisoning	4
	Cleaning and disinfection work	2
	Introduction to the concept of 5S	2

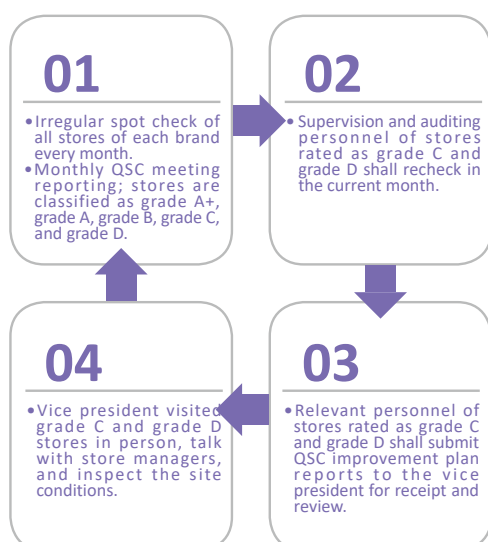
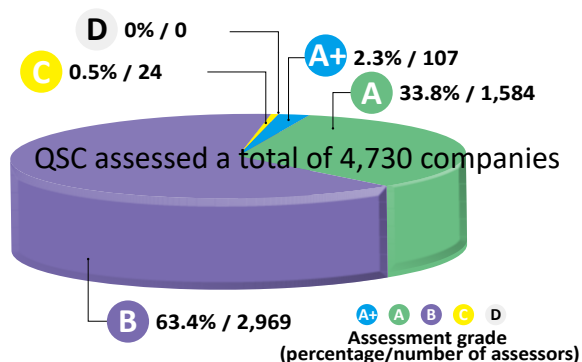
Category	Contents of food safety and health education and training	Hours
External sanitation lecturing	Instructions for internal audit practice and common audit insufficiencies	4
	Continual HACCP education and training	8
	Hazard analysis of food containing raw material of animal origin and case sharing	3
	Class for rapid detection of hygiene indicator bacteria and pathogenic bacteria	6
	Class for laboratory supervisor training	12
	Class for environmental control practice of food factories	12
	Class for laboratory quality management training	18
	GHP (I) to be fulfilled by food factories	1

Catering Store Audit Mechanism (QSC)

To carry out the concept of food sanitation from raw materials to table (consumers), Mercuries F&B Co., Ltd. has not only implemented strict control over food safety, but also established a store audit mechanism (QSC), i.e., food quality management (Quality), service quality (Service), and environmental sanitation (Cleanliness). The members of the audit team comprise the auditors of the head office. The scoring results are classified into five grades, i.e., A+, A, B, C, and D. The senior officers would also visit stores requiring improvements in person, check the site conditions, and talk with the store managers, to duly perform their supervisory responsibility.

In 2023, the company audited for 4,730 store-times (up by 5.5% compared with previous year). The monthly average audit rate reached 99%, up by 0.8% compared with previous year. Those with evaluation results as grades A+ and A accounted for 36.1% of total store-times, down by 2.7% compared with previous year; stores with evaluation results as grades C and D were required to submit improvement plans to continually improve the conditions of expiration or deterioration of food ingredients. All the improvements were made by the end of 2023.

Catering store QSC rating results





Compliance of Relevant Regulations on Food Safety and Product Labelling

The products produced by the central kitchen of Mercuries F&B Co., Ltd., including sources of raw materials, contents and components, product labelling and marketing, etc., are executed and managed according to relevant regulatory requirements; the regulatory compliance of products not self-produced is also assured through communication and coordination with suppliers as well as an audit mechanism. In 2023, no violations of regulations governing food safety and product labelling occurred.

2.4 Consumer Service and Communication

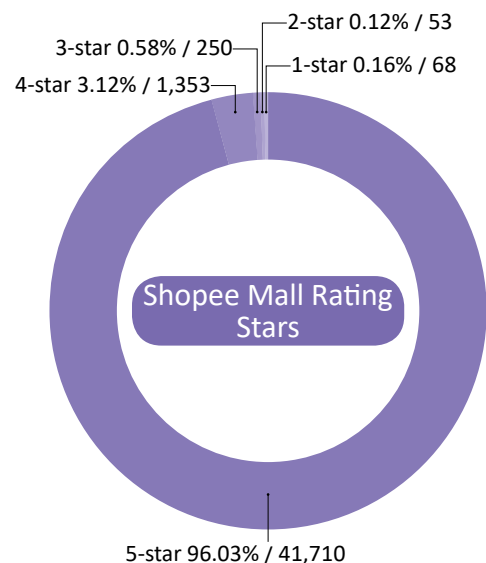
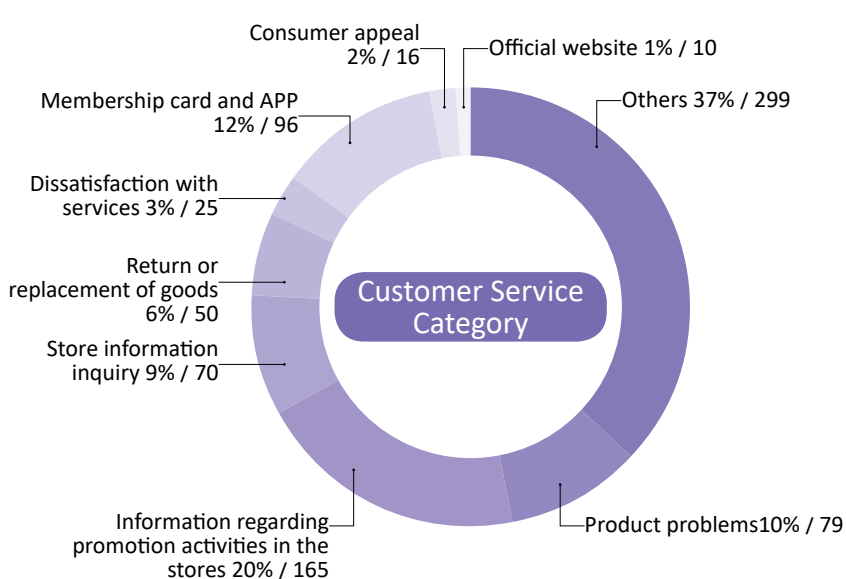
To safeguard consumers' rights and interest, Mercuries & Associates Holding searches customers' opinions and feedback through a variety of pipelines and effectively handles consumer appeals; as for information security and personal data protection, we implement strict information security protection strategies; with the advancing of science and technology, we are also committed to creating new and convenient consumption models to actively respond to the consumers' needs.

Customer Opinion Management

Family Shoemart of Mercuries & Associates, Ltd.

Family Shoemart irregularly searches, investigate, analyzes and review customer opinions and makes improvements, to achieve the customer opinion management strategy. In 2023, we handled 810 customer service cases through 0800 Customer Service Hotline and mailbox on the official website. All these cases were properly replied and then closed.

In addition, E-commerce Department also provides customer services through platform system and service hotline. Take the business of Family Shoemart at Shopee Mall as an example. As of December 2023, customers commented on a total of 43,434 transactions, with five-star comments accounting for approximately 96%.

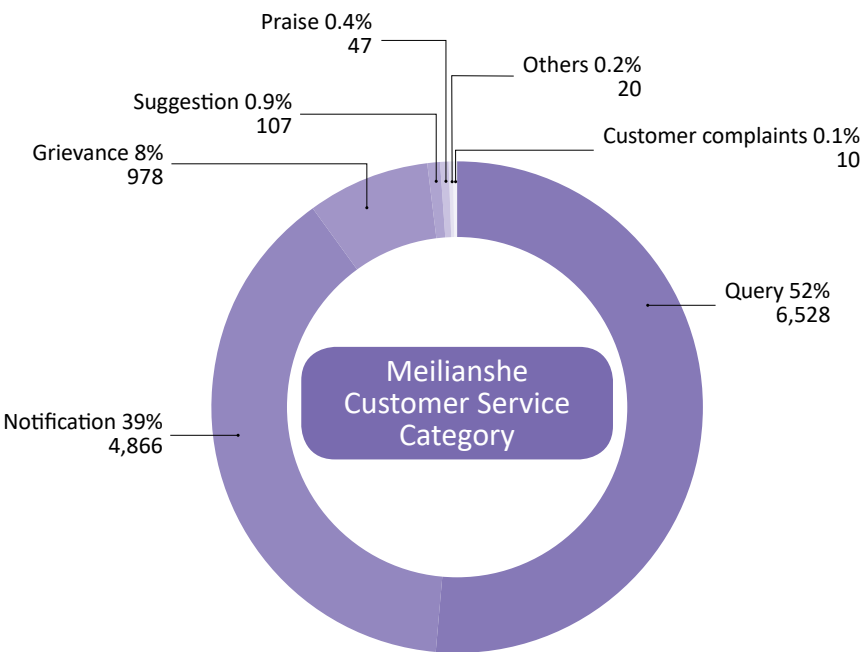


Mercuries F&B Co., Ltd.

In 2023, Mercuries F&B Co., Ltd. processed approximately 75,454 customer service cases through its 0800 Customer Service Hotline. The service items included queries of marketing preferences of stores, addresses and telephone numbers of stores, suggestions on products, Mercuries Card APP, etc. There were approximately 66 customer complaints , down by 29% compared with previous year. The main categories of customer complaints included food production quality, service process, service attitude, environmental sanitation, others, etc. All the cases above were properly processed per the customer service flows, and replied were made to the consumers.

Simple Mart of Simple Mart Retail Co., Ltd.

A customer service center has been set up in Simple Mart. Consumers may raise their appeals and opinions through dedicated customer service line and mailbox. All the cases are uniformly replied with the assistance from the customer service center. Furthermore, the cases will not be closed until satisfactory replies are given to the consumers, to safeguard consumers’ rights and interests. In 2023, there were 12,566 customer service cases in total, and all of them were replied.



Innovative and Convenient Consumption Models

E-membership System and Digital Marketing

• Family Shoemart APP



In order to adapt to the changes of the times and the progress of science and technology, and provide consumers with more diversified and high-quality services, the official membership APP of Family Shoemart was formally launched in 2017. As of the end of 2023, a total of 2 million person-times downloaded and used this APP. Currently, the total number of members already reaches 2.74 million, up by 13.7% compared with that in the previous year.

After the launch of “Family Shoemart APP”, the marketing moves towards a paperless direction. The actual achievements are as follows: (1) The printing quantity of advertising DM can be substantially reduced every year. In 2023, approximately 14% of printing quantity was reduced compared with that in the previous year, involving nearly 573,000 DMs; (2) The members’ data was digitalized at the end of 2023, and therefore members were no longer required to fill out application forms, thus realizing paperless operation by members. It is estimated that the printing quantity of approximately 300,000 membership application forms can be annually saved since 2024, In addition to the saving of marketing cost, Mercuries & Associates, Ltd. aims to make its contributions to the environmental protection of the Earth; (3) A store address positioning function is provided, so that customers may quickly find the nearby stores based on their current locations, and then they can plan the travel routes in advance, thus reducing the driving distance to reach the stores, lowering the carbon emissions, and shortening the time for shopping. As a result, it is more convenient for customers to go shopping.



• Mercuries Card APP

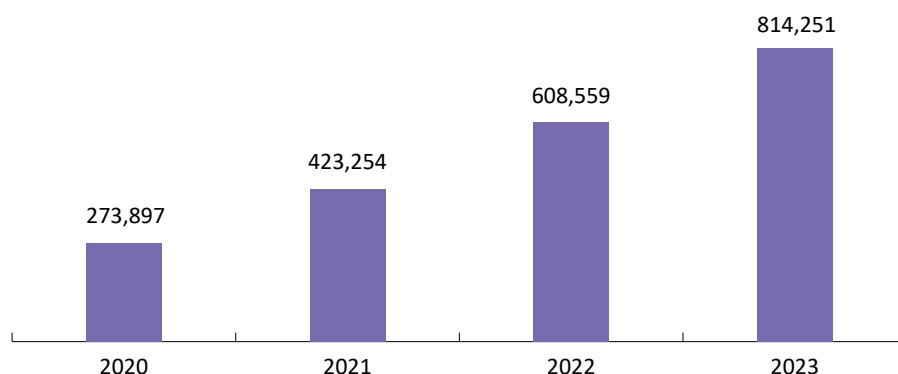


Mercuries F&B Co., Ltd. began to issue a physical bonus point collection card called “Mercuries Card” in 2012. Through the accumulation/exchange of member consumption points and irregular membership activities, Mercuries F&B Co., Ltd. has maintained good interactive relations with customers. To comply with the digitalized trend of consumption models, Mercuries F&B Co., Ltd. formally launched “Mercuries Card APP” to convert the original member services, and ended the issuance of physical cards in the past, which not only integrated the membership operation of the brands more effectively, but also solved the trouble that members would easily forget bringing their cards. By the end of 2023, the total number of APP members reached 814,251 persons, and the growth rate of membership was approximately 33.8% in 2023.

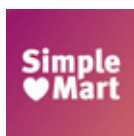


In addition to its dedication to the digitalization of membership, Mercuries F&B Co., Ltd. emphasizes more on the satisfaction of members’ needs. The company maintains close interaction with members through a series of exclusive activities, including regular points exchange coupons, irregular flash coupons, monthly sign-in and stamp-collection activity, promotion of double points for store consumption on every Wednesday, and other relevant preferences, thus not only improving members’ stickiness to the APP, but also further inspiring members to visit the stores more frequently. The ratio of APP member consumption amount was improved from 5.7% in 2020 to 10.6% in 2023, and the ratio of member consumption transactions in the total customer visits was increased from 4.7% to 8.7%, indicating the effectiveness of the digital marketing approaches.

Membership of Mercuries Card APP



• Simple Mart APP



Simple Mart actively establishes “Line+1 Life Circle” in each store to form a close bond with local residents. Through the use of Simple Mart APP, stores may send information regarding group buying of products to consumers in the neighborhood, and consumers can be kept informed of preferences of new products and carry out online pre-purchase and group buying at any time. Besides, office workers are also able to use the function of “Group Buying at Office” and directly place orders online and master the conditions of the products at any time through the intelligent logistics system. Simple Mart Retail Co., Ltd. strives to realize service diversity and bring more simple and convenient new shopping experience to consumers.



Creation of Emerging Consumption Patterns

“Mercuries Cloud Kitchen”, Initiating the Entrepreneurial Dream and Sharing Resources in the Future

Mercuries Cloud Kitchen of Mercuries F&B Co., Ltd. was formally established in 2022, for the purposes of integrating the catering brands of the Group, developing emerging business models, and creating an ideal catering entrepreneurial environment through resource sharing to create a co-prosperous circle of catering. In 2023, in addition to the cooperation with external vendors concerning cloud kitchen, we joined hands with National Taipei University of Business to build an experimental laboratory for the purpose of providing entrepreneur with a starting point for a dream of catering through allocation of resources from the Group and sharing of industrial development trends.

In addition to the opportunities for cooperating with external institutions, Mercuries F&B Co., Ltd. initially launched its first online curry brand of "GAYILI" through the utilization of the advantages of digital transformation and resource allocation. Through real-time searching of feedback from online consumers and quick adjustment and optimization of food quality, the company has gradually been favored by consumers. Furthermore, the Company planned to establish physical stores for the brand of "GAYILI" in 2024, to realize integration of objectives both online and offline and create the second life curve of the enterprise.

When looking into the development of the brand, Mercuries F&B Co., Ltd. expected to deepen cooperation with local resources in Taiwan, promote local prosperity, give play to the local innovative strength, built a shared and co-prosperous ecosphere, fully perform the corporate social responsibility, and realize the development goal of sustainable management in addition to the continual provision of developing energy for the enterprise.





• “OFFICE Mart Simple Office”: Virtuality-Reality Combination to Expand Life Cycle of Simple Mart

With the continuous increase of consumption amount in e-commerce, smartphones have already become a necessity for the daily life of people in Taiwan. Relying on the existing advantage in retail channels, and based on the characteristic of convenient consumption in e-commerce using “Simple Mart APP”, Simple Mart Retail Co., Ltd. promoted a new intelligent retail brand of “OFFICE Mart Simple Office” in 2019.

With office areas as bases, “Simple Office” provides product shelves from which the busy office workers can select products and use this APP to scan and pay, allowing them to have their own little happiness in a short break. Simple Office can not only provide customized APP for offices established by enterprises as operating sites, but also effectively integrate online shelf products and improve offline customer services by analyzing consumers’ preference in each region through big data.

“Simple Office” has already successfully settled in the corporate offices of companies including Bank SinoPac, Chi Mei Medical Center in Tainan, Pacific Sogo, FETnet, Trade-Van, etc. Currently, there are more than 100 sites in Taiwan, and “Simple Office” will further expand its service scope and provide convenient consumption experience for more office workers in the future.

2.5 Information Security Management

To ensure the complete protection of consumers’ personal information, Mercuries & Associates Holding has not only integrated “Personal Information Risk Management” in its overall risk management and audit mechanism, regularly executed personal information checking, risk analysis, internal system evaluation, notification and amendment, data destruction, education and training, and other relevant work, but also required the colleagues in the head office and stores to complete the learning of required online courses regarding personal information.



We have established personal information protection management notifications internally and added a clause of personal information protection in the contracts externally to ensure that the personal information of all operating units, suppliers, and customers is protected. At the same time, we also utilize internal evaluation plans and external verification system to assist each department in continually reviewing and recording the effectiveness of information security protection system; also, the Company has established equivalent punitive measures towards those who violate the rules of the Company on personal information protection.

• Mercuries & Associates, Ltd.

To assure members' rights and interests and coordinate with "Regulation on Account Deletion in Google Play APP" (Note 1) newly issued in April 2023, Mercuries & Associates, Ltd. has upgraded the information security of electronic members of Family Shoemart APP. After logging in Family Shoemart APP as a member, consumers may find an option of "I want to delete the account" on the page of "About". Besides, there is a new option of "I want to delete the account" under the dedicated section for membership on the official website of Family Shoemart. Furthermore, when members are deleting their accounts, a popup window is utilized to remind the consumers of the changes in members' interests. All the aforesaid operations went live before the end of 2023.

※Note 1: "Regulation on Account Deletion in Google Play APP" issued in April 2023: (1) Provide the internal path of the APP and enable users to delete APP accounts and relevant data; (2) Provide network link resource and enable users to require the deletion of the APP and relevant data.

• Mercuries F&B Co., Ltd.

Mercuries F&B Co., Ltd. has established administrative measures for information security internally. The contents include norms for notification and handling of information security events. When receiving a customer complaint, 0800 Customer Service Hotline will directly give a reply or hand it over to relevant store for handling. Only the content of this customer complaint will be recorded, and relevant information of the customer will not be retained. Furthermore, the record of the incoming call retained in the main recorder will also be kept by specific personnel and included for personal information checking; when applying for an account at Mercuries Card APP, a member needs to fill out personal information which only includes mobile phone number and birthday, and the registration is completed only after the member checks to agree on the service clause and the privacy policy.

To ensure the complete protection of members' personal data, the company saves all the data in its system and assigns special personnel to manage such data. Also, the data is retained in a paperless way. When it is required to announce a list in relevant marketing and lucky draw activities, the personal information will be de-identified. The personal information will be destroyed according to "Personal Information Destruction Process" when the retention period expires, or the specific purpose disappears.

• Simple Mart Retail Co., Ltd.

Simple Mart Retail Co., Ltd. has established an operating procedure for personal data protection according to "Personal Data Protection Act". In 2023, the company established a dedicated personal data management unit to promote the management of personal data, including regular execution of personal data checking, risk analysis, internal system evaluation, notification and amendment, data destruction, education and training, etc., and required the colleagues in the head office and stores to complete the learning of required online courses regarding personal data and periodically execute drills concerning information security/social communication, etc. according to the requirements of relevant human resources courses.

Simple Mart Retail Co., Ltd. established "Information Security Management Committee" in the same year. Dedicated personnel have been designated to ensure the operation of cybersecurity management system, and relevant information security management policy has been established to strengthen the information security management of the company, ensure the security of data, systems, devices, and networks, and comprehensively improve the awareness of information security. "Information Security Management Committee" convened review meetings at least once every year, and may also convene interim meetings as necessary. Also, the committee reports to the Board of Directors annually after summarizing relevant information. The contents reported include network protection, software and hardware protection, regular testing, mobile APP testing, email social engineering drill, etc. Furthermore, the company provides external information security management training courses, handles information security education courses and publicity, and irregularly promotes the importance of information security to the whole company.

In 2023, the company already completed the annual personal data checking work, and revised "Maintenance Plan of Personal Data Files" to strengthen each unit's de-identification management of personal data and implement each safety maintenance measure, to ensure the personal data collected, processed, and utilized by the company for its business can be effectively managed and protected.

2023 Uber Eats 環境永續最佳包裝獎



Environmental Protection

- 3.1 RESPONSE TO CLIMATE CHANGE
- 3.2 GREENHOUSE GAS INVENTORY
- 3.3 ENERGY MANAGEMENT AND ACTION PLANS
- 3.4 WATER RESOURCE MANAGEMENT
- 3.5 WASTE MANAGEMENT
- 3.6 LOVING THE EARTH WITH ECOLOGICAL ACTIONS

Material topics covered

- Energy Management,
- Waste and Water Resource Management
- Climate Change Responsive Strategy
- Leftover Management



Management guideline	Content description
Policy	Compliance with Environmental Regulations and Development of Sustainable Environment
Significance and management goal	With the rise of the awareness of Net-Zero carbon emissions, national governments have gradually required enterprises to actively respond to the topic of climate change by establishing energy regulations and policies. The Company may reduce climate risks and improve sustainable competitiveness only by establishing appropriate climate change responsive strategies, properly conducting energy management for itself and upstream and downstream suppliers, and actively participating in green and low-carbon development.
Commitments	<ul style="list-style-type: none"> • Improve energy efficiency, reduce waste emissions and environmental pollution, and lower the impact of operation on the environment through prudent management and monitoring of energy use. • The Company is committed to green supply chain management and green procurement, and conducts energy conservation and carbon emissions from the source. • The operating activities and sales of the Company comply with the requirements of environmental protection regulations.
Objectives and targets	<ul style="list-style-type: none"> • The Company will complete the greenhouse gas inventory and verification plans of individual company and its subsidiaries within the stipulated time limit in accordance with the Sustainable Development Roadmap issued by the Financial Supervisory Commission. • Actively invest in sustainable investment targets and develop circular economy. • Promote energy action programs, improve the energy efficiency, and lower operating electricity and waste generation. • Drive the supply chain to move towards the low-carbon goal, and include carbon emission indicators to the supplier procurement standards for evaluation. • Gradually introduce “Carbon Footprint” label to products/services, to improve consumers’ recognition. • Gradually develop green energy procurement and use and achieve the goal of carbon neutrality.
Responsibility and system	<ul style="list-style-type: none"> • The Board of Directors is responsible for supervising the improvement of climate-related risks and opportunities as well as promotion effect, and it is ultimately liable for the management of climate change risks. • A greenhouse gas inventory team has been established under the ESG Committee to take charge of greenhouse gas inventory and verification in the future, and to report to the Board of Directors every quarter. • Prudently abide by environmental protection regulations and regularly proceed regulatory audit and identification, including Energy Administration Act, Waste Disposal Act, Regulations Governing the Recovery and Disposal of General Waste and Water Pollution Control Act. • Actively promote subsidiaries to introduce ISO 50001 Energy Management System. Designate the Energy Management Committee to confirm the operating performance of the energy management system, clarify the management responsibilities of each department, and establish favorable communication with the organization internally.
Resources engaged	<ul style="list-style-type: none"> • Mercuries & Associates, Ltd. initiatively introduced ISO 50001 Energy Management System in 2017. In 2023, Simple Mart introduced this system in its first store. • The old water chiller units of the headquarters building of Mercuries Group were replaced in 2021, which was estimated to save 10% of electricity every year. • Each subsidiary made plans to replace the old energy-consuming air-conditioning and lighting facilities used in their stores, clean and maintain the equipment, improve the utilization rate of green building materials, etc. • In addition to the installation of variable frequency control for the cooling equipment in the central kitchen, a two-stage temperature control was also applied to realize energy-saving benefits. • In recent years, the central kitchen has continually updated wastewater treatment facilities, aiming at lowering the environmental burden with high-efficiency treatment methods. • The stores in the retail industry execute a plastic reduction policy. The plastic containers used for retail have been replaced with containers that do not contain materials like PET, PS, PVC, PE, and PP, and resource recycling actions are implemented. • Mercuries F&B Co., Ltd. and Simple Mart Retail Co., Ltd. have continually participated in the continuous food supply plan launched by the Food Bank for many years, and donated “edible food” to people in need, thus reducing food waste at the same time. • Through cooperation with the shopping platform of momo, Simple Mart provided “momo recyclable bag” recycling service in its stores. In 2023, a total of 1,358 recyclable bags were recycled.
Appeal mechanism	<ul style="list-style-type: none"> • Email for corporate sustainable development: jay.lin@mercuries.com.tw
Major incidents in 2023	<ul style="list-style-type: none"> • Relevant stores of Mercuries F&B Co., Ltd. won “2023 New Taipei City Green and Circular Store Appraisal”. • Mercuries F&B Co., Ltd. won Environmental Sustainability Best Packaging Award from Uber Eats. • Mercuries F&B Co., Ltd. responded to “Self-prepared Meal Box Climate Action” of Mom Loves Taiwan Association in 2023. • Napoli Pizza and Fried Chicken, a catering brand, developed vegetable food, and cooperated with “No Meating” of THAM to launch “BBQ Vegetable Meatball Pizza”, in order to call upon the people to eat less meat and more vegetables and help cool the Earth.



3.1 Response to Climate Change

Due to the impact of extreme climate, rapid natural disasters have successively occurred around the world, making climate crisis a major risk in corporate sustainable management. Under this background, Mercuries & Associates Holding, Ltd. has deeply comprehended the importance and urgency of the practice of “low-carbon sustainable management”. Therefore, we have listed “Climate Change Responsive Strategy” as a material topic, to active respond to the issues related to environmental impact.

The Company has established an internal climate governance unit and adopts the framework of “TCFD Climate-related Financial Disclosures”, including governance, strategy, risk management, and indicators and targets, to analyze climate risks and opportunities, define targets, and execute action plans. Furthermore, it has included the crisis and opportunities brought by climate change into its management strategy to deepen climate governance. Also, in accordance with the requirements raised in paragraph 1 of Article 4-1 of “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies” by the Taiwan Stock Exchange, the Company has disclosed climate-related information of a listed company in Schedule 2.

This report discloses the climate-related financial contents of Mercuries & Associates Holding, Ltd. and its major subsidiaries in the retail industry, including Mercuries & Associates, Ltd., Mercuries F&B Co., Ltd., and Simple Mart Retail Co., Ltd. For the contents of climate change of Mercuries Life Insurance Co., Ltd., please refer to its sustainability report.

Climate Change Governance

Board of Directors

The Board of Directors of Mercuries & Associates Holding is the highest decision-making unit of corporate risk management, and a Corporate Sustainable Development Committee (ESG Committee) has been established under the Board of Directors. The Board of Directors is responsible for supervising the improvement of climate-related risks and opportunities as well as promotion effect, and it is ultimately liable for the management of climate change risks.



ESG Committee

The ESG Committee is the climate change risk management unit, and “Greenhouse Gas Inventory and Reduction Promotion Team” administered by the ESG Committee is responsible for searching the trends of domestic and foreign climate policies, drawing up climate management targets and strategies, and promoting the execution of these targets and strategies, to comply with laws and regulations, implement risk management, and create green and circular economy. The team members shall communicate with relevant personnel from the Company and its subsidiaries based on the resolutions of the ESG Committee, and conduct and supervise the implementation of daily affairs. Also, it shall report the progress and conditions of greenhouse gas inventory to the Board of Directors every quarter.





Climate Change Strategies

Climate-related Risks and Financial Impact		
Type of risk	Category of impact	Description of scenarios of financial impact
Transition risks	Policies and regulations	<ul style="list-style-type: none"> The government agency will collect carbon fee/carbon tax from enterprises in the future, resulting in the increase in operating cost. In accordance with Climate Change Response Act and Sustainable Development Roadmap, the Company has conducted annual greenhouse gas inventory and third-party verification since 2023, which will increase relevant administrative expenses. Given the increasing strict climate policies adopted by countries in the world, it is expected that the Company will face more climate regulations and specifications in the future, and risks like penalties due to violations and decline of corporate reputation may be caused if such climate regulations and specifications are not promptly responded to.
	Technology	<ul style="list-style-type: none"> To realize the transformation of green economy, the enterprise needs to replace original equipment with energy-saving equipment, maintain equipment, cultivate transformation talents, etc., resulting in a risk of rising operating cost. To realize circular economy and a sustainable business model, the Company has invested in OEM technology of purification of articles being processed by pharmaceutical manufacturers in recent years. Investment losses may be suffered due to wrong orientation or investment targets, or encounter with technical bottleneck.
	Market	<ul style="list-style-type: none"> Extreme climate change may result in the changes in consumer behaviors for a long run. If the Company fails to conduct operational transformation in a real-time way, it may be eliminated by the market, and the risk of decrease in operating revenue will emerge. In the process of transformation of sustainable product business models, e.g., purchasing of environment-friendly raw materials or food ingredients, the competitiveness of the products can be easily affected by market prices, leading to the increase in operating cost and affecting the profiting status.
	Reputation	<ul style="list-style-type: none"> Due to the enhancement of people's awareness of sustainability, stakeholders (customers/shareholders/public welfare groups/media/community neighbors) may have negative comments and messages on products or services, to affect reputation of the Company.
Physical risks	Immediacy	<ul style="list-style-type: none"> Extreme climate events, like short-time heavy rainfall, will cause impairment of store equipment and output value and the repair of equipment, resulting in the increase in operating cost, interruption of supply of raw materials, suspension of store operation, decrease in operating revenue, and other relevant risks.
	Long term	<ul style="list-style-type: none"> The rising of global average temperatures will lead to the increase in the electricity cost of air-conditioning and refrigeration equipment of stores. Climate change may lead to the changes in the production cycle and quality of food raw materials. As a result, risks like instable market supply and rising purchasing cost will be caused.
Climate-related Opportunities and Financial Impact		
Type of opportunity	Category of impact	Description of scenarios of financial impact
Opportunities	Resource efficiency	<ul style="list-style-type: none"> Conduct corporate energy management and implement energy conservation and carbon reduction plans in advance to gradually lower the greenhouse gas emissions (e.g., establishment of an energy management system, implementation of energy-saving action plans, gradual replacement of energy-consuming equipment, and improvement of recovery rate of resource waste, and thus reduce the financial impact of collection of carbon fee in the future on the Company. Implement daily automatic inspection work, including store building inspection, electrical safety inspection, and regular equipment repair and maintenance, to ensure the operational efficiency of equipment and reduce emergency hazards and repair cost. The subsidiaries in the retail industry shall improve high-efficiency transportation modes and distribution/sales processes, improve the ratio of local procurement, promote automated operations, and start using buildings or hardware with high resource utilization efficiency.
	Energy sources	<ul style="list-style-type: none"> Lead each Mercuries enterprise to gradually purchase or develop and use green electricity.
	Products/services	<ul style="list-style-type: none"> Gradually evaluate the feasibility of introducing "Carbon Footprint" label to the enterprises' products/services in the future, to improve consumer recognition and further increase operating revenue. Subsidiaries in the catering industry and the consumer product retail industry shall support local small farmers, better their positive image, and promote the increase of demand.
	Market	<ul style="list-style-type: none"> The consumption habits of consumers have been changed due to the improvement of their awareness of environmental protection in the recent years. Developing sustainable products and implementing diversified operations as early as possible may respond to consumers' expectations in a real-time way, and realize the maintenance and increase of operating revenue. Actively invest in sustainable investment targets and develop circular economy, to realize the sustainability goals.
	Resilience	<ul style="list-style-type: none"> Promote the Company's energy conservation, carbon reduction, and greenhouse gas reduction strategies, make innovations in low-carbon products and services, develop circular economy, establish new market partners or industry-university partnerships, and develop long-term energy-saving measures, to realize carbon neutrality and carbon right accumulation. Establish a dedicated unit to coordinate with policies from government departments, develop cooperative opportunities like carbon emission reduction offset, and track the trends of relevant regulations at any time, to avoid the risk of penalties suffered due to any legal violations. Establish a major incident reporting mechanism and provide logistics manpower support, to evaluate risks of natural disasters. Also, establish emergency response and disaster recovery plans, to ensure that business operation can be promptly recovered after occurrence of climate disasters.



Climate Change Risk Management

• Introduction of TCFD

Mercuries & Associates Holding has established its climate risk management processes in accordance with the four core elements in TCFD framework, i.e., “Governance, Strategy, Risk Management, and Indicators and Targets” and “Climate-related Risk, Opportunity, and Financial Impact Evaluation Framework”, to identify climate risks and opportunities and establish targets for energy conservation and carbon reduction. Furthermore, the foregoing is regularly reported to the ESG Committee meeting, and will be executed after the senior officers confirm relevant policies.

Climate Risk Management Processes

1

Each department of the Company identifies climate risks and opportunities that may have a material impact on the operation based on the business scope.

2

Each department of the Company conducts assessment of operational and financial impact from major climate risks and opportunities identified, and proposes responsive strategies and targets.

3

The ESG Committee of the Company summarizes and confirms the operation, finance, strategies, and regulatory compliance of each business department, communicates with each department and supervises their implementation status according to the measures for risk management, regularly reports to the Board of Directors, and discloses the foregoing in the sustainability report.

Climate Change Indicators and Targets

• Greenhouse Gas Inventory Targets

In accordance with the Sustainable Development Roadmap of the Financial Supervisory Commission, Mercuries & Associates Holding already completed the individual company greenhouse gas inventory and verification^{Note 1} in 2024; subsidiaries included in the consolidated statements are expected to complete greenhouse inventory in 2025 and verification in 2027 respectively.

※Note 1: Since the Company increased its capital by cash in September 2023, the paid-in capital of the Company exceeded NT\$ 10 billion upon the ending date of the fiscal year. Therefore, according to the reply letter from the Taiwan Stock Exchange, the Company would meet the requirements after completing greenhouse gas inventory and verification in 2024.

Inventory

- Completion of greenhouse gas inventory of Mercuries & Associates Holding (individual company) in 2024
- Completion of greenhouse gas inventory of the whole Group (subsidiaries in consolidated statements) in 2025

Verification

- Completion of greenhouse gas verification of Mercuries & Associates Holding (individual company) in 2024
- Completion of greenhouse gas verification of the whole Group (subsidiaries in consolidated statements) in 2027



• Inventory and Reduction Targets

The year 2023 was the base year for greenhouse gas inventory of Mercuries & Associates Holding. Since the business nature of individual company is office administration, the main emission source is power consumption (accounting for 98.7% of total carbon emissions). Therefore, the annual reduction of carbon emissions by 1% compared with the base year is adopted as the reduction target. The short term, medium term, and long term are defined as the recent 3 years, 10 years, and 20 years respectively. The Company ultimately aims to realize the goal of Net-Zero carbon emissions promoted by the government by 2050.

As for the reduction targets of other subsidiaries of Mercuries & Associates Holding included in the consolidated subsidiaries, a consolidated greenhouse gas inventory report will be completed in 2025, and the future reduction targets of the Group will be disclosed in the report of 2024 and the annual report.

Greenhouse Gas Reduction Targets of Individual Parent Company of Mercuries & Associates Holding				
Risk/opportunity indicator	Fulfillment status in 2023	Short-term target 2024-2027	Medium-term target 2028-2034	Long-term target 2035-Later
Greenhouse gas emissions from self-operation (Scope 1 + Scope 2)	The year 2023 was the greenhouse gas inventory of the individual company of Mercuries & Associates Holding, with total carbon emissions of 95,009 tCO ₂ e.	With the year 2023 as the base year, a target of accumulated reduction of 3% of total carbon emissions is established for the next 3 years.	With the year 2023 as the base year, a target of accumulated reduction of carbon emissions by 10% in 2034.	With the year 2023 as the base year, a target of accumulated reduction of carbon emissions by 20% in 2045.
Energy usage (power consumption)	The year 2023 was the greenhouse gas inventory of the individual company of Mercuries & Associates Holding, with total power consumption of 189,400kWh.	With the year 2023 as the base year, a target of reduction of power consumption by 3% is established for the next 3 years.	With the year 2023 as the base year, a target of reduction of power consumption by 10% is established for the year 2034.	With the year 2023 as the base year, a target of reduction of power consumption by 20% is established for the year 2045.
Resource usage (water consumption)	The year 2023 was the greenhouse gas inventory of the individual company of Mercuries & Associates Holding, with total water consumption of 1,616m ³ .	With the year 2023 as the base year, a target of reduction of water consumption by 3% is established for the next 3 years.	With the year 2023 as the base year, a target of reduction of water consumption by 10% is established for the year 2034.	With the year 2023 as the base year, a target of reduction of water consumption by 20% is established for the year 2045.
Utilization ratio of renewable energy	Currently, utilization rate of renewable energy of the individual company of Mercuries & Associates Holding is 0%.	Evaluate, consider and plan the feasibility for use of renewable energy at the headquarters building.	The utilization rate of renewable energy will reach 30% in 2034.	It is expected that the utilization rate of renewable energy will reach 100% in 2050 according to the Net-Zero policy of Taiwan.

Compliance with Regulations Related to Environmental Protection

Mercuries & Associates Holding adheres to the requirements of each environmental protection regulation. In 2023, no subsidiary of Mercuries & Associates Holding was imposed with penalty due to major violations of environmental protection related regulations^{Note 1}. However, there were still some matters not fully addressed. In 2023, a total of 2 cases involving small-amount penalties due to man-made negligence occurred. Subsequently, each responsible department also investigated and reviewed the causes of such nonconforming incidents profoundly, offered suggestions on improvement, and completed the improvement within a certain time limit to avoid the reoccurrence of similar incidents.

Date of occurrence	Company	Environmental protection unit	Legal provision violated	Content of violation	Disposal method	Fine amount
June 14, 2023	Mercuries F&B Consulting Co., Ltd.	Environmental Protection Department, New Taipei City	Article 12-2 of Waste Disposal Act	The waste was placed in the part of building that stretching out to cover the sidewalk, which was reported by the people.	Immediate improvement	NT\$ 3,600
August 3, 2023	Mercuries F&B Consulting Co., Ltd.	Environmental Protection Department, New Taipei City	Article 12 of Waste Disposal Act & Subparagraph 2, Paragraph 1 of Article 14 of Regulations on Recycling and Disposal of General Waste	The recycled resources were placed in the part of building that stretching out to cover the sidewalk, which was reported by the people.	Immediate improvement	NT\$ 3,600

※Note 1:

With reference to Key Points for Recognition of Violations of Laws Related to Environmental protection, Workers, or Food Safety and Sanitation with a Serious Situation of the Ministry of Economic Affairs, "Major Violations of Environmental Protection Regulations" of the Company are defined as one of the followings: (1) The Company is ordered to close the business, or the registration of the Company, commerce, limited partnership, and factory or food practitioners is revoked or abolished; (2) The Company receives a penalty from the competent authority, requiring shutdown of the whole factory or business shutdown of all the operating places for one month or more, or partial shutdown or business shutdown for three months or above; (3) The Company violates environmental protection regulations and was imposed with a penalty by a same competent authority for NT\$ 3 million or above for a single time or accumulatively in a same year.



3.2 Greenhouse Gas Inventory

Mercuries & Associates Holding implements greenhouse gas inventory according to the Greenhouse Gas Protocol (GHG Protocol) and with reference to ISO 14064-1:2018. Types of greenhouse gases calculated include possibly generated carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃).

The base year adopted by the Company for greenhouse inventory is determined as 2023. In addition to the satisfaction with the inventory scopes standardized by the Financial Supervisory Commission (Scope 1 and Scope 2), the Company also voluntarily discloses part of carbon emissions in Scope 3, and plans to gradually increase the inventory items in Scope 3, to improve the sustainable information disclosure of Mercuries. In the future, the Company will establish carbon reduction strategies based on the inventory results.

The greenhouse gas inventory data (Scope 1 and Scope 2) of Mercuries & Associates Holding in 2023 passed the verification by BSI Taiwan in March 2024, and obtained a statement of reasonable assurance level of GHG Protocol.

Statistics of Greenhouse Gas Emissions in the Organization of Mercuries & Associates Holding in 2023					
Category	Type of emission source		Activity data	Emissions (tCO ₂ e)	Verification status
Scope 1	Refrigerant effusion of split type air conditioner ^{Note 3}		0.0000t	0.0000	Acquisition of Statement of Verification Standard of GHG Protocol from BSI
	Septic tank emissions		0.0450t	1.2555	
Scope 2	Power consumption of operating sites		189,400 kWh	93.7530	
Scope 3	Purchasing of products or services (water)		1,616 m ³	0.1532	Not verified yet
	Upstream fuel and energy related activities (electric power)		189,400 kWh	18.4286	
	Transportation of domestic waste		11.2687 RFTK	0.0148	
	Disposal of domestic waste		1.1988t	0.4076	
Scope 1 + Scope 2 (within the organization)	Total emissions (tCO ₂ e)		95.009		
	Emission intensity	tCO ₂ e /m2	0.0588		
		tCO ₂ e /NT\$ 1 million	0.0006		

Notes: (1) The emission coefficients and GWP values were determined with reference to "Greenhouse Gas Emission Coefficient Management Table 6.0.4" by the Ministry of Environment and the Sixth Assessment Report of IPCC.

(2) The power emission coefficient was calculated per 0.495 kgCO₂e/kWh announced by the Energy Administration in 2022.

(3) The actual refrigerant effusion was 41.8g/year, which was rounded off to 0t.

(4) Basis for calculation of intensity: In 2023, the total floor office area was 1,615.8m²; the consolidated operating revenue was NT\$ 166,301,000,000.

3.3 Energy Management and Action Plans

ISO 50001 Energy Management System

In 2017, the chairman of Mercuries & Associates, Ltd. served as the director of the Energy Management Committee to lead the committee members to initiatively introduce ISO 50001 Energy Management System. Also, it obtained ISO 50001:2018 version-converted certificate from BSI in 2020. The company passed a renewal review and maintained the effectiveness of the certificate in the two subsequent years. The company passed re-review on October 4, 2023, with the expiration date of the certificate as November 9, 2026.

In consideration of the achievements of the energy management performance of Mercuries & Associates, Ltd., Simple Mart Retail Co., Ltd. also determined Simple Mart Xinzhuang Zhonggang Third Store as a demonstrative store for initially introducing the energy management system in December 2023. In the future, the Company expects to duplicate and apply the energy management methods to all subsidiaries and operating sites. Through the evaluation of energy risks and opportunities, inventory verification of major energy facilities, adoption of energy-saving action programs, regulatory identification and review, and other relevant methods, the Company will implement energy management and realize the goals for energy conservation, carbon reduction, and environmental sustainability of the enterprise.

ISO 50001:2018 Energy Management System Certificate of Mercuries & Associates, Ltd



Date of acquisition:November 10, 2023
Valid until:November 9, 2026

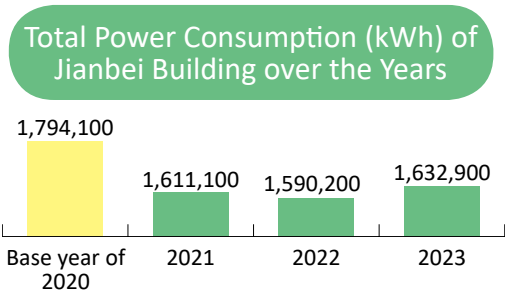
Energy-saving Action Programs

Mercuries & Associates, Ltd. identified 9 internal and external topics in accordance with the evaluation process of ISO 50001 Energy Management System, conducted evaluation of risks and opportunities, and listed opportunities with greater feasibility for improvement as this year’s energy action programs.

• Energy-saving Measures of Office Building and Achievements

Mercuries Headquarters Building (Jianbei Building) is not only the operating site of the parent company of Mercuries & Associates Holding, but also the place where the headquarters of multiple subsidiaries are located, e.g., Mercuries & Associates, Ltd., Mercuries F&B Co., Ltd., Mercuries Furniture Co., Ltd., Mercury Fu Bao Co., Ltd., Mercuries General Media, Inc., etc. The operational nature of these companies is general office administration.

To optimize the operating efficiency of the central air-conditioning of Jianbei Building, an action plan was implemented for the replacement of old chiller units in 2021. The total power consumption of the whole building in 2020 was adopted as the baseline. The total consumption of the building in 2021 was reduced by 10.2% compared with the baseline after replacement of the chiller units; in 2022, it was reduced by 11.4% and 9% compared with the baseline in 2022 and 2023 respectively. The annual average energy-saving efficiency was maintained around 10%.





Statistics of Power Consumption of Head Offices of Subsidiaries

Per head office	Total power consumption in 2023		Intensity	Base year	Amount of energy saving/ Carbon reduction (Scope 2)		
	kWh	GJ	kWh/m ²		kWh	GJ	tCO ₂ e
Mercuries & Associates Holding	189,400	681.84	117	2020	28,405	102.26	14.060
Mercuries & Associates, Ltd.	300,025	1,080.09	113		24,512	88.24	12.133
Mercuries F&B Co., Ltd.	404,091	1,454.73	119		35,840	129.02	17.741
Simple Mart Retail Co., Ltd.	331,207	1,192.35	179	2022	30,149	108.54	14.924
Total	1,224,723	4,409.01	129	Total	118,906	428.06	58.858

※ Power conversion: 1kWh=3.6MJ.

※ The power carbon emission coefficient of 2022 published by the Bureau of Energy of the Ministry of Economic Affairs was used: 0.495kgCO₂e/kWh as the calculation standard.

• Energy-saving Measures of Stores and Achievements

Per company	Business nature	Energy-saving strategies	Planned results in 2023
Mercuries & Associates, Ltd.	Retail of shoes/ general merchandise	<ul style="list-style-type: none"> Conduct energy management and analysis according to ISO 50001, plan the execution of annual energy-saving action plans, and gradually duplicate the management model to all stores. Implement the replacement of non-energy-saving lamps with LED lamps and replace the old air conditioners in a well-targeted way. Regularly clean/maintain cooling towers and air conditioners at stores. 	<ul style="list-style-type: none"> Total quantity of air conditioners replaced in 2023: <ul style="list-style-type: none"> ✓ Air-conditioning units: 6 units in 5 stores ✓ Cooling towers: 10 units in 9 stores In 2023, the lighting equipment of 7 stores was replaced in total. It is expected that LED lamps will be installed for 21% of stores in 2024. Total quantity of air conditioners cleaned and maintained in 2023: <ul style="list-style-type: none"> ✓ Air-conditioning units: 253 units in 116 stores ✓ Indoor blowers: 142 units in 14 stores ✓ Cooling towers: 105 units in 103 stores
Mercuries F&B Co., Ltd.	Restaurant	<ul style="list-style-type: none"> Purchase energy-saving equipment. Use energy-saving lamps and air-conditioning equipment. Install frequency converters for exhaust motors. Select green buildings for interior decoration. 	<ul style="list-style-type: none"> In 2023, a total of 66 variable frequency air-conditioners were installed. The air-conditioners of 16 stores were replaced (level-1 energy efficiency cooling). The number of stores with energy-saving LED lamps already adopted reached 76%. The number of stores with frequency converters installed for exhaust motors reached 5%. The utilization rate of green building materials used for permitted indoor decoration projects of stores reached 60% and above.
Simple Mart Retail Co., Ltd.	Mall/ supermarket retail industry	<ul style="list-style-type: none"> In December 2023, Simple Mart Retail Co., Ltd. introduced the first ISO 50001 demonstrative store for energy and energy-saving management. It is expected that this management model will be gradually duplicated to all stores. Make plans to optimize the store equipment, and replace the old lighting and air-conditioning equipment (the old TB tubes will be replaced with "panel light". One 32W panel light can replace 1.83 T8 tubes with capacity of 20W on average, and can improve average illumination of 150 lumen. 	<ul style="list-style-type: none"> The energy-saving action programs of stores can save approximately 30,478kWh/year and reduce approximately carbon emissions of 15.087 tCO₂e: <ul style="list-style-type: none"> ✓ In 2023, for new stores and refitted stores, panel light was comprehensively adopted, or the original lamps were replaced with panel light. To be specific, 1,814 panel lights were adopted for 60 stores; the number of stores with energy-saving LED lamps adopted reached 100%. ✓ In 2023, the air conditioners originally used in 29 stores were replaced with a total of 58 air conditioners with level-1 energy efficiency.



• Energy-saving Measures of Central Kitchen and Achievements

Dayuan Factory of the central kitchen of Mercuries F&B Co., Ltd. is divided into “Production Center” and “Logistics Center”.

(I) Production Center: There are two food processing factories which are both located at No. 9, Gongyi Road, Dayuan District, Taoyuan. Phase II factory (Factory 2 for short) was put into operation in 2013. After phase I factory was demolished on March 25, 2021, its original site was planned for construction of a phase III factory (Factory 3 for short). Relevant application license was obtained and Factory 3 was formally put into operation on June 21, 2023. Factory 2 and Factory 3 shared same water and electricity meters.

Currently, the contract capacity of the Production Center is 1,500kW. Since most raw materials and products of the food processing factories are for low-temperature storage/freezing, the main power consumption sources are “production equipment” and “low-temperature cold chain equipment”. Mercuries F&B Co., Ltd. has installed variable frequency control over production equipment with capacity exceeding 25HP, to realize energy-saving benefits; for control of low-temperature cold chain, in addition to the installation of variable frequency control in the low-temperature cold chain equipment of Factory 3, two-stage temperature control has also been established to realize electricity-saving effect through staged cooling after 12 o'clock at night, and lower electricity fees in peak hours.

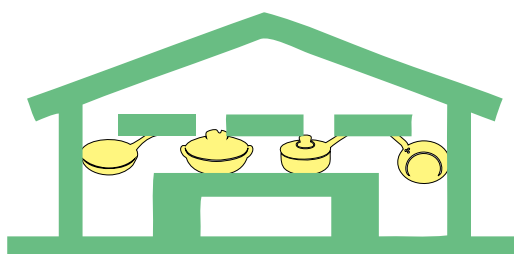
(II) Logistics Center: It is located at No. 7, Gongyi Road, Dayuan District, Taoyuan. The current contract capacity is 800kW, and the main power consumption comes from low-temperature warehousing (cold storage/freezing) equipment. In addition to variable frequency control, night ice storage systems are provided for cold storage and low-temperature air-conditioning. The off-peak electricity after 12 o'clock at night can be utilized to store ice in advance for daytime use.

Per company	Per factory	Power consumption in 2023		Intensity	Amount of energy saving/Carbon reduction (Scope 2) compared with last year		
		kWh	GJ	kWh/m ²	kWh	GJ	tCO ₂ e
Central Kitchen	Production Center (Factory 2 & Factory 3)	4,655,200	16,758.72	226	-1,664,500	-5992.20	-823.928
	Logistics Center	5,095,700	18,344.52	433	37,000	133.20	18.315
Total		9,750,900	35,103.24	301	-1,627,500	-5859.00	-805.613

※ Power conversion: 1kWh=3.6MJ.

※ The power carbon emission coefficient of 2022 published by the Bureau of Energy of the Ministry of Economic Affairs was used: 0.495kgCO₂e/kWh as the calculation standard.

The reason why the power consumption of the Production Center was increased in 2023 lied in that Factory 3 was constructed and included in commissioning in April 2023 and put into operation in June 2023 after demolition of Factory 1 in 2022; the secondary reason lied in the substantial increase of chicken product projects produced and production capacity in 2023 compared with the last year, resulting in the increase of power consumption compared with the last year. In the future, the year 2023 will be adopted as the base year for the reduction comparison of the energy consumption of the central kitchen.



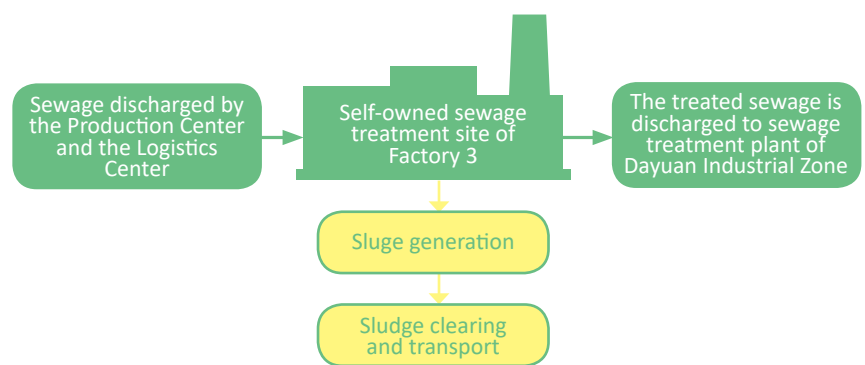


3.4 Water Resource Management

The industries of Mercuries & Associates Holding are mainly general merchandise retail industry and catering industry. The central kitchen of Mercuries F&B Co., Ltd. is the operating site that mainly focuses on the topic of water resources. For other operating sites, domestic wastewater is mainly involved. The central kitchen of Mercuries F&B Co., Ltd. obtains water resources directly from Taiwan Water Corporation. Currently, no other water resource sharing organization is available.

Wastewater Treatment of the Central Kitchen

The central kitchen is divided into Logistics Center and Production Center. The Logistics Center only discharges domestic wastewater. The process wastewater of the Production Center is first treated by the wastewater treatment equipment newly built in Factory 3, and then discharged to the sewage treatment plant of Dayuan Industrial Zone. Currently, the daily withdrawal of tap water is approximately 150t. The wastewater treatment equipment is capable of treating approximately 300t sewage per day.



Additionally, Mercuries F&B Co., Ltd. piped the water tower of the Logistics Center to the Production Center in 2021. In case of interruption of water supply, the Production Center can use the water resources from the Logistics Center in a real-time way. Recently, in accordance with the government's requirements, Mercuries F&B Co., Ltd. is now handling the factory registration change involving the combination of the Logistics Center and the Production Center. In the future, Mercuries F&B Co., Ltd. will only have one sewage outfall.

To ensure the conformity of the quality of wastewater discharged by the company to the regulatory standards and lower the environmental load, we have continually updated its wastewater treatment equipment, strengthened equipment maintenance, and constantly pursued effective and efficiency treatment methods in recent years.

In 2023, the total quantity of sludge cleared and transported reached 137.84t, up by 48% compared with last year. The main reason lied in the limitation of space for temporary storage of sludge due to the construction works of Factory 3. The frequency of clearing and transport was shortened to once every 2 months. The weight of sludge was relatively heavy due to shortened drying time.

Year	Unit	2021	2022	2023
Total water withdrawal	1,000t	31.110	53.081	89.215
Total water consumption	1,000t	6.222	10.616	17.843
Total sewage quantity	1,000t	24.888	42.465	71.372
Average COD of effluent	mg/L	220.8	215.65	210.04
Average SS of effluent	mg/L	96.25	113.65	11.64
Clearing and transport of organic sludge	t	60.7	93.24	137.84

※ The sewage treatment quantity is 80% of total water withdrawal.

※ Water consumption = Total water intake - Total sewage treatment

※ Due to the increase of precipitation tank and sand filtering system in 2023, the average SS of effluent declined substantially.



3.5 Waste Management

The improvement of waste reduction and recycling have always been an environment-friendly strategy pursued by Mercuries & Associates Holding. Each subsidiary conducts recycling management of waste with relatively significant impact on their operation. For example, the subsidiaries in retail industry focus on the recycling of cartons and empty cans in the transportation of goods; the subsidiaries in catering industry emphasize the disposal of waste oil and leftovers. The general waste of each subsidiary is mainly disposed by means of incineration, while the recyclable waste is regularly cleared, transported, and recycled by eligible manufacturers.

No major pollution incident has occurred in recent years due to rigorous control and management. In the future, we will continue to pursue innovative and high-efficiency waste disposal methods, aiming at implementing circular economy and lowering environmental burdens.

Store Waste Management

Recycling of Cartons (Family Shoemart/Simple Mart)

The stores of Family Shoemart of Mercuries & Associates, Ltd. have spontaneously matched logistics and goods transport system, and practically implemented a carbon recycling mechanism for a long time. After relevant manufacturers supply goods to the logistics center, the logistics center will directly utilize the carbon packages provided by the manufacturers to ship goods to the stores. After receiving the products, the store staff will recycle and retain the cartons that are still useable. Then, the cartons will be sent back to the logistics center for reutilization regularly every week. In accordance with relevant data regarding recycling rate of standard cartons provided by the logistics center, a recycled carton can be repeatedly used for approximately 4-6 times. The logistics department of Simple Mart implements carton recycling, clearing, and transportation operation processes, and it can annually save approximately more than 300t cartons.

Carton Recycling Statistics (Unit: t)			
Company	2021	2022	2023
Family Shoemart of Mercuries & Associates, Ltd.	10.8	14.38	18.52
Simple Mart of Simple Mart Retail Co., Ltd.	300	330	350

Recycling of Empty Bottles (Simple Mart)

In addition to the daily advocacy of waste reduction, Simple Mart stores also conduct recycling management of resource waste, and it can annually recycle nearly 370t empty bottles.

Empty Bottle Recycling Statistics of Simple Mart		
Unit	2022	2023
Quantity of empty bottles recycled (bottle)	8,285,520	8,283,884
Total weight of empty bottles recycled (t)	372.85	372.77

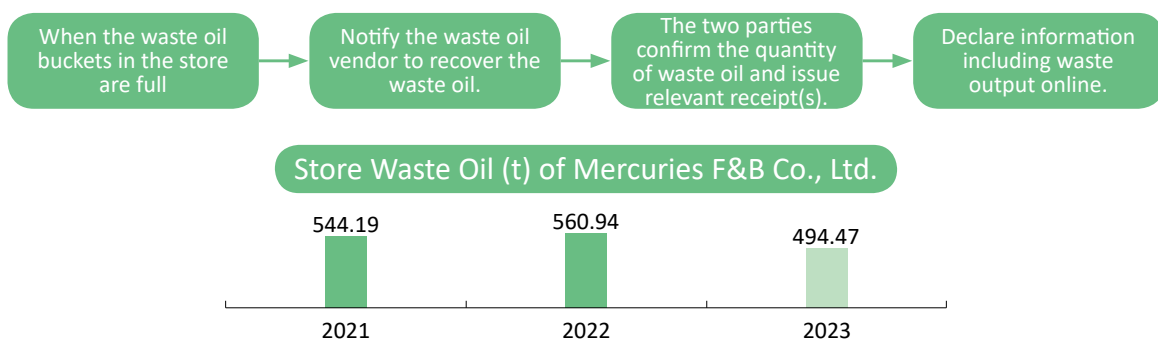
※ Empty bottles are calculated as 45g/bottle.



Waste Oil and Leftover Management (Mercuries F&B Co., Ltd.)

Mercuries F&B Co., Ltd. has set up recycling facilities and labels in its stores to effectively execute kitchen waste recycling. Besides, the company has submitted industrial waste clearing plans to the environmental protection bureaus in different places according to Regulations Governing the Recycling and Disposal of General Waste issued by the Environmental Protection Administration.

For the clearing and transport of waste oil, Mercuries F&B Co., Ltd. has signed “Waste Clearing and Transport Contract” and “Waste Edible Oil Contract” with a disposal manufacturer approved by the environmental protection bureau. This manufacturer recycles relevant waste at the stores every month. In 2023, the total waste oil volume generated by the stores of Mercuries F&B Co., Ltd. reached approximately 494.47t, down by 12% compared with last year. All the waste clearing and transport processes, transportation method, and other relevant work have been carried out according to relevant regulations and specifications to ensure the flow direction of waste.



Waste Management of Central Kitchen

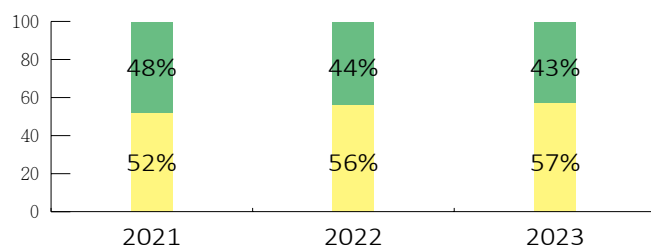
In 2023, the total quantity of waste cleared and transported from the central kitchen reached approximately 429.96, including 126.15t of general industrial waste and approximately 165.97t of recyclable waste (accounting for 57% of total waste). All the recyclable waste was 100% recycled.

For recyclable waste paper, paper press machine is used first to press it to paper bricks for recycling; plastic bottles, glass bottles, iron and aluminum bottles, iron barrels and adhesive films are classified and then put into container bags and then regularly cleared, transported and recycled by legitimate manufacturers; kitchen waste and scrapped food ingredients are cleared and transported by eligible practitioners and then delivered to legal livestock farms (pig breeders) for treatment.

Waste Clearing and Transport Records of Central Kitchen (t)				
Item		2021	2022	2023
General industrial waste		135.2	134.55	126.15
Recyclable waste	Waste edible food	1.5	7.59	8.4
	Aluminum foil package	1.15	1.39	0.18
	Scrap iron can	7.23	7.59	8.92
	Waste plastic bottle	11.18	14.63	12.26
	Waste glass bottle	4.2	5.6	1.8
	Waste paper	122.22	98.2	104.82
	Kitchen waste	-	36.92	29.59

Ratios (%) of Waste Categories of the Central Kitchen

■ Non-recyclable waste
■ Recyclable waste



3.6 Loving the Earth with Ecological Actions

Sustainable Food Plan of “Alliance of Taiwan Foodbanks”

Donation of “Edible” Food by Mercuries F&B Co., Ltd.

Mercuries F&B Co., Ltd. began to cooperate with Alliance of Taiwan Foodbanks for a long term since 2017, and has converted leftovers (expiring food or ugly vegetables and fruits) to “edible food” through recycling and classification treatment procedures so that people in need can eat them, which can reduce food waste and realize the environment-friendly goal for energy conservation and carbon reduction. In 2023, the company cooperated with Chensenmei Social Welfare Foundation and donated 2,500kg edible food to the Foundation, in the hope that mentally disordered children cared by the foundation could have more diversified and sufficient food. In 2024, the company will continually donate food to the foundation.



Cycle of “Love from Food” of Simple Mart of Simple Mart Retail Co., Ltd.

In order to eliminate the food waste resulting from return of goods, Simple Mart engaged in a food bank sustainable food plan in November 2018, and upgraded its food cherishing policy to version 2.0 in 2022. Simple Mart becomes a partner of Alliance of Taiwan Foodbanks in the 319 Towns Program. A total of 37 stores of Simple Mart in north, central and south Taiwan were serially connected to the food banks around so that the cycle of “Love from Food” entered each town. When natural disasters, epidemics, or emergencies occur, Simple Mart and the food banks will donate materials immediately in the front line, play a powerful regional disaster prevention and backup role, support families in need, and pass on the warmth to every corner of the society. The weight of total materials donated exceeded 18.56t from November 2018 to December 2023, and it helped nearly 5,000 vulnerable local families.





Stores of Mercuries F&B Co., Ltd. Awarded “2023 New Taipei City Green and Circular Store Appraisal”

The establishment of the New Taipei City Green and Circular Store Appraisal is to improve the waste reduction in the city and encourage enterprises to advocate the use of disposable products from the source. The appraisal has been implemented with four major indicators, i.e., source reduction, advocacy of environmental protection, waste flow direction, and food cherishing and waste reduction. In 2023, Tucheng store, Xinfu store, and Jingping store of Sanshang Qiaofu won 5-star, 4-star and 3-star respectively, while Xindian store of Tonkatsu won 5-star.

Response of Mercuries F&B Co., Ltd. to “Self-prepared Meal Box Climate Action” of Mom Loves Taiwan Association

In 2022, relevant statistics indicated that the waste quantity of paper meal boxes accumulatively recycled in Taiwan reached approximately 9 billion (not including plastic upper covers or other plastic disposable meal boxes), weighing more than 140,000t in total. In consideration of this situation, the Mom Loves Taiwan Association launched “Self-prepared Meal Box” climate activity in 2023. More than six hundred local and offshore restaurants of Taiwan provided different preference programs for consumers who prepare meal boxes by themselves, to encourage consumers to reduce waste and carbon emissions. 165 stores of Sanshang Qiaofu, a brand of Mercuries F&B Co., Ltd., also responded to this action with other nongovernmental groups and became stores friendly to consumers who have prepared their own meal boxes, thus caring for the environment and safeguarding the Earth together.



Photo source: Mom Loves Taiwan Association

“BBQ Vegetable Meatball Pizza” of Launched by Napoli Pizza and Fried Chicken

Since meat is the primary source of protein on the dining table, animal husbandry has become a secondary carbon emission source after industrial activities. In recent years, with the improvement of the consumer’s awareness of environmental protection, more people have begun to choose vegetable-based diets based on environmental protection and an animal-friendly concept and practice energy conservation and carbon reduction to care for the Earth. To lead consumers to support environmental sustainability, Napoli Pizza, a brand of Mercuries F&B Co., Ltd., cooperated with “No Meating” of THAM to launch “BBQ Vegetable Meatball Pizza”, in order to call upon the people to eat less meat and more vegetables and help cool the Earth.



Mercuries F&B Co., Ltd. Winning Environmental Sustainability Best Packaging Award from Uber Eats

Since the serious damage caused by COVID-19 pandemic to the catering and retail industries, Mercuries F&B Co., Ltd. has dedicated to developing the take-away market. To ensure the consistency between online and offline consumer experience, the company required the compliance of packaging materials used for take-away with the food safety standards, and strengthened the integrity and environmental protection of the packaging, to contribute to the environmental protection. In 2023, it won “Uber Eats Business Partners-Environmental Sustainability Best Packaging Award”.





Recycle Bins of “momo” Recyclable Bag of Simple Mart

Simple Mart of Simple Mart Retail Co., Ltd. cooperated with momo shopping platform, a giant in the online retail industry of Taiwan, and joined the team of sustainable green e-commerce recycling. Since 2022, more than 800 Simple Mart stores in Taiwan initiated “momo recyclable bag” parcel recycling service. As of 2023, a total of 1,358 recyclable bags were recycled.

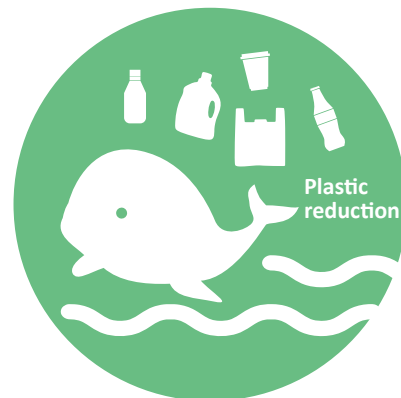
Consumers in momo shopping platform may have “momo recyclable bag” attached with special green identification seal recycled at the Simple Mart stores in Taiwan, so that people can change their role from “ordinary online shoppers” to “environmental protection trailblazers”. The external packaging bags directly abandoned in the past can become green money to be saved for environmental sustainability. Through this cooperation with the online shopping platform, Simple Mart hopes to throw a sprat to society and show the concept of the practice of corporate environmental sustainability



Plastic Reduction Policy of Simple Mart Retail Co., Ltd.

Simple Mart Retail Co., Ltd. has established a plastic reduction policy since 2020. The plastic containers (Note 1) used in retail stores for a long term are replaced with containers free from materials including PET, PS, PVC, PE, and PP, and people are encouraged to prepare environment-friendly bags themselves. In the report of plastic reduction results in 2023, the actual number of product containers used to hold eggs, cakes, bread, and vegetables and fruits (3 categories in total) reached 1,760,000, including 1,159,145 alternative containers and 598,334 without container packages. The estimated reduction rate would be 91.23%, and the weight of plastic reduced would reach 54.087t.

In addition, to coordinate the implementation of the government's plastic reduction policy, Simple Mart of Simple Mart Retail Co., Ltd. has also promoted stores to engage in the plastic reduction activity. Consumers may enjoy eco-friendly discount of NT\$ 2 if they can do the following things: Prepare shopping bags when visiting the stores; prepare shopping bags to hold unpacked eggs; prepare eco-friendly cups when purchasing freshly brewed coffee; hold exclusive paper bags obtained from the shopping platform of Simple Mart to the stores for recycling; furthermore, to coordinate the environmental protection policy, people may have their glass bottles recycled at Simple Mart. 10 million bottles can be recycled annually in the hope that contributions can be made to the Earth, and environmental sustainability can be realized.



※Note 1: Designated scope of containers: (1) Used to hold products like eggs; (2) used as pallets and packing boxes to hold fresh food like vegetables and fruits; (3) Used as pallets and packing boxes to hold cakes, pancakes, kueh, mochi, pies, flaky pastry, bread, egg tarts, puffs, and other products in the special sales section for baked cakes and bread in shopping malls; (3) Used as disposable containers used to hold food and drinks including cups, bowls, disks, and plates.



幸福企業 2023

1111人力銀行



4



Employee Care

- 4.1 EMPLOYEE PROFILE
- 4.2 LABOR RELATIONS AND EMPLOYEE BENEFITS
- 4.3 CULTIVATION OF PROFESSIONAL TALENTS
- 4.4 WORKPLACE SAFETY AND HEALTH

Material topics covered

- Labor Relations and Communication
- Employee Remuneration and Welfare
- Talent Development and Cultivation
- Workplace Safety and Health



Management guideline	Content description
Policy	Equal Employment and Appointment of Employees by Abilities
Significance and management goal	Maintaining good labor-management communication and welfare policy are the key for Mercuries & Associates Holding to create a happy workplace. In addition to reducing labor-management conflicts and improving employee satisfaction, it can also indirectly improve overall working performance and achieve a workplace environment for a win-win situation of the enterprise and its employees.
Commitments	Mercuries & Associates Holding deems employees as the most important asset and shoulders the mission of building a happy enterprise so that employees can enjoy a safe and healthy workplace environment and complete education and training. Also, labor-management communication channels and an appeal mechanism are provided to benefit good communication with stakeholders.
Objectives and targets	<ul style="list-style-type: none"> • Strictly abide by relevant labor laws and regulations including Labor Standards Act and Occupational Safety and Health Act. • Provide a complete employee remuneration/welfare system and transparent labor-management communication pipelines. • Provide diversified education and training planning according to the business types of each subsidiary, cultivate professional management talents, and improve employees' quality. • Stick to the principle of equal employment, and provide people of different age groups and from diversified ethnic groups to promote an inclusive workplace environment. • Maintain workplace safety and sanitation, promote employees' health, and create a workplace environment with zero occupational disasters.
Responsibility and system	<ul style="list-style-type: none"> • Convene labor-management meetings and meetings of Occupational Safety and Health Committee every quarter, and utilize diversified communicating channels (e.g., internal website of the Company, routine meetings, chairman's mailbox, etc.) to reinforce the labor-management communication. • The Remuneration Committee regularly reviews employees' remuneration. • The Employee Welfare Committee plans and provides good employee welfare systems. • The Human Resources Office establishes relevant systems regarding personnel recruitment and promotion, attendance work, salary payment, separation, leaves, and retirement; plans and executes employee education and training periodically every year. • Occupational Safety and Health Management Office establishes an annual occupational safety and health management plan, executes occupational safety and health education and training, as well as health promotion advocacy and lecturing, and arranges occupational physicians and nurses to provide site services, occupational disaster analysis and prevention, operating environment monitoring, etc.
Resources engaged	<ul style="list-style-type: none"> • In 2023, the travel subsidies, marriage subsidies, maternity subsidies, and funeral subsidies granted by the subsidiaries reached NT\$ 12.7 million, NT\$ 200,000, nearly NT\$ 140,000, and NT\$ 200,000 respectively. • In 2023, subsidiaries organized functional education and training programs attended by 12,068 person-times. The average training duration of male employees reached 5 hours/person, while that of female employees reached 6.4 hours/person. • In 2023, the subsidiaries held a total of 1,094 workplace safety and health education and training activities attended by more than 11,322 person-times; 497 person-times were included in the training programs of external licenses with expenses of NT\$ 791,700. • Each subsidiary encourages colleagues to pursue growth and embrace challenges every year by granting awards through store managers/district directors/district supervisor appraisal. • Mercuries F&B Co., Ltd. holds "Mercuries Cup Sports Meeting" every year to improve the sports atmosphere in the company. • Family Shoemart of Mercuries & Associates, Ltd. has coordinated institutions of higher learning for a long term to provide their students with internship opportunities. In 2023, it provided 24 students from 9 institutions of higher learning with internship at its stores. • In 2022, Mercuries F&B Co., Ltd. initiatively obtained the certification of ISO 45001 Occupational Safety and Health Management System. • Each subsidiary annually organizes employee health examinations every year. In 2023, a total of 3,402 person-times received health examinations, with a total cost of approximately NT\$ 2.17 million; in addition, physicians were arranged to provide site services. In 2023, a total of 40 site service activities were convened and 219 person-times were served.
Appeal mechanism	Mailbox of Human Resources Office: 3080@mercuries.com.tw
Major incidents in 2023	<ul style="list-style-type: none"> • 1 store manager from Mercuries F&B Co., Ltd. won TCFA "2023 Outstanding Store Manager Award". • A total of 4 colleagues from Mercuries & Associates, Ltd. and Mercuries F&B Co., Ltd. won TCFA 2023 "Service Angel Award". • Mercuries F&B Co., Ltd. won 1111 Job Bank "2023 Happy Enterprise" Awards. • Mercuries F&B Co., Ltd. passed the "Certification of Middle-Aged and Senior Citizen Friendly Enterprise by the Taipei City Government in 2023". • Simple Mart Retail Co., Ltd. won "Friendly Enterprise Best Practice Awards". • Brand BANCO won the Champion of the 6th Trofeo Caputo Taiwan in 2023 and Silver Medal Winner of the 20th Campionato mondiale del Pizzaiuolo in 2023. • Brand Pin Chuan Lan of Mercuries F&B Co., Ltd. won "Bronze Medal of Fresh Braised Beef Noodles Group" and "TOP10 Seasoning Bag Stewing Group". • Mercuries & Associates, Ltd. and Mercuries F&B Co., Ltd. obtained the "Certification of Participation in 2023 National Workplace Safety and Health Week" and "Certificate of Hazard-free Working Hours". • Mercuries F&B Co., Ltd. "2023 Excellent Nursing (Milk Collecting) Room Certification" by Department of Health, Taipei City Government.



4.1 Employee Profile

The contents and clarifications in this section are mainly disclosed by subsidiaries of Mercuries & Associates Holding, including Mercuries & Associates, Ltd., Mercuries F&B Co., Ltd., and Simple Mart Retail Co., Ltd.

Manpower Composition

As of the December 31, 2023 in the report period, the total number of employees reached 10,026, up by approximately 4% compared with last year. Female employees accounted for approximately 59% of the total number of employees regarding manpower composition. Employees aged below 30 accounted for approximately 55% of the total number of employees. In the last three years, the manpower composition of the Company was stable and no significant change was seen in the composition per gender and age.

As for nationality statistics, 126 were foreign employees (accounting for 1.3% of total number of employees). There is one foreign employee serving a management position ^{Note 1}. The Company hasn't employed any employees aged below 16 or child laborers ^{Note 2} for work.

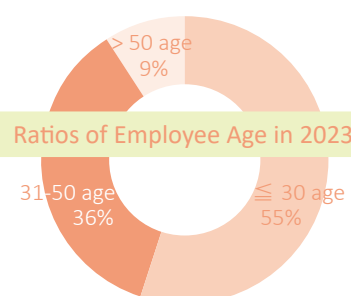
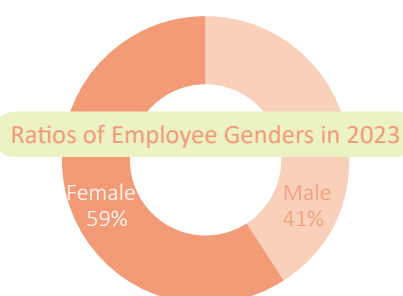
※ Note 1: Definition of "management position" in this section: Management position in the head office refers to the rank of manager or above; management position in the stores refers to the rank of deputy store manager or above.

※ Note 2: According to the definition of Labor Standards Act, a child laborer is a worker aged above 15 but below 16, not including students in cooperative education.

※ Workers of Simple Mart Retail Co., Ltd. include employees in the franchise stores. However, since the staff turnover in franchise stores was high and it was difficult to gather statistics, the employees of the franchise stores were not included in the statistics.

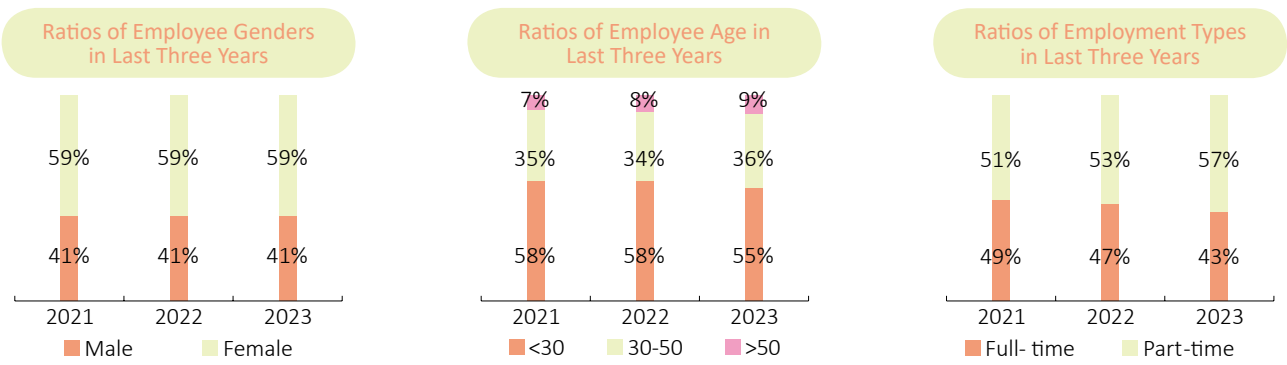
Age	Male	Female	Ratio
< 30	2,806	2,700	5,506
30-50	1,092	2,556	3,648
> 50	199	673	872
Total	4,097	5,929	10,026

		Taiwan		Chinese mainland, Hong Kong, and Macao		Northeast Asia		Southeast Asia		Others		Total
Type of employee		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Full-time employees	Employees under non-fixed-term contracts	1,461	2,796	1	10	2	1	61	2	0	0	4,334
	Employees under fixed-term contracts	0	0	0	0	0	0	0	0	0	0	0
Full-time employees	Employees without working hour guarantee	2,568	3,075	3	16	0	0	6	21	2	1	5,692
Total		4,029	5,871	4	26	2	1	67	23	2	1	10,026



The industries of Mercuries & Associates Holding include chain catering and general merchandise retail business. The employment types include “Full-time employees” and “Part-time employees”. In 2023, the ratios of full-time employees and part-time employees were 47% (4,334 persons) and 53% (5,692 persons) respectively.

Employment type	2021		2022		2023	
Gender	Male	Female	Male	Female	Male	Female
Full-time employees	1,655	2,925	1,601	2,898	1,525	2,809
Part-time employees	2,118	2,606	2,317	2,840	2,579	3,113



Non-employee Workers

Type	Male	Female	Total
Interns	21	17	38
Dispatched workers of Simple Mart	2	1	3
Dispatched logistics workers	43	55	98
Total	66	73	139

※ Non-employee workers refer to persons who work for the organization but have no employee relationship with the organization.

Classified per Employment Contract and Employee Positions

Employees under non-fixed-term contracts			2021		2022		2023	
Employee type	Age		Male	Female	Male	Female	Male	Female
Head office	Management position	<30	-	-	-	-	0	0
		30-50	-	-	-	-	25	31
		>50	-	-	-	-	26	13
	General position	<30	75	102	89	103	75	88
		30-50	217	312	224	312	206	290
		>50	77	70	78	72	54	53
Stores	Management position	<30	111	163	92	149	89	144
		30-50	268	515	257	495	242	515
		>50	21	66	23	72	25	85
	General position	<30	540	805	539	773	493	658
		30-50	309	748	267	741	270	773
		>50	37	144	32	181	44	201
	Part-time	<30	1,871	1,741	2,032	1,827	2,149	1,810
		30-50	220	658	247	760	349	947
		>50	27	207	38	253	50	321

※ No “employees under fixed contracts” were employed from 2021 to 2023.
 ※ Statistics of “Management positions in head office” were newly gathered since 2023, and therefore relevant data was not collected from 2021 to 2022.
 ※ The employees of the central kitchen of Mercuries F&B Co., Ltd. were categorized as personnel in head office.



Turnover

Ratio of New Employees

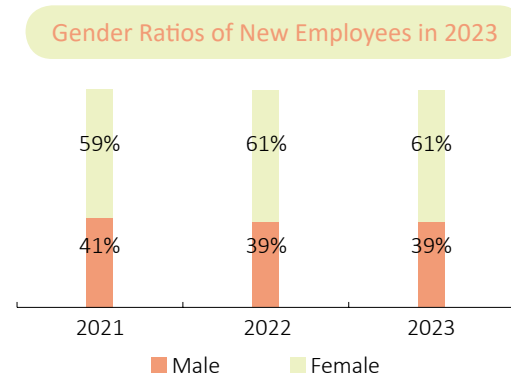
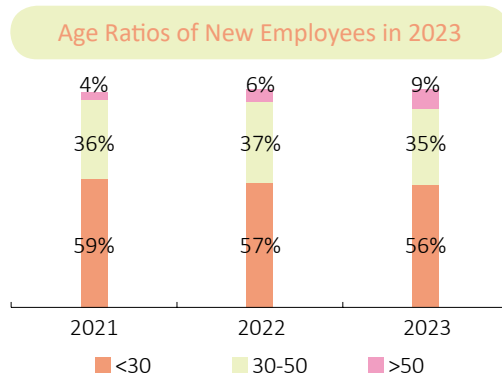
In 2023, the total ratio of new employees among full-time employees reached 42.4%, up by 13% compared with last year.

New Employees among Full-time Employees								
Year	2021		2022		2023			
Type	Male	Female	Male	Female	Male	Female	Total	Ratio of new employees (per age)
<30	524	676	443	523	478	552	1,030	67%
30-50	268	469	196	427	194	446	640	27%
>50	28	58	24	71	42	124	166	33%
Total	820	1,203	663	1,021	714	1,122	1,836	-
Ratio of new employees (per gender)	50%	41%	41%	35%	47%	40%	-	42.4%

※ Since part-time employees changed relatively frequently, only statistics of total ratio of new employees among full-time employees were gathered at present.

※ Ratio of new employees (%) = Number of new employees in this category (employment type + gender/age) in current year ÷ Total number of employees in this category (employment type + gender/age) at the end of the year.

※ Total ratio of new employees (%) = Total number of new employees in the current year ÷ Total number of employees at the end of current year.



Ratio of Separating Employees

In 2023, the total ratio of separating employees among full-time employees reached 45.8%, up by 3% compared with last year.

Separating Employees among Full-time Employees								
Year	2021		2022		2023			
Type	Male	Female	Male	Female	Male	Female	Total	Separation rate (per age)
<30	556	708	491	644	514	585	1,099	71%
30-50	320	495	256	504	247	488	735	31%
>50	35	58	31	68	38	115	153	31%
Total	911	1,261	778	1,216	799	1,188	1,987	-
Separation rate	55%	43%	48%	42%	52%	42%	-	45.8%

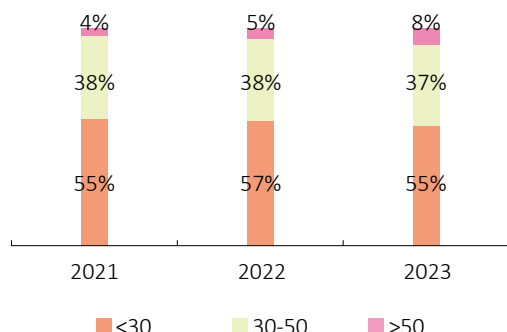
※ Since part-time employees changed relatively frequently, only statistics of total separation rate of full-time employees were gathered at present.

※ Separation rate (%) = Number of separating employees in this category (employment type + gender/age) in current year ÷ Total number of employees in this category (employment type + gender/age) at the end of the year.

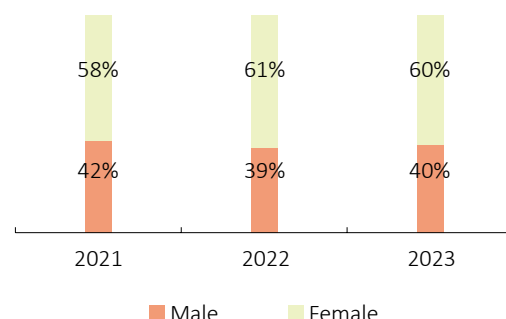
※ Total separation rate (%) = Total number of separating employees in current year ÷ Total number of employees at the end of current year.



Age Ratios of Separating Employees in 2023



Gender Ratios of Separating Employees in 2023



Parental Leave

There were 66 newborns in 2023.

Reinstatement and retention ratio after parental leave	2021		2022		2023	
Item	Male	Female	Male	Female	Male	Female
Number of employees qualified for applying for parental leave in current year	29	156	27	196	30	163
Number of employees applying for parental leave in current year	3	71	3	93	6	67
Application rate of parental leave (%)	10%	46%	11%	47%	20%	41%
Number of persons scheduled to reinstate in current year	1	72	0	64	0	38
Number of employees reinstated in current year	1	36	0	45	0	29
Reinstatement ratio (%) ^{Note 1}	100%	50%	-	70%	-	76%
Number of employees reinstated in previous year	4	47	1	36	0	45
Number of employees working continuously for one year after reinstatement in the previous year	3	30	0	25	0	30
Retention rate (%) ^{Note 2}	75%	64%	0%	69%	-	67%

※Note 1: Reinstatement rate = (Number of employees reinstated from parental leave) ÷ (Number of employees scheduled to reinstate from parental leave) ×100%

※Note 2: Retention rate = (Number of employees working continuously for one year after reinstatement in the previous year) ÷ (Number of employees reinstated in previous year) ×100%



4.2 Labor Relations and Employee Benefits

Compensation Structure

Mercuries & Associates Holding provides employees with a competitive and flexible compensation system. Human Resources Office regularly searches information regarding the compensation system in the same trade, and hires employees in accordance with relevant regulations including Labor Standards Act, Act of Gender Equality in Employment, and Occupational Safety and Health Act; at the same time, in principle of fairness, position, professional competency, seniority and experience are adopted as basis for salary determination upon employment to ensure equal pay for equal work, and avoid discrimination and differences in terms of gender, age, or other conditions. As for salary adjustment, flexible adjustments are made every quarter according to the assessment standards. Colleagues are encouraged to set up their work objectives, and pursue achievements and breakthroughs. The work performance can also be synchronously reflected in the salary growth.

Salary of Non-managerial Employees

Information of Remuneration of Non-managerial Full-time Employees ^{Note 1} (Unit: NT\$ 1,000)				
Head office	Item	2021	2022	2023
Mercuries & Associates Holding and important subsidiaries ^{Note 2}	Number of non-managerial full-time employees	1,607	1,578	1,655
	Salary (average) of non-managerial full-time employees	874	947	914
	Salary (median) of non-managerial full-time employees	742	814	786
Individual subsidiaries	Item	2021	2022	2023
Mercuries & Associates, Ltd.	Number of non-managerial full-time employees	949	954	932
	Salary (average) of non-managerial full-time employees	449	487	519
	Salary (median) of non-managerial full-time employees	370	403	427
Mercuries F&B Co., Ltd.	Number of non-managerial full-time employees	473	524	910
	Salary (average) of non-managerial full-time employees	408	404	566
	Salary (median) of non-managerial full-time employees	381	383	493
Simple Mart Retail Co., Ltd.	Number of non-managerial full-time employees	2,314	2,276	2,174
	Salary (average) of non-managerial full-time employees	413	426	447
	Salary (median) of non-managerial full-time employees	346	358	375

※Note 1: Those in “non-supervisor positions” do not include managers (in accordance with the interpretation of managers according to the provisions of relevant letters and orders of the competent authority).

※Note 2: Scope of disclosure of important subsidiaries: Full-time employees (employees under non-fixed-term contracts) of Mercuries & Associates Holding and subsidiary Mercuries Life Insurance Co., Ltd. in accordance with “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”.



Labor-management Communication

Subsidiaries of Mercuries & Associates Holding regularly hold labor-management meetings every quarter, and the two sides will negotiate matters related to rights and interests. Also, the corporate operation status, internal education and training activities, corrections of working conditions, employees' health checkups and health care, suggestions and adjustments of work contents, promotion of the establishment of the Employee Welfare Committee, and other relevant topics are reported in the meetings.

To safeguard colleagues' rights and interests, the Company has also established internal diversified communicating channels, e.g., internal website, employee service hotline, bulletin board of each department, routine meeting, president's mailbox, etc., to strengthen the labor-management communication. If the Company encounters with difficulties in the operation, or labor contracts are terminated, relevant information will be notified to the colleagues within the shortest notice period Note 1 stipulated in the Labor Standards Act, to safeguard colleagues' rights and interests.

※ Note 1: Shortest notice period stipulated in the Labor Standards Act:

(1) Employees who work continuously for more than three months but less than one year, notice will be given ten days in advance.

(2) Employees who work continuously for more than one year but less than three years, notice will be given twenty days in advance.

(3) Employees who work continuously for more than three years, notice will be given thirty days in advance.

Compliance with Labor Related Regulations

To safeguard the rights and obligations of the labor and the management, Mercuries & Associates Holding scrupulously abides by relevant domestic labor laws and regulations, such as Labor Standards Act, Act of Gender Equality in Employment, Employment Service Act, Occupational Safety and Health Act, Labor Pension Act, and Middle-aged and Elderly Employment Promotion Act. In 2023, 3 violations of regulations occurred to Mercuries & Associates Holding and its subsidiaries in the retail industry, with a total penalty amount of NT\$ 80,000. Subsequently, each responsible department investigated and reviewed the causes of such nonconforming incidents profoundly, offered suggestions on improvement, and completed the improvement within a certain time limit to avoid the reoccurrence of similar incidents. In 2023, no major penalty resulting from violation of labor related regulations occurred. ^{Note 1}

Total amount of penalty loss in the year	2022	2023
Violation of the Labor Standards Act	\$NTD 450,000	\$NTD 80,000
Violation of the Labor Pension Act	\$NTD 5,000	\$NTD 0

Date of disposal	Per company	Legal provision violated	Content of violation	Improving measures and results	Fine amount (NTD)
March 20, 2023	Mercuries F&B Co., Ltd.	Article 23-1 of the Labor Standards Act	Wages were not regularly paid to workers.	The human resources department got involved immediately, and provided salary slip by email to actively fulfill employees' needs. Then, the case was closed.	40,000
July 20, 2023	Simple Mart Retail Co., Ltd.	Article 35 of the Labor Standards Act	The employer made an employee work continuously for 4 hours without at least 30 minutes' rest, but the situation specified in Article 35 of this Act was not involved.	The company already paid relevant overtime pay to this employee and took active measures to increase the manpower, to ensure that all the employees would rest sufficiently in the future.	20,000
December 1, 2023	Mercuries F&B Co., Ltd.	Article 35 of the Labor Standards Act	The employer made an employee work continuously for 4 hours without at least 30 minutes' rest, but the situation specified in Article 35 of this Act was not involved.	The human resources department got involved immediately, and actively communicated with the employee to learn about the cause of the incident and finally reached an agreement. Then, the case was closed.	20,000

※ Note 1: With reference to "Measures of the Financial Supervisory Commission for External Announcement and Explanation of Material Penalty Measures Adopted to Handle Violations of Financial Laws and Regulations", "material penalty resulting from violation of labor regulations" of the Company is defined as a penalty imposed on a single unlawful behavior that complies with any of the following circumstances: (1) A penalty amounting to NT\$ 3 million or above; (2) A penalty with amount less than NT\$ 3 million but reaching at least half of the maximum amount of statutory amount. However, this provision does not apply to the situation in which the maximum amount of the statutory penalty is less than NT\$ 1 million.

Employee Welfare

Welfare for Regular Employees			
Bonus	Welfare benefits	Employee Welfare Committee	Education and training
<ul style="list-style-type: none"> • Yearend bonus • Employees' dividend bonus • Various performance fulfillment bonuses • Long tenure bonus for employees who work for ten years or above 	<ul style="list-style-type: none"> • General regular health examination • Group insurance (accident insurance/medical accident insurance) • Appropriation of workers' pension • Subsidies for marriage, funeral and childbirth • Dormitory for employees in other counties or cities • Employee shopping discounts/staff meals 	<ul style="list-style-type: none"> • Annual subsidy for employee travel • Cash gifts/coupons for three major festivals • Yearend dinner for employees and Shinnenkai • Subsidies for associations 	<ul style="list-style-type: none"> • Induction/in-service education and training • Subsidies for external training • Transparent promotion channels • Co-learning of project sharing • Internal lecturer training
Welfare for Part-time Employees			
<ul style="list-style-type: none"> • Group insurance (accident insurance/medical accident insurance) • Irregular get-together dinners and recreational activities provided by the company. • Employee shopping discounts/staff meals 		<ul style="list-style-type: none"> • Intern retention bonus • Intern scholarship reward • Promotion training plans for part-time employees 	

※The contents of employee welfare may differ slightly due to different governance policies adopted by the subsidiaries. For detailed information, please consult the official website of each company.

Subsidy item	Content of activity	2023	
		Benefited person-times	Subsidized amount (NTD)
Travel subsidies	Employees who comply with seniority qualification or present excellent performance may apply for travel subsidies, or participate in employee travel at home and abroad.	1,892	12,725,325
Marriage subsidies	Wedding gift money, etc.	52	202,700
Maternity subsidies	Maternity gift money, infant care allowance, childcare subsidy, etc.	60	139,000
Funeral subsidies	Condolence money, etc.	111	208,000

Employee Travel

To reward employees with excellent performance, subsidiaries of Mercuries & Associates Holding regularly organize employee travel or grant travel rewards every year. Colleagues are welcome to bring their family members to participate in local and foreign travels. However, due to the influence of COVID-19 epidemic a few years ago, each subsidiary cancelled employee travel temporarily. In 2023, employee travels were successively recovered, or flexibly replaced with travel rewards, etc. as encouragement. In 2023, 443 employees participated in overseas travels (Note 1) with total subsidy amount exceeding NT\$ 8 million.

※Note 1: Family members of employees were included in the calculation of number of participants, but no subsidies have been provided for them at present.



Employee Travel of Mercuries & Associates, Ltd. (Five days and four nights in Kansai)



Employee Travel of Mercuries & Associates, Ltd. (Five days and four nights in North Vietnam)



Employee Travel of Mercuries F&B Co., Ltd. (Five days and four nights in Seoul)



Employee Travel of Mercuries F&B Co., Ltd. (Five days and four nights in Central Vietnam)

Mercuries Cup Sports Meeting of Mercuries F&B Co., Ltd.

Mercuries F&B Co., Ltd. holds Mercuries Cup Sports Meeting regularly every year. The supervisors lead colleagues in stores around Taiwan to participate in this event so that employees may take exercise in their busy work. This event has been held for 12 times so far. The Mercuries Cup Sports Meeting of 2023 was held in Zhongzheng Athletics Field, Wuqi District, Taichung on October 26, and 423 colleagues participated in this event. In the future, we will continually promote sports activities to improve the sports atmosphere of the enterprise and enhance employees' solidarity and the sense of identity for the company through team cooperation and fun games.





4.3 Cultivation of Professional Talents

The subsidiaries of Mercuries & Associates Holding in the general merchandise retail industry and catering service industry provide their employees with appropriate education and training based on the characteristics and work contents of different industries. The general merchandise retail industry stresses training of store service quality, innovative thinking, and product marketing; the catering service industry emphasizes on training of food safety, product fabrication, and sales flows. Mercuries & Associates Holding expects to improve employees' ability to provide professional and outstanding service quality through well-targeted vocational education and training and talent training plans.

Vocational Education and Training

Statistics of Ranks and Genders of Employees Participating in Training Education and Training						
Employee type	Male			Female		
	Trained person-times	Total duration (hour)	Average training duration of employee at this rank (hour/person)	Trained person-times	Total duration (hour)	Average training duration of employee at this rank (hour/person)
Management positions	1,450	7,385	18.1	3,898	19,171	24.3
General positions	1,550	11,259	9.9	2,689	17,120	8.3
Part-time	1,315	1,645	0.6	1,166	1,458	0.5
Total	4,315	20,289	5.0	7,753	37,748	6.4

※ There were 407 male employees and 788 female employees in management positions; 1,142 male employee and 2,063 female employees in general positions; 2,548 male employees and 3,078 female employees taking part-time jobs.



• Family Shoemart of Mercuries & Associates, Ltd.

The talent training courses of Family Shoemart of Mercuries & Associates, Ltd. include three-level management function training for stores, review and improvement of customer complaints, special topics on manufacturer brands, etc. with the objective to improve stores' service quality, activate thinking, and improve five forces; also, it annually holds extended functional training for management positions in the stores, e.g., subordinate coaching skills, consultant-like sales skills, mental cultivation methods for communication and expression, etc., to enable managers to guide the teams and cope with challenges more effectively through training.

• Simple Mart of Simple Mart Retail Co., Ltd.

Simple Mart Retail Co., Ltd. defines relevant functions of each position based on the training development model, and promotes in-service training, work coaching, work transfer, lecture, online learning, etc. internally. At the same time, through the integration and application of the corporate resources, the company provides an all-round, diversified learning environment to realize the primary goal of talent retention and cultivation.

• Mercuries F&B Co., Ltd.

Mercuries F&B Co., Ltd. attaches great importance to employees' professional training and cultivation. The education and training courses are mainly classified per rank demands. Also, the company develops training programs for each rank according to the organizational needs, including internal lecturer training, online education and training, management training, and external training of professional competency. In 2023, Mercuries F&B Co., Ltd. organized 15 field education and training activities which were attended by 306 people with average training duration of 10 hours per person. Besides, the introduction of E-learning online education and training system is the most direct way to strengthen corporate competition. Currently, new employees of Mercuries F&B Co., Ltd. learn company profile and regulations through "E33 Catering Academy", and then implement self-check of abilities and pass the standard threshold through testing. In 2023, the total number of users reached 2,274 person-times.

Additionally, to inspire employees' interest in learning, Mercuries F&B Co., Ltd. also provides employees with "Digital Learning Courses of CWLC" free of charge as part of the enterprise's external learning resources, in the hope that employees' ability and competitiveness can be comprehensively improved through learning after work.

User Data of External Learning Resources of Enterprise

Views in this period
1,017

Certificates
acquired in this
period
148

Average views per
person
8.48

Talent Cultivation

"Evaluation of Directors of Three Regions" and "Store Manager Competitiveness Evaluation" of Family Shoemart of Mercuries & Associates, Ltd.

Family Shoemart of Mercuries & Associates, Ltd. annually evaluates regional directors in the first half and the second half of the year respectively. Through the competition of regional teams, the consensus of the group can be reached and the directors in each operating region can be inspired to engage in benign competition, thus not only improving management efficiency and performing the responsibilities as a connecting link between the preceding and the following, but also rewarding and praising directors from regions rated as excellent regions.



Additionally, Family Shoemart implements “Store Manager Competitiveness Appraisal” for the store managers. This work was done on November 27, 2023 this year. Due to excellent service attitude and professional experience, store managers were promoted to models for all colleagues to learn from. Also, competition was adopted to urge the store managers to actively establish a vigorous team and provide high-quality and happy services. The president of the company awarded evaluation certificates and bonuses to the award winners as encouragement.

“Cooperative Training of Student Participants from Universities and Colleges” of Family Shoemart of Mercuries & Associates, Ltd.

Family Shoemart has cooperated with multiple universities and colleagues for a long term, and provided students with internship opportunities to acquire relevant internship credits. In 2023, it cooperated with 9 universities and colleges to provide 24 students from 9 departments to engage in short-term internship at the stores of Family Shoemart for one year. Also, Family Shoemart followed relevant regulations stipulated in Act of the Cooperative Education Implementation in Senior High Schools and the Protection of Student Participants’ Right regarding the protection of student participants’ basic rights and interests, allowances, occupational safety, and working hours, and didn’t employ student participants aged below 16.

In order to train more talents, Family Shoemart also actively participate in the presentation conferences of innovative products and services held by universities and colleagues, and enters the campus to introduce itself to students there face-to-face. Aiming at “cultivating service management talents”, Family Shoemart expects that students will combine the knowledge learned in the schools with the corporate practices in the future, and more service management talents can be cultivated.



Three Major Annual Awards of Simple Mart Retail Co., Ltd.: “Zero Abnormality Store Manager Award”, “Model Store Manager Award”, and “Model Region Supervision Award”

Simple Mart Retail Co., Ltd. conducts store manager appraisal every year, and the appraisal focuses on “Zero Abnormality Store Manager” and “Model Store Manager”. The control capabilities of store managers are cultivated through vocational training courses, practical store management, monthly effect tracking, etc. As a result, excellent store managers can be selected to become the models for all colleagues to learn from. Furthermore, competition appraisal is utilized to urge store managers to actively establish a vigorous team and make an example for store colleagues to pursue development and challenge their limits.



Besides, Simple Mart Retail Co., Ltd. designs different appraisal contents for regional supervisors every year. Based on the plans and team cooperation strategies formulated in advance, the company aims to enhance the consensus between teams and inspire the benign competition among regional supervisors, which will not only improve management efficiency with proper rewards, but also enhance the team cohesiveness and ultimately realize the operating objectives of the company.



Rewards and Honors for Enterprise Talents

Qualification Trials of TCFA 2023 Outstanding Store Manger Award

Mercuries F&B Co., Ltd. has never changed its initial intention to great services and pursuit for progress, and selects excellent store managers annually to participate in the selection of “National Outstanding Store Managers” held by TCFA so that the participating store managers can make continuous breakthroughs and grow in the competition. Also, they can learn from and share with store managers in other industries, set an example, and learn new knowledge to realize the spirit if “Peers are not enemies, and people from other industries can be teachers”.

In 2023, Huang, I-Ju, store manager of Minquan Second Store of Sanshang Qiaofu, a brand of Mercuries F&B Co., Ltd., won 2023 “Outstanding Store Manager Award”. In the future, we will continue to cultivate excellent store managers and make them outstanding and versatile talents, and achieve the sustainable management of enterprise talents through experience inheritance.



Huang, I-Ju, store manager of Minquan Second Store of Sanshang Qiaofu won "Outstanding Store Manager Award" (second person from the left)



TCFA 2023 Service Angel Award

Mercuries Group stresses the important value of high-quality basic-level talents. In order to extend gratitude to the diligent contributions made by the first-line service personnel and heroes behind the stage, the Company actively encourages the store staff to participate in the selection of "Service Angel Award" held by TCFA every year to showcase the important value of high-quality basic-level talents.

In 2023, 4 employees from the subsidiaries of Mercuries & Associates Holding won the special honor of "2023 Service Angel Award", including Liu, Chia-Ching and Kao, Hsiu-Hsin from Family Shoemart of Mercuries & Associates, Ltd., Chen, Chin-Hui from Sanshang Qiaofu store, and Hsu, Chen-Yu from the central kitchen. In the future, the Company will still lead its employees to continuously stick to their positions, accumulate the strengthen of brand service value, and provide customers with better service quality.



Mercuries F&B Co., Ltd. Awarded “1111 Job Bank-2023 Happy Enterprise”

Through the preliminary selection, online voting, and secret customer evaluation of “2023 Happy Enterprise” held by 1111 Job Bank, Mercuries F&B Co., Ltd. stood out among more than three thousand enterprises and won “Gold Award for Happy Enterprise in Catering Services”. This award aims to recognize model enterprises that realize employees’ sense of happiness and enable the general public to learn about the excellent performance of enterprises in terms of social responsibility, innovation, and sustainable development.



Mercuries F&B Co., Ltd. Passing “Certification of Middle-Aged and Senior Citizen Friendly Enterprise by the Taipei City Government in 2023”

In response to the trends of low birth rate and aging in the population structure, the Department of Labor, Taipei City Government expected that more industries would learn and follow the example of hiring middle-aged and senior employees to promote workers’ participation rate through the implementation of “1st Certification of Middle-Aged and Senior Citizen Friendly Enterprise by the Taipei City Government ” by the model enterprises. This certification includes five aspects, i.e., organizational culture, education and training, work environment and job accommodation, recruitment and employment, and innovative conduct. In 2023, Mercuries F&B Co., Ltd. initiatively passed this certification. In the future, other subsidiaries of Mercuries will also act positively and assist middle-aged and senior job seekers in submitting resumes securely.





Simple Mart Retail Co., Ltd. Winning “2023 Taipei City Specific Object Friendly Enterprise Best Practice Awards”

Simple Mart Retail Co., Ltd. won “2023 Best Practice Awards-Taipei City Specific Object Friendly Enterprise Award”. This award is intended to praise friendly enterprises that support the entry of specific disadvantaged objects to workplaces. The specific objects include victims of domestic violence, dropout youths, and households with low-to-middle income. The friendly enterprises assist the disadvantaged in reintegrating into society by formulating workplace learning plans, making individual job adjustments, and providing coaching plans, so that they can find their value and position and realize their life goals in society and workplaces.

In 2023, 26 specific object friendly enterprises won this special honor, and we felt greatly honored to be one of them. In the future, we will continually support such abundant labor without being neglected, and duly perform our social responsibility.

Champion of the 6th Trofeo Caputo Taiwan in 2023

BANCO, a catering brand of Mercuries F&B Co., Ltd., won the championship in the project of “Pizza Frittata” of the 6th Trofeo Caputo Taiwan in 2023. This event aims to promote the genuine Napoli pizza of Italy and emphasizes on favorable experience and inheritance of five senses. This event was resumed after discontinuity of three years due to the influence of the pandemic. Therefore, the competition was fierce, and all participants experienced strict appraisal. Through the meticulous appraisal implemented by the judges from Associazione Pizzaiuoli Napoletani (APN), the entry presented by chief Yang, Jung-Hsin from BANCO successfully stood out and won the championship. This special honor was not only a recognition of Mercuries F&B Co., Ltd., but also revealed our respect and commitment for the cuisine culture of Italy. In the future, we will continue to pursue excellence amidst the challenges and provide customers with quality dining experience.



Silver Medal Winner of the 20th Campionato mondiale del Pizzaiuolo in 2023

The team of BANCO, a catering brand of Mercuries F&B Co., Ltd., won the silver medal of both international team award and individual award at the 20th Campionato mondiale del Pizzaiuolo in 2023 held in Italy.

Chief Sam (Yang, Jung-Hsin) won the world silver medal not only in the competition of “Pizza Fritta” which focused on personal skills with cured ham as the main food ingredient, but also the international team competition that emphasized teamwork. It was the second time when BANCO team won international awards after winning the world team championship at Italian Pizza World Championship held in 2019. Given the downturn in the catering industry after the pandemic, we hope that winning this traditional pizza competition in Italy would revoke the beautiful memories of consumers in the past.



2023 Taipei International Beef Noodle Festival

Taipei International Beef Noodle Festival has been organized since 2005 with the tenet to promote the beef noodle industry. “2023 Taipei International Beef Noodle Festival” was the largest and greatest beef noodle festival and broke many records in the previous years in terms of number of participation teams, number of stalls, and contents of the activities. In this three-day competition, as many as 173 teams of players registered, with many competition categories, including braised, stewed and creative dishes in “Fresh Braised Beef Noodles Group” and braised and stewed dishes in “Seasoning Bag Stewing Group”. Furthermore, a new category called “Elderly Health Group” was introduced for the first time, and merchants were invited to design beef noodles that were most suitable for the senior citizens.



Brand Pin Chuan Lan of Mercuries F&B Co., Ltd. participated in the event for the first time, and won the special honors of “Bronze Medal of Fresh Braised Beef Noodles Group” and “TOP10 Seasoning Bag Stewing Group”, which showed the recognition of the brand of Mercuries F&B Co., Ltd. and motivated us to provide consumers with higher-quality products through continuous improvements.





4.4 Workplace Safety and Health

Employees are the largest assets of Mercuries & Associates Holding. The Company is committed to building a safe and healthy workplace, and has legally established an occupational safety and health management system, and relevant measures and documents to regularly review and improve the work environment and actively prevent the occurrence of occupational disasters.

Occupational Safety and Health Management System

All subsidiaries of Mercuries & Associates Holding have internally established an Occupational Safety and Health Committee as the highest decision-making unit for occupational safety and health. The members of the Occupational Safety and Health Committee comprise president, occupational safety and health management personnel, heads of business units, and labor representatives (who legally account for more than one third of the total number of committee members). The committee convenes meetings once a quarter. The Occupational Safety Office will report at the meeting with the contents including implementation status and progress of work related to occupational safety and health, deliberation of each occupational safety and health management plan and proposal, joint study and drafting of occupational safety and health improvement measures, etc. The workers include relevant personnel executing work activities under the control of each company, including employees of the head office, store employees, building administrators, suppliers, contractors, etc.

With respect to the certification of international management systems, Mercuries F&B Co., Ltd. took the lead to introduce ISO 45001 Occupational Safety and Health Management System. Each unit selected candidates to serve as the occupational safety and health window. Then, education and training were carried out to improve employees' awareness of occupational safety and health as well as executing ability. Also, internal and external audits were performed to ensure the effective system operation and implement PDCA cycle management. In 2022, Mercuries F&B Co., Ltd. initiatively acquired a certificate of ISO 45001 third-party agency, and completed follow-up inspection in December 2023. Other subsidiaries of Mercuries & Associates Holding will also give active efforts to achieve international certification of the occupational safety and health management system with Mercuries F&B Co., Ltd. as the pioneer.

ISO 45001 Occupational Safety and Health Management System of Mercuries F&B Co., Ltd.



Date of acquisition: January 24, 2022
Valid until: January 23, 2025

※The scope of this certificate covers a total of 130 employees in the head office of Mercuries F&B Co., Ltd., and Xinyang store of Sanshang Qiaofu, but does not include workers who are not employees in the workplaces.

Workplace Safety and Health Performance and Awards

Certification of Participation in 2023 National Workplace Safety and Health Week



Mercuries & Associates, Ltd.



Mercuries F&B Co., Ltd.

"Certificate of Record of Disaster-Free Working Hours" by the Industrial and Safety and Health Association of the Republic of China



Head office of Mercuries & Associates, Ltd.



Head office of Mercuries F&B Co., Ltd.

Healthy Workplace Certification by the Health Promotion Administration, the Ministry of Health and Welfare



Mercuries & Associates, Ltd.
(head office)
Validity period: January 1,
2023-December 31, 2025



Mercuries F&B Co., Ltd.
(head office)
Validity period: January 1,
2021-December 31, 2023

"Grade Superior" 2023 Excellent Nursing (Milk Collecting) Room Certification by Department of Health, Taipei City Government



Mercuries F&B Co., Ltd
Validity period: September 1,
2023-August 31, 2026

Workplace Risk Identification and Management

In response to the business types of Mercuries & Associates Holding in the different industries, the occupational safety and health management personnel of each subsidiary carry out classified risk control over the work characteristics in accordance with Procedures for Hazard Identification and Evaluation of Risks and Opportunities. The risk levels are obtained first through evaluation of severity and frequency of occurrence of risks. Then, relevant improvement programs are put forward for work with higher risk levels. The scope of evaluation includes work contents of employees of the Company, management of equipment, machines, and tools, and all types of hazards possibly faced by workers who are not employees but with their workplaces controlled by the Company.

To guarantee the possession of professional competency for execution of hazard identification and risk evaluation, it is stipulated that the executors must be served by occupational safety and health supervisors or occupational safety and health management personnel. Also, in-service education and training will be carried out according to Rules for Occupational Safety and Health Education and Training to ensure the executors' ability and the effectiveness of qualifications. When a major incident occurs, or a major amendment is made to the occupational safety and health policy, or the workers' work contents are changed, the Occupational Safety Office shall join hands with the supervisors of each department to open a window meeting to reevaluate the hazards, propose coping programs for major amendments, and implement system auditing.

In addition, when there is a risk of immediate danger in the workplace, the person in charge of the workplace shall order the stoppage of the work, and withdraw workers to a workplace; if a worker finds a risk of immediate danger in the workplace when executing his/her duties, he/she may stop the work and withdraw to a safe place without endangering other workers' safety. In this case, the Company will not fire this worker, transfers his/her job, stop the paying of wage incurred during work, or give any other adverse punishment, so as to guarantee workers' autonomous right of withdrawal.

Store OSH Audit

The Occupational Safety Office of each subsidiary evaluates the effectiveness of the occupational safety and health management system and automatic inspection of stores relying on store audit. The Occupational Safety Office establishes audit plans for stores in each region in Taiwan, and set up targeted audit rate every year based on the implementation status and needs of previous audits, and assigns occupational safety and health personnel to execute on-the-spot audits in these stores.

The audit contents differ due to different operation nature of different subsidiaries. During auditing, the items in the audit form will be utilized as auditing standards, and on-site coaching will be conducted as the case may be. For audit deficiencies found and issued in the current audit, relevant stores shall be required to improve immediately, or provide the audit results to each department head for improvement follow-up.

Objectives of OSH Audit and Fulfillment Status in 2023			
Name of company	Mercuries & Associates, Ltd.	Mercuries F&B Co., Ltd.	Simple Mart Retail Co., Ltd.
Total number of stores	219	402	813
Targeted audit rate	70%	82%	100%
Targeted standard-reaching rate	129%	72.6%	100%

Statistics of Occupational Injuries

Subsidiaries of Mercuries & Associates Holding have clearly defined their own occupational disaster notification processes to ensure that any emergency occurring inside can be practically and immediately notified, and subsequent disposal and investigation be facilitated. Based on the monthly regular collection and statistics gathering of occupational disasters by each occupational safety officer, common types of occupational disasters constantly taking place in each company can be identified, and then relevant causes can be analyzed and improving measures can be proposed and implemented, to realize the only management goal of zero occupational disasters.



In order to compare the industries of the Company with the performance indicators specified in “Averages of Comprehensive Injury Indexes in Each Industry from 2021 to 2023” released by Occupational Safety and Health Administration, Ministry of Labor, the statistics of occupational disaster indicators of subsidiaries are disclosed per industries, i.e., (1) retail industry (Mercuries & Associates, Ltd., Simple Mart Retail Co., Ltd.), and (2) catering industry (Mercuries F&B Co., Ltd.). In 2023, the Frequency-Severity Indicator (FSI) of subsidiaries in the retail industry and the catering industry was lower than the average in the same industries, and no “Occupational Disease Cases” and occupational disasters of “workers who were not employees but with jobs or workplaces controlled by the Company” occurred.

Statistics of Occupational Disasters

Statistical data of occupational disasters in 2023 ^{Note 1}	Retail industry	Catering industry
Total working hours (A)	10,144,421	6,495,818
Number/Ratio of deaths caused by occupational injuries ^{Note 2}	0/0%	0/0%
Person-times/Ratio of serious occupational injuries ^{Note 3}	0/0%	0/0%
Loss of person-times due to occupational injuries (B)	19	14
Loss of number of days due to occupational injuries (C)	212	540
Frequency of disabling injury FR = $(B \times 10^6 \div A)$	1.87	2.15
Severity of disabling injury SR = $(C \times 10^6 \div A)$	20	83
Frequency-Severity Indicator FSI = $(\sqrt{FR \times SR} \div 1000)$	0.19	0.42
Days of sick leave (D)	4,961.4	1,843
Days of absence (C+D)	5,173	2,383
Absence rate ^{Note 4}	0.41%	0.29%

※ Note: Serious occupational injuries: Refer to occupational injuries occupational injuries that result in death, disability, or failure of the injured personnel to recover to the health status before injuries within 6 months.

※ Note1: The statistics above did not include occupational injury incidents taking place during commuting.

※ Note 2: Death rate of occupational injuries = Number of deaths caused by occupational injuries ÷ Total working hours × 1,000,000.

※ Note 3: Ratio of serious occupational injuries = Number of serious occupational injuries (exclusive of deaths) ÷ Total working hours × 1,000,000.

※ Note 4: Absence rate = Total number of days of absence in current year ÷ Σ (Total number of persons in each month × Monthly working days).

※ The average frequency of disabling injury (FR) = 2.78; the average severity of disabling injury (SR) = 56; the frequency-severity indicator (FSI) = 0.39 with reference to relevant data for a period from 2021 to 2023 released by Occupational Safety and Health Administration, Ministry of Labor regarding the retail industry.

※ The average frequency of disabling injury (FR) = 4.10; the average severity of disabling injury (SR) = 72; the frequency-severity indicator (FSI) = 0.54 with reference to relevant data for a period from 2021 to 2023 released by Occupational Safety and Health Administration, Ministry of Labor regarding the catering industry.

Statistics of Types of Occupational Disasters and Improvement Measures

Type of disaster	Person-times in 2023	Evaluation of improvement measures
Fall and slip	11	<ul style="list-style-type: none"> Always keep the floor dry, or put a “Caution, Wet Floor” sign. Practically require the operators to wear non-slip shoes.
Fall and roll down	2	<ul style="list-style-type: none"> Add non-slip strips to the steps of the staircase and post warning signs in the stairwell. Check the safety of staircases in all stores and notify hazards before work. Strengthen education and training on the correct way to retrieve items from heights.
Tooling mark	2	<ul style="list-style-type: none"> Strengthen employees’ education and training and implement SOP for cleaning of machinery equipment.
Incised injury	3	<ul style="list-style-type: none"> Strengthen the notification of hazards before work. Allocate first-aid kits in the workplace.
Burns	5	<ul style="list-style-type: none"> Post high-temperature warnings aside high-temperature equipment. Strengthen education and training as well as notification before work, and place qualified first-aid kits in the workplaces.
Improper actions	4	<ul style="list-style-type: none"> Advocate the utilization of auxiliary tools when moving goods, and use correct weight-lifting postures to move the goods.
Traffic accident in work	6	<ul style="list-style-type: none"> Hold road safety lectures and studies irregularly to strengthen employees’ education and training.
Traffic accident during commuting (occupational injuries)	84	<ul style="list-style-type: none"> Hold road safety lectures and studies irregularly to strengthen employees’ education and training.

Workplace Safety and Health Education and Training

OSH License Training

As for management of OSH licenses, the stores of each subsidiary and the central kitchen annually he compliance of statutory occupational safety and health personnel and first-aid personnel in the stores as well as machinery operators in the central kitchen and arranges personnel's training and retraining as needed in accordance with Measures for the Administration of Occupational Safety and Health, Rules for Protection of Workers' Health, and Rules for Occupational Safety and Health Education and Training. In 2023, The number of trainees of subsidiaries participating in OSH training is as follows. The total amount of training expenses incurred reached approximately NT\$ 791,700.

Number of Person-times of Store Staff Attending OSH License Training in 2023			
Type of license	Person-times engaged in preliminary training	Person-times engaged in retraining	Frequency of retraining
Class C occupational safety and health business supervisor	56	323	6 hours every 2 years
First-aid staff	60	41	3 hours every 3 years

Number of Person-times of Personnel of the Central Kitchen Attending OSH License Training in 2023			
Type of license	Person-times engaged in preliminary training	Person-times engaged in retraining	Frequency of retraining
Occupational safety and health management personnel	1	0	12 hours every 2 years
Class C occupational safety and health business supervisor	1	1	6 hours every 2 years
Specific chemical substance operation supervisor	0	1	6 hours every 3 years
Stacking machine operator	7	3	3 hours every 3 years
Fire protection management personnel	1	2	6 hours every 3 years

Internal Occupational Safety and Health Education and Training

Each subsidiary plans occupational safety and health education and training for each year according to annual management objectives, statistics of categories of occupational injuries taking place, and work contents of the industry. We are dedicated to integrating the concept of workplace safety and health in employees' work. In 2023, the subsidiaries held a total of 1,094 internal workplace safety and health education and training activities, and 11,322 person-times participated in the physical courses.

In addition, for workers who are not employees but with workplaces controlled by the Company, outsourcers or contractors are required to attach relevant certificate of occupational safety and health education and training of workers entering the site and statutory licenses of eligible occupational safety and health management personnel or operators engaged in special work when signing contracts with the Company in accordance with the requirements of Measures for the Administration of Contractors; also, these outsourcers or contractors shall notify hazards to the workers before entering the Company for work, and explain the potential hazard factors of workplace environment or work, to realize the effectiveness of occupational safety and health education and training.

Name of course		Sessions	Person-times	Total hours
General safety and health education and training	Physical courses	916	8,306	14,220
	Online courses	-	1,163	2,326
Safety and health advocacy and guidance meetings for regional directors		84	84	84
Safety and health advocacy and guidance meetings for store managers		52	1,442	1,586
Fire prevention and response		29	1,128	1,920
Workplace health promotion course		13	362	393



List of Workplace Health Promotion Courses

Date of handling	Name of lecture	Number of participants	Company	Handling unit
February 8, 2023	Aromatherapy	44	Mercuries F&B Co., Ltd.	336 International Chinese Aromatherapy presentation association
March 10, 2023	Aromatherapy	40	Mercuries F&B Co., Ltd.	
March 20, 2023	Aromatherapy	32	Mercuries F&B Co., Ltd.	
April 17, 2023	Exercise, Stretch and Healthy Diet	44	Mercuries F&B Co., Ltd.	Habit Health International, Inc.
April 18, 2023	Crisis of "Three High": Smart Avoidance and Prevention	32	Mercuries F&B Co., Ltd.	Chi Hsin Clinic
April 18, 2023	Metabolic Syndrome and Stress Adaptation	19	Mercuries F&B Co., Ltd.	YouCan Clinic
April 18, 2023	Exercise, Stretch and Healthy Diet	35	Mercuries F&B Co., Ltd.	Habit Health International, Inc.
June 19, 2023	Adults' Drawing Class- Zentangle	32	Mercuries & Associates, Ltd.	Occupational Safety Office of Mercuries & Associates, Ltd.
July 11, 2023	Unlawful Infringement- Art of Communication	31	Mercuries & Associates, Ltd.	Metamorphosis Counseling Center
July 26, 2023	Do not lose it! Sarcopenia Prevention and Exercise Guidance	13	Mercuries & Associates, Ltd.	Rong Xing Swimming Pool
August 9, 2023	Health Management Program	6	Simple Mart Retail Co., Ltd.	Personnel Management Department of Simple Mart Retail Co., Ltd.
August 17, 2023	Metabolic Syndrome & Diabetes Prevention	17	Mercuries F&B Co., Ltd.	Lukang Christian Hospital
November 15, 2023	How to communicate effectively and enhance harmonious interpersonal relations	17	Mercuries F&B Co., Ltd.	Community Mental Health Center of Department of health, Taipei City Government





Workplace Health Promotion Activities

To encourage colleagues to emphasize on their health, Mercuries F&B Co., Ltd. held its first weight loss competition in the head office in 2023, and 50 colleagues were attracted to actively participate in the competition. The competition last for three months, and the top-3 winners received a total bonus of NT\$ 20,000. To obtain more accurate measurement data, Mercuries F&B Co., Ltd. cooperated with relevant sports center to provide colleagues with measurement reports before and after inbody. Also, professional sports coaches provided participants with suggestions on personalized exercise and diet planning, this achieving more comprehensive employee care.

The results of this weight loss competition indicated that all participants lost a total of 55kg of fat. On average, male participants reduced their body fat by 1.7%, while female participants reduced their body fat by 0.3%. With such interesting competition method, colleagues were successfully led to attach importance to and care about their physical well-being, and inspire their passion for a healthy lifestyle.

Additionally, Mercuries F&B Co., Ltd. has organized free after-work exercise courses since April 2023. The contents of the courses are colorful, including muscle strength training, aerobic or interval training, equipment-assisted fitness, etc. Approximately 12 exercise classes will be conducted every quarter, with 20 participants available for each class. The quarterly expenditure is approximately NT\$ 80,000.



Emergency Response Drills

Subsidiaries regularly arrange emergency response drills, and join hands with the fire department to hold fire drills as well as firefighting equipment application drills, to realize the goal of emergency response education and training and enable employees to accept a correct concept of escape, so as to guarantee the life and property safety of the companies and individuals.



The central kitchen of Mercuries F&B Co., Ltd. held an emergency response drill on June 14, 2023.



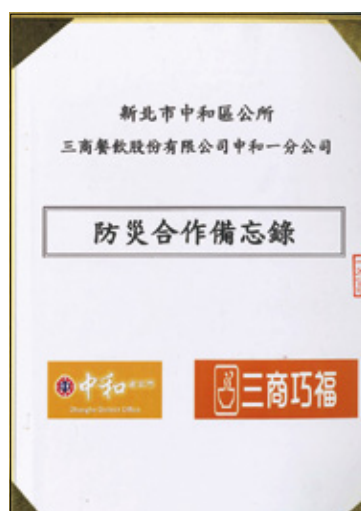
Mercuries F&B Co., Ltd. held an emergency response drill that involved head office and stores in 2023.



Simple Mart Retail Co., Ltd. held an emergency response drill of the head office in 2023.

Participation of Zhonghe Store of Sanshang Qiaofu in Community Disaster Prevention Drill

Zhonghe Store of Sanshang Qiaofu was bound with the local community, and served as a disaster prevention enterprise in 2023. It actively coordinated with local fire and rescue brigade, Zhonghe District Bureau, and Xiushuili Office. In May 2023, the store participated in the community disaster prevention drill of Zhonghe District, and presented the promotion results of disaster prevention to the community with actual actions. Also, it could improve people's awareness of disaster prevention and strengthen the community's ability for disaster prevention, rescue and response.





Workplace Healthcare

All subsidiaries have established four plans for labor health protection according to the Occupational Safety and Health Act and promoted the execution of these plans. Healthcare facilities like infirmary and nursing room have been set up, and dedicated labor health service nursing staff (hereinafter referred to as occupational nursing staff) and on-site service physicians have been legally appointed.

The infirmary regularly cooperates with medical institutions recognized by the Ministry of Labor annually, and arranges colleagues to conduct health examination. All the examination items are handled according to the regulations. Employees with high health risks are screened based on abnormal results obtained in the health examination reports and using risk assessment. Then, these employees are arranged to consult health affairs with the on-site physicians face-to-face or by telephone. Suggestions on job adjustments of workers are provided, and preliminary disease prevention and health guidance are implemented. Abnormal work overload evaluation questionnaire and human-factor musculoskeletal questionnaire are also synchronously implemented together with annual health examination. According to the classification system, colleagues with high risks are arranged to talk with physicians, for continual care.

For the personnel of outsourcers or contractors, the manufacturers shall confirm the physical health of workers before assigning personnel to the site according to the requirements of Measures for the Administration of Contractors. Also, the manufacturers shall confirm that the workers have already completed health examination (including health examination for special work), purchased labor insurance and health insurance, or joined the trade union, to ensure their safety and interests. If employees are physically uncomfortable, or have needs for health consulting, they may seek assistance from the infirmary immediately. The Company is dedicated to assuring that employees in the workplaces and workers who are not employees are properly cared for.



Monthly Regular Consulting by Onsite Physicians



Healthcare facilities like infirmary and breastfeeding room are set up in the head office.



Execution of Health Risk Evaluation and Employee Care by On-site Physician in the Stores



Results of Workplace Healthcare of Subsidiaries in 2023

Item	Mercuries & Associates, Ltd.	Mercuries F&B Co., Ltd.	Simple Mart Retail Co., Ltd.
On-site physician service	1 time/month and 12 on-site services in total Consulting of 52 person-times (3 interviews; 49 telephone interviews)	2 time/month and 24 on-site services in total Consulting of 149 person-times (5 interviews; 144 telephone interviews)	1 time/quarter, and 4 on-site services in total Consulting of 18 person-times (15 interviews; 3 telephone interviews for colleagues during maternal protection period)
Use of infirmary and consulting	A total of 195 person-times. The consulting categories include: Those with abnormalities in the health examination reports; parental health care (for pregnant and postpartum employees), those who are physically unwell, assistance in change of medical prescriptions for bruises and cuts, and care about employees involved in occupational disasters.	A total of 45 person-times. The consulting categories include: Accidental cuts, fall and collision, physical discomfort such as dizziness and fever, and post-operative wound care, etc. Assist the evaluation of wounds, disinfection, and change of medical prescription, and provide information on health and education to realize continual care.	A total of 15 person-times. The consulting categories include: Drug consulting, musculoskeletal pain, "Three Highs" (hypertension, hyperlipidemia, hyperglycemia), COVID-19 consulting, preliminary wound treatment, assistance for seeking medical advice, and health education and advocacy.
Measures for tracking and management of abnormalities in health examinations	<ul style="list-style-type: none"> Classification of health examination: 15 persons with class 4 and 78 persons with class 3. Subsequent tracking and management: Physicians and occupational nursing staff care about employees by telephone interview and give health education related to diseases; for colleagues requiring further tracking after evaluation, their health status will be continually tracked every 3-6 months. 	<ul style="list-style-type: none"> Classification of health examination: 11 persons with class 4 and 58 persons with class 3 Subsequent tracking and management: Colleagues with abnormal health examination results (class 3 or above) will be arranged to conduct physician consulting services, and relevant medical guidance and information on health education will be given. 	<ul style="list-style-type: none"> Classification of health examination: 57 persons with class 3 and class 4. Subsequent tracking and management: Employees with abnormal health examination results will be arranged to consult with on-site physicians. Or, they will be tracked and reexamined at outpatient. Listen to physicians' suggestions, and then execute and make improvements. Give relevant medical guidance and information regarding health education.
Overload investigation	<ul style="list-style-type: none"> 8 persons with class 2. The physician or occupational nursing staff provides guidance on health education, and regularly tracks colleagues' conditions. If the physician suggests that relevant colleagues need psychological consulting, the Company will assist the referral to cooperative psychology consulting contractor for coaching. 	<ul style="list-style-type: none"> 77 persons with class 2. Physicians were arranged to conduct overloading consulting, give guidance on health education, and fill out guidance record form. The nurse practitioner continually tracks and cares about the colleagues. Consulting center can be arranged to provide consulting and assistance as needed. 	<ul style="list-style-type: none"> 0 persons with class 2. The nurse practitioner screens an overtime list every month. Workers who work overtime shall be immediately reminded, and physicians were arranged to implement load consulting and give guidance on health education.
Maternal health protection plan	<ul style="list-style-type: none"> 19 employees were under the maternal health protection period this year, among whom 17 already completed health examination at level-1 management, while the remaining 2 employees were still on unpaid parental leave without instatement. The occupational nursing staff cared about health status of colleagues before and after delivery, and physicians were arranged to provide consulting and provide appropriate health guidance and work suggestions based on each employee's actual condition. 	<ul style="list-style-type: none"> 17 employees were under the maternal health protection period this year, among whom 15 already completed health self-evaluation and environmental evaluation at level-1 management, while the remaining 2 employees were still on unpaid parental leave without instatement. Physicians were arranged to provide consulting for maternal colleagues, care about their pregnancy and postpartum conditions, and remind them not to stand for a long period time, or handle heavy objects. 	<ul style="list-style-type: none"> 46 employees were under the maternal health protection period this year with evaluation results as level-1 management. Advocate appropriate and correct knowledge on health education to maternal employees, remind them not to stand for a long period or move heavy objects, or get a rest first when feeling uncomfortable.
Prevention of musculoskeletal diseases due to repetitive work	<ul style="list-style-type: none"> Musculoskeletal symptom questionnaire was used for statistics gathering. There were 13 persons with musculoskeletal pain reaching 3 points this year. The reasons for musculoskeletal discomfort included the followings based on investigation: Poor posture during use of mobile phones; injuries from car accidents; arthritis; old injuries, etc. For those with serious symptoms, physicians were arranged to provide medical consulting and appropriate health education was provided. 	<ul style="list-style-type: none"> There were 28 persons suspected of repetitive musculoskeletal discomfort with evaluated score of 3 points or above. Physicians were arranged to provide consulting and give appropriate information on health education. 	<ul style="list-style-type: none"> 32 persons with serious repetitive musculoskeletal discomfort were identified according to the musculoskeletal symptom questionnaire. Healthy education and advocacy were mainly conducted by telephone to implement continuous care and tracking.
Annual health examination	<ul style="list-style-type: none"> A total of 540 persons participated in the health examination with total investment of approximately NT\$ 380,000. 	<ul style="list-style-type: none"> A total of 2,074 persons participated in health examination with a total investment of approximately NT\$ 1.4 million. 	<ul style="list-style-type: none"> A total of 788 persons participated in health examination with a total investment of approximately NT\$ 390,000.

5



Social Welfare

- 5.1 CARE FOR CHILDREN AND VULNERABLE GROUPS
- 5.2 SPORTS PROMOTION
- 5.3 ACADEMIC CULTURE
- 5.4 ENTERPRISE VOLUNTEERS

Material topics covered

- Public Welfare and Community Engagement



Management guideline	Content description
Policy	Take from society, and pay back to society.
Significance and management goal	Public welfare and social care are social responsibilities that shall be valued by an enterprise. Sticking to the spirit of paying back to society, Mercuries & Associates Holding integrates social responsibilities into its corporate business strategy, establishes good corporate culture, promotes social harmony and stability, and actively eliminates the phenomena of social inequality.
Commitments	Continually care about the interests of the disadvantaged, pay attention to social issues, support academic culture, and promote the sports atmosphere.
Objectives and targets	Actively hold relevant public welfare activities focusing on four themes, i.e., “Care for Children and Vulnerable Groups”, “Sports Promotion”, “Academic Culture”, and “Enterprise Volunteers”, for the ultimate goal of eliminating social poverty, hunger, and various forms of inequality, improving universal education level, and developing environmental sustainability.
Responsibility and system	Subsidiaries of the Company and related foundation(s) plan and sponsor annual social welfare participation activities.
Resources engaged	<ul style="list-style-type: none"> Family Shoemart has sponsored public agencies to send shoe exchange coupons to children from vulnerable families for many years. In 2023, the sponsorship amount reached NT\$ 3 million. Furthermore, it has sponsored Single-shoes Bank for many years. In 2023, the company donated 926 single shoes to consumers with foot disability. Mercuries F&B Co., Ltd. responds to multiple public welfare activities, including sale of public welfare set meals, charity bag sale, and donation activities. In 2023, the company donated NT\$ 500,000 to Taiwan Fund for Children and Families (TFCF), NT\$ 1.98 million to Child Welfare League Foundation, and NT\$ 400,000 to Children Are Us Foundation respectively. Mercuries F&B Co., Ltd. has sponsored Suspended Meals with Love. From 2022 to the end of 2023, it donated nearly 35,000 meals. Mercuries F&B Co., Ltd. has cooperated with social service agencies to hold friendly restaurant charity cooking activity for many years. In 2023, this activity served approximately 700 person-times with investment of approximately NT\$ 100,000. Mercuries & Associates Holding supports the promotion of sports, and has sponsored sports activities like “Taiwan Masters and Mercuries Golf Invitational Tournament”, “Taiwan S-P Softball Father Memorial Cup”, “Mercuries Life Insurance Cup Teeball National Tournament”, and “Mercuries Cup Charity Road Running” for many years, as well as multiple public welfare sports events. In 2023, the investment exceeded NT\$ 32.66 million. The Company has established Foundation of Chinese Dietary Culture and Chinese Dietary Culture Library, and published relevant academic periodicals, and held special exhibitions and lectures with the study and inheritance of Chinese dietary culture as the tenant. So far, the company has engaged in this cause for 34 years. Subsidiaries of the Company have appointed enterprise volunteers to irregularly hold public welfare activities, e.g., furniture donation by Mercuries Furniture Co., Ltd., beach cleaning activity by Mercuries F&B Co., Ltd., blood donation volunteer activity by Mercuries Life Insurance Co., Ltd., etc.
Appeal mechanism	Corporate sustainable development email: jay.lin@mercuries.com.tw
Major incidents in 2023	<ul style="list-style-type: none"> Mercuries Life Insurance Co., Ltd. won the Gold Prize of “Sports Activist Awards” for 15 consecutive years. In 2023, it supported “Taiwan Masters and Mercuries Golf Invitational Tournament” and “Taiwan S-P Softball Father Memorial Cup” as always, and won “Long-term Sponsorship Award” and “Bronze Award for Promotion” respectively. The Foundation of Chinese Dietary Culture won “Permanent Exhibition-Silver” of the 16th Art and Business Awards. Ryori. Taiwan (a bimonthly) of the Foundation of Chinese Dietary Culture was recommended as an excellent publication among lifestyle magazines in the 47th Golden Tripod Awards.



In this section, the achievements of Mercuries & Associates Holding regarding social public welfare have been presented in four aspects, i.e., “Care for Children and Vulnerable Groups”, “Sports Promotion”, “Academic Culture”, and “Enterprise Volunteers”. Mercuries & Associates Holding has always adhered to the initial intention of “Take from society, and pay back to society”. We have participated in social public welfare, cared about the vulnerable groups, and called upon employees to form “Enterprise Volunteers” to practically participate in public welfare for many years; as for sports and education promotion, we have also actively sponsored multiple sports activities and various cultural and academic studies and developments. Major sponsorship or donation cases have been handled according to relevant internal administrative regulations, and executed after being voted and resolved by the Board of Directors.

In the future, Mercuries & Associates Holding will continue to extend the breadth and depth of social public welfare, pay back to society with public volunteer cause, make contributions to society, and duly perform corporate social responsibility.

5.1 Care for Children and Vulnerable Groups

Children Care

- Family Shoemart Sponsoring Shoe Exchange Coupons of “New Taipei City Happy Heart Care Association”

Buying a pair of shoes that one likes may seem to be a very normal thing for ordinary people. However, for children from poverty-stricken families, it is a difficult thing to realize. Family Shoemart of Mercuries & Associates, Ltd. has cooperated with “New Taipei City Happy Heart Care Association” to donate shoe exchange coupons to the vulnerable families in each county and city for 8 consecutive years by sticking to the concept of “hoping to help students learn securely and grow happily”. So far, the company has donated more than 6,000 pairs of shoes. For each exchange coupon with face value of NT\$ 1,000, Family Shoemart sponsored NT\$ 200. As a result, children are able to pick suitable shoes they like and go to school happily. In 2023, the company donated shoes to vulnerable families in New Taipei City, Hualien County, Taitung County, Yunlin County, and Pingtung County. The co-sponsorship amount reached as high as NT\$ 2 million.



• Family Shoemart Sponsoring Shoe Exchange Coupons of “TFCF Changhua Branch Office”

TFCF Changhua Branch Office has initiated annual subscription of 800 pairs of new shoes for 8 consecutive years since 2016. In response to the public welfare, Family Shoemart of Mercuries & Associates, Ltd. additionally provided shoes purchasing subsidy of NT\$ 200 per pair of shoes, and children in need might pick the shoes they liked in person in 13 stores of Family Shoemart in Changhua County. Therefore, they could embrace the new year and the new semester. So far, it has donated 6,000 pairs of shoes to children in the TFCF Changhua Branch Office. In 2023, a total of 800 coupons with each worth NT\$ 1,200 were given away, with the co-sponsorship amount approaching NT\$ 1 million. It is expected that these children will become brave and face the adversity and challenges directly when wearing these new shoes.



• Mercuries F&B Co., Ltd. Cooperation with EasyCard Company to Launch “Use EasyCard, Get Good Food and Send Love to TFCF”

Everyone could become a force to changes the lives of disadvantaged children and their families. Mercuries F&B Co., Ltd. cooperated with EasyCard Company to support TFCF for providing education and living resources for disadvantaged children and families focusing on the caring themes of “Surrounding with Love”. “No Poverty Generations”, and “Poverty Alleviation and Self-reliance” and through service programs like education improvement, life stability, capability building, and emergency relief. Also, job opportunities have been provided to the teenagers and groups of people needing care, so that they can help their families get rid of poverty and gradually become self-reliant with their capabilities.

The year 2023 was the 3rd year of cooperation between Mercuries F&B Co., Ltd. and TFCF. We joined hands with EasyCard Company to support the “No Poverty Generations” plan of TFCF and jointly promoted a public welfare activity called “Use EasyCard, Get Good Food and Send Love to TFCF”. 328 stores of Mercuries F&B Co., Ltd. invited the general public to send love to TFCF. After settlement of this activity, a total of NT\$ 400,000 was jointly donated by us and EasyCard Company to TFCF.





• Child Welfare League Foundation Joining Hands with Mercuries F&B Co., Ltd. to Organize a Charity Bag Sale with the Theme of “Passing Love by Bags”

To draw attention from society regarding the living difficulties faced by the disadvantaged children in Taiwan, Mercuries F&B Co., Ltd. played a role of a caring enterprise this year and joined hands with Child Welfare League Foundation to organize a charity bag sale with theme of “Passing Love with Bags”. During the activity, consumers could buy environment-friendly canvas bags with a charity sale brand of “Yina” of the Child Welfare League Foundation at a discounted price of NT\$ 99 when making purchases at the stores of Sanshang Qiaofu or Sanshang Don Mono. Charity ambassador Chia, Yu-Hsin (a celebrity in Taiwan), also called upon people to engage in environmental protection and help the disadvantaged children in Taiwan, in the hope that their happiness could be guarded with the collective efforts of the whole society.

In this activity, NT\$ 1.98 million was received from charity bag sale and it was fully donated to “Public Welfare Activity for Poverty Alleviation Fundraising Program for Disadvantaged children”, so that more Taiwanese children could have complete learning opportunities, life support and healthcare and grow healthily and happily in a friendly environment.



• Tonkatsu of Mercuries F&B Co., Ltd. Joining Hands with TFCF to Launch a Donation Activity with the Theme of “Guarding Children for Happiness”

Tonkatsu of Mercuries F&B Co., Ltd. has always been proud of its high CP value. By ordering any set meal, customers are able to enjoy unlimited servings from the self-service area. This practice has been favored by the customers. However, this situation has reminded us the difficulties faced by the disadvantaged children who often lack basic necessities in their lives and are even unable to eat their fill.

Tonkatsu cooperated with TFCF to launch a public welfare activity with the theme of “Guarding Children for Happiness” in October 2023. During the activity, Tonkatsu donated NT\$ 20 to support TFCF for each designated charity set meal ordered by consumers, for the purpose of helping children in need. In this activity, about 9,960 charity set meals were sold, and Tonkatsu donated a total of NT\$ 100,000.



• Family Shoemart Joining Hands with TFCF to Publicize “Open the Door, Let the Love Live In”

Family Shoemart of Mercuries & Associates, Ltd. continued to sponsor the foster family recruitment activity of “Open the Door, Let the Love Live In” held by TFCF since 2021. By posting recruitment posters at the entrance of each store (a total of 180 posters) and actively distributing foster family recruitment pamphlets to customers, we expected to start a discussion and attract more families to participate in the foster care service and help more children in need.



• Mercuries Life Insurance Sponsoring TFCF’s “No Poverty Generations” Program

Mercuries Life Insurance has been focusing on the issue of disadvantaged children for a long term, and has donated and supported “No Poverty Generations” program for 12 consecutive years. In 2023, the donation funds were used for the “2024 Learning Resource Improvement Program” which provided a subsidy of NT\$ 2,000 per eligible student from elementary, middle, and high schools, and 111 person-times were benefited from this program. By supporting TFCF, we hoped that the poverty-stricken children could change their fate, and they could be assisted in maintaining decent quality of life, receiving stable education, and cultivating self-reliance.

• Mercuries Life Insurance Holding Sketching Competition for Policyholders’ Children

Knowing that children are the hope of the future, Mercuries Life Insurance has organized “Sketching Competition for Policyholders’ Children” for 20 consecutive years with the purpose of encouraging policyholders to spend their holidays in accompanying their children to sketch outdoors, for it could not only enhance the parent-children interaction but also enhance children’s physical and mental development. Hopefully, the Company could assist these families in cultivating more healthy and happy children to make contributions to Taiwan. In 2023, a total of 8,623 children participated in “Sketching Competition for Policyholders’ Children”.





Care for People with Physical and Mental Disabilities

• Family Shoemart Joining Hands with Cheng Feng Hsi Cultural Education Foundation in “Single-shoes Bank” and “Single-shoes Gift Center”

In order to care about people with foot disabilities, Family Shoemart of Mercuries & Associates, Ltd. has joined hands with “Cheng Feng Hsi Cultural Education Foundation” to hold public welfare activities and sponsor “Single-shoes Bank” for more than 30 years since 1991, thus implementing the initiative of “shoes can be sold separately” and carrying about consumers with foot disabilities. All members of the Foundation may purchase single shoes or shoes with different size at the stores of Family Shoemart, so as to provide a convenient shoe purchasing approach for consumers with foot disabilities and benefit many friends with foot disabilities.

Sticking to the intention of cherishing things, Cheng Feng Hsi Cultural Education Foundation and Family Shoemart established “Single-shoes Gift Center” in 2006 to centrally manage single shoes left by friends with foot disabilities and announce the specific information of such shoes on the website of the Foundation. Then, they will be provided to members of the Single-shoes Bank free of charge. Also, Family Shoemart delivers shoes to the members free of charge, thus further benefiting people with foot disabilities.

By 2023, Family Shoemart provided membership services for 7,638 person-times. In 2023, it provided 926 single-shoes for members to apply for home delivery services free of charge. In the future, we will continually care for people with foot disabilities and provide heartfelt public welfare services step by step.



• Sanshang Don Mono Joining Hands with Eden Social Welfare Foundation to Launch “Sprouting with Love” Activity

In 2023, Mercuries F&B Co., Ltd. cooperated with Eden Social Welfare Foundation again. The brand of Sanshang Don Mono held a public welfare activity of “Sprouting with Love. Food in the Early Spring”. Customers who swiped Eden love code carrier to donate invoices when paying bills during the activity could obtain meal discount coupons. Besides, our stores assisted the distribution of Eden promotional cards to each consumer during the activity, and invited them to respond to the donation activity. In this activity, 579 invoices were donated. After end of the activity, the love code carrier was continually exhibited at the checkout counters of the stores, to continually guide consumers to donate their invoices, and thus promote the cycle of kindness.

• Napoli Pizza and Fried Chicken of Mercuries F&B Co., Ltd. Cooperating with the Donation Activity of “Children Are Us Foundation”

In 2023, Napoli Pizza and Fried Chicken of Mercuries & Associates, Ltd. cooperated with Children Are Us Foundation again to emphasize on the issue of cultivation of working ability of mentally disordered children. During the activity, customers who dined in or purchased takeout at Napoli Pizza and Fried Chicken for meals priced at NT\$ 599 or above could obtain a special collaborative folder illustrated by the popular illustrator “MZZ”. For each purchase, Napoli Pizza and Fried Chicken would donate NT\$ 5 to support the work training program for mentally disordered children. During the activity, about 80,000 public welfare folders were given away, and a total of NT\$ 400,000 was donated to the Foundation.



• Mercuries F&B Co., Ltd. Donating “Chinese Taipei Baseball and Softball Association for the Disabled”

In December 2023, Mercuries F&B Co., Ltd. held a Mercuries Tigers player meeting to extend gratitude to Tigers fans who still contact and support the team closely. To pay back to society, we donated NT\$ 200,000 to “Chinese Taipei Baseball and Softball Association for the Disabled” in the activity, in the hope that friends with disabilities and loving baseball could be benefited to create a dream stage exclusively belonging to them.



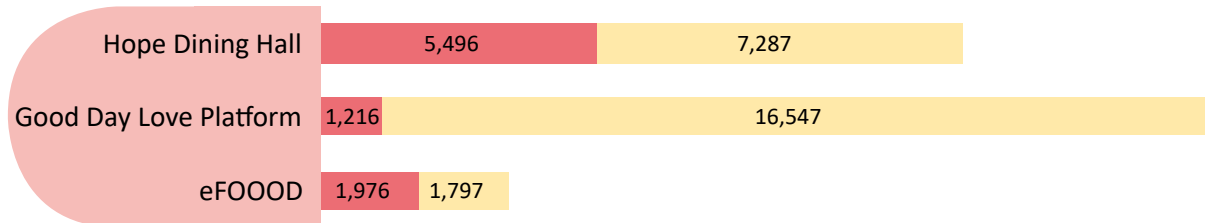


Sponsoring Suspended Meals with Love

Accumulated quantity of preordered meals with love by Mercuries F&B Co., Ltd.

Unit: Meals

2022 2023



• Taipei Charity Meal Network 2.0 “Hope Dining Hall”

In 2021, invited by Taipei City Government, 6 brands of Mercuries F&B Co., Ltd. (Sanshang Qiaofu, Napoli Pizza, Sanshang Don Mono, Tonkatsu, Pin Chuan Lan, and Qiaofu Plus) joined hands with other industry peers to promote Love Meal 2.0 “Hope Dining Hall”, for the purpose of assisting the vulnerable groups in need in meal exchange. Also, customized set meals were designed for this program, to give equal consideration to the nutrition of disadvantaged citizens; besides, food resources of “e-vegetarianism, support from the people” were also integrated to fulfill the needs of vegetarians.



Currently, Mercuries F&B Co., Ltd. has established 52 meal exchange stores in Taipei City, and has purchased more than 12,783 love meals by the end of 2023, to care about and support for the vulnerable groups in need by providing them with warm and fulfilling meals.

• Suspended Meal Program of “New Taipei City Good Day Love Platform”

The suspended meal program of “New Taipei City Good Day Love Platform” was initially launched since August 2021. In 2023, more than 1,500 stores responded to this program accumulatively, and more than 360,000 person-times were benefited from it. Mercuries F&B Co., Ltd. also responded to this program and cooperated with Department of Social Welfare of New Taipei City Government to join the meal supply lineup in September 2022. The company sponsored meal sharing coupons and provided diversified and different types of bento to the vulnerable groups. Relevant statistics indicated that more than 17,763 person-times were benefited as of the end of 2023



New Taipei City Love Platform Website



• “Meal Sharing Program” of Taiwan Meal Sharing Association

In order to ensure the proper allocation of resources donated by the public and the transparent capital flows, the “eFOOD sharing map” organization which acquired donations of suspended meals and resources from the public during the pandemic has established “Taiwan Meal Sharing Association”. This association collaborates with government agencies and local social welfare organizations to care about and provide the disadvantaged people with “Meal Sharing Coupons” to exchange for warm meals, enabling those truly in need to eat their fill.

Mercuries F&B Co., Ltd. also joined the meal supply lineup of eFOOD sharing map in 2022, and integrated 358 stores in Taiwan to provide local non-profit organizations with abundant meal resources and share warmth to vulnerable groups in need. By the end of 2023, Mercuries F&B Co., Ltd. already provided more than 3,743 meals, and we hoped that people we supported would be able to help others in the future, thus realizing a love cycle.



eFOOD food sharing map



Care for the Remote Rural Areas

• “Friendly Restaurant Charity Cooking Activity” of Mercuries F&B Co., Ltd.

Mercuries F&B Co., Ltd. has dedicated to caring about the elementary and middle schools and social agencies in remote rural areas of Taiwan for 15 consecutive years since 2008 through the charity cooking of beef noodles of Sanshang Qiaofu. In 2023, the charity cooking team of Mercuries F&B Co., Ltd. held a total of 7 charity cooking activities and served for more than 700 students and teachers in total, with a total investment of approximately NT\$ 101,500.



Taichung Christian Herald Children's Home



Pingxi Junior High School



Taoyuan Reform School



Leren Special Education School

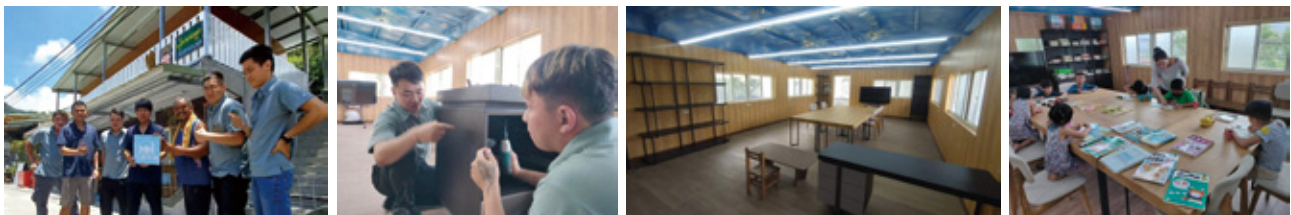


- Mercuries Furniture Co., Ltd. Assisting the Rebuilding and Preservation of Indigenous Culture and Spreading the Power of “Home”

The indigenous peoples play an extremely pure and precious role in the diversified culture of Taiwan, and their long history and cultural characteristics have been highly respected. However, the annual typhoons often cause severe losses to the indigenous peoples living in southeast Taiwan. Currently, 14 years after the destructive flood caused by Typhoon Morakot in August 2009, Xiaolin Village is still struggling on the difficult path of reconstruction and healing. The places that were once their homes are now in ruins, and residents were forced to move to other places. Many precious cultural traditions were lost for an instant.

Seeing these people suffer from such difficulties, the team of Mercuries Furniture Co., Ltd. hopes to make contributions to helping rebuilding and preserving the indigenous culture. In July 2023, the team of Mercuries Furniture Co., Ltd. donated furniture and provided manpower to assist the Xiaolin Village tribe in establishing a Shengshan language classroom and restoring the living space on the first floor and as well as building a tutorial classroom on the second floor, with the objective to preserve the Rukai cultural center and sustain the heritage of the traditional indigenous culture.

Mercuries Furniture Co., Ltd., a company that has paid attention to the issues of remote rural areas for a long term, expects to start a discussion and lead enterprises and the general public to learn the importance of cultural preservation. Also, with such caring heart, the company aims to draw more people’s attention to the beautiful indigenous culture of Taiwan, which complies with the imagination of Mercuries Furniture for “Home” and enables the company to practice corporate spirit.



- Mercuries Furniture Co., Ltd. Sending Love to The Garden of Hope Foundation and Creating New Home Spaces for Women and Children as Victims of Domestic Violence

Since its establishment in 1988, The Garden of Hope Foundation has been provided shelter and care for women and children who are unable to return to their original families due to violence or sexual assault. However, after being used for many years, some facilities in the shelter have become old and worn out. In August 2023, Mercuries Furniture Co., Ltd. adhered to the spirit of “Caring Enterprise” and turned care to concrete actions. The company generously donated various kinds of furniture including bookshelves, dining tables, and wardrobes and assisted the installation services, to reconstruct brand-new spaces for women and children in the shelter so that they can recover body and mind and regain their confidence in a new environment.



Concern and Promotion of Social Issues

- imple Mart Retail Co., Ltd. Joining Hands with Taipei Women's Rescue Foundation to Launch “Start from Heart, Protect the Children” and Resist Digital Sexual Violence

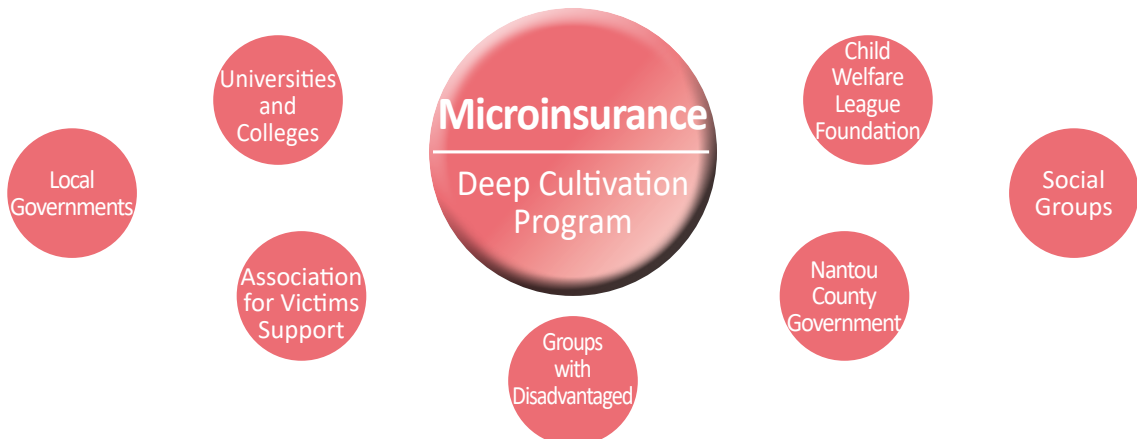
In 2023, Simple Mart Retail Co., Ltd. joined hands with Taipei Women's Rescue Foundation to launch “Start from Heart, Protect the Children”, an activity aiming at prevention and control of digital sexual violence against women and children. Multiple prevention and disposal publicity activities were conducted, including consumption points collection activity named “Collecting Points and Sharing Love”. In this activity, a total of NT\$ 350,000 was raised and then donated to The Garden of Hope Foundation; besides, external publicity lectures were held at Simple Mart+. Internally, 2 employee publicity lectures were held, so that the prevention and control of digital sexual violence could be intensively implemented.



Promotion of “Microinsurance” by Mercuries Life Insurance Co., Ltd.

Mercuries Life Insurance Co., Ltd. exerted great efforts to promote microinsurance business since 2014, actively cooperated with universities and colleges, social groups like Child Welfare League Foundation and Association for Victims Support, and local governments like Nantou County Government, and provided one-year student tuition fee free accident microinsurance for groups with disadvantaged economic conditions and students in universities and colleges by means of premium donation. The upper limit of the sum insured for each person could reach NT\$ 500,000, with the objective to lighten the economic impact imposed on families due to accidents. Mercuries Life Insurance Co., Ltd. has accumulatively donated NT\$ 34 million, and the accumulated number of insured persons has exceeded 130,000 person-times since 2014. In the future, Mercuries Life Insurance Co., Ltd. will continue to donate microinsurance premium, and duly perform its responsibilities for corporate sustainable development.

Mercuries Life Insurance Co., Ltd. donated a total amount of NT\$ 4,890,000 in 2023 for both microinsurance premium donation and fundraising sponsorship of “Deep Cultivation Program” for Mingchuan University. Mercuries Life Insurance Co., Ltd. sponsored “Deep Cultivation Program” in response to the relevant policy of the Ministry of Education. Specifically, it sponsored this university to reinforce an assistance and tutoring mechanism for disadvantaged students so that the students could learn wholeheartedly and change their future without having to worry about their tuitions and living expenses.





5.2 Sports Promotion



Mercuries & Associates Holding has engaged in the promotion of sports activities for many years. Subsidiary Mercuries Life Insurance Co., Ltd. has supported the development of sports in Taiwan for a long term, and promoted multiple sports competitions for more than 10 years with ceaseless efforts. In 2023, it spent NT\$ 32.66 million in sports and benefited more than 96,000 people. Mercuries Life Insurance Co., Ltd. expected that people could establish their awareness of health risk management and keep doing exercises by participating in the sports competitions.

As of 2023, Mercuries Life Insurance Co., Ltd. won “Sponsorship Gold Award” of “Sports Activist Awards” issued by the Sports Administration, Ministry of Education for 15 consecutive years, which recognized its identity as an important pushing force for the sports of Taiwan. In 2023, it supported “Taiwan Masters and Mercuries Golf Invitational Tournament” and “Taiwan S-P Softball Father Memorial Cup” as always, and won “Long-term Sponsorship Award” and “Bronze Award for Promotion” respectively.

Taiwan Masters and the 37th Mercuries Golf Invitational Tournament

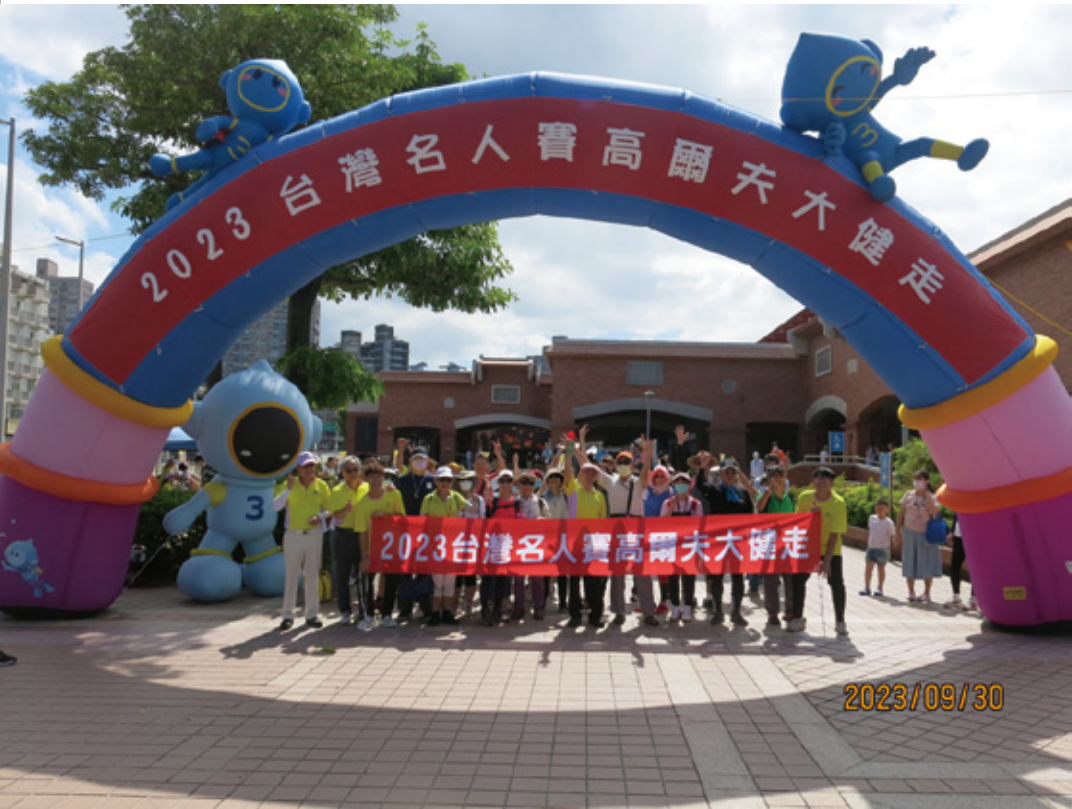
With the passion for public welfare, Mercuries & Associates Holding has actively promoted golf sports activities. It was already the 37th session of “Taiwan Masters and Mercuries Golf Invitational Tournament” sponsored by Mercuries since its establishment in 1987. It is the only professional men’s golf competition that has been continuously held by a single enterprise for more than 30 years, as well as the first international competition included to Asian Tour in Taiwan. In 2023, this event attracted a total of 126 professional and amateur golf players in Taiwan.

By holding various competitions and training programs, sponsoring players, and providing professional players at home and abroad with a competitive stage, Mercuries & Associates Holding also expects to deepen the foundation of Taiwan’s golf culture, cultivate more starts in the future, expand the national diplomacy, and improve the international image of Taiwan.



In 2023, we also held “Taiwan Masters Golf Fitness Walking” activity two days after Taiwan Masters and the 37th Mercuries Golf Invitational Tournament. The activity started at the Tamsui MRT station and the participants passed by the old Tamsui street and Fort Santo Domingo and finally arrived the venue of the competition, i.e., old Tamsui Golf Court (Taiwan Golf Club). The whole journey was approximately 2km long. We hoped that the participants people became both “watchers” and “participants” to realize the goal of exercise through fitness walking.

During the activity, to extend gratitude for the vigorous support and assistance for the old Tamsui Golf Court and people in Tamsui Town, Mercuries F&B Co., Ltd. also utilized its resources to respond to the public welfare and conducted charity sale of beef noodles of Sanshang Qiaofu and beef Donburi from Sanshang Dong Mono on the site. During this four-day activity, a total of 4,927 bowels of noodles and Donburi were sold accumulatively, resulting a total amount of charity sale of NT\$ 241,423. All the charity donated obtained from the charity sale were donated to “Tamsui Culture Foundation”.





2023 Mercuries Cup Charity Road Running



The annual “Mercuries Cup Charity Road Running” sponsored by Simple Mart Retail has already become a grand occasion in the road running. On October 29, 2023, the road running activity was held at Dajia Riverside Park with the Halloween theme of “Run or Treat”. This activity attracted more family runners compared with last year. On the scene of the activity, many interesting things also happened, including face painting, children’s show at Halloween, market stalls, DIY, and lucky draw. On the occasion of the Halloween, family runners yielded unusually brilliant results.

This event attracted 2,385 road runners. Various race groups were arranged in response to public welfare, including 10km challenge group/visually impaired group, 3km costume joy group. The 3km costume joy group attracted many family members in Halloween costumes; as many as 670 person times attended the 10km visually impaired group. Each visually impaired runner was accompanied by a guide. Furthermore, the concept of sustainable environment was integrated in this road running activity, and on-site participants were gathered together to recycle PET bottles. Later, the recycled resources were utilized to make environment-friendly blankets and scarves which were donated to the disadvantaged students and contribute to environmental and social sustainability.



Business units of Mercuries were mobilized, including main sponsors Mercuries Life Insurance Co., Ltd., Mercuries F&B Co., Ltd., Family Shoemart, and Simple Mart. They sent many good gifts through interactive games at their booths, such as preferential coupons. Other related Mercuries brands, including Mercuries Liquor & Food Co., Ltd., Mercuries Data Systems Ltd., Horizon Securities, Simple Mart+, SimpleCITY, SimpleOFFICE, GoShopping Simple Mart, Sanyou Drugstores, Ltd., and Sinocare also joined the sponsorship and spared no effort for sending love.

In 2023, through the Mercuries Cup Charity Road Running, a total amount of NT\$ 300,000 was donated to “Huei-Ming School for Blind Children in Taichung City” and “Taiwan Vision Defective Road Run Association” for supporting the interests and welfare of visually impaired people and calling upon runners to “help the blind” and spread positive energy. As a result, the road running activity became more meaningful.



19th Taiwan S-P Softball Father Memorial Cup

Mercuries Life Insurance Co., Ltd. has sponsored “19th Taiwan S-P Softball Father Memorial Cup” for 19 consecutive years, in memory of Mr. Chen Ho-tung, the founder of the Group, and with the expectation of cultivating people’s lifelong exercise habit. “Mercuries Life Insurance Star Slow Pitch Softball Team” composed of colleagues won the runner-up in Invitation Group, thus fully demonstrating the vitality of a sporting enterprise.

Also, during the planning of competition groups, consideration was given to the needs of various age groups and ethnic groups, including softball group suitable for primary school students, mixed groups, and groups for senior citizens aged above 50. As a result, the slow-pitch software sport became available for all the people. In 2023, teams from South Korea also attended the competition. A total of 107 teams and 2,485 players signed up for competition. Each team’s players made every effort to show their passion for the competition.





14th Mercuries Life Insurance Cup Teeball National Tournament

Mercuries Life Insurance Co., Ltd. has allocated resources and manpower in the issues regarding children's development for a long term. It has sponsored "Mercuries Life Insurance Cup Teeball National Tournament" since 2010 with the objective to promote the development of Taiwan's sports from children and encourage them to be brave in challenging themselves and developing confidence by providing them with a diversified platform. Furthermore, when establishing children's interest in the baseball, the company also improved children's awareness of health risk management.

In 2023, 96 teams participated in the tournament and a total of 1,440 young players signed up. ShenDong Elementary School of Changhua County, the national champion, acquired full-amount sponsorship from Mercuries Life Insurance Co., Ltd. to participate in "2023 Asian Cup Teeball International Tournament" in South Korea. Finally, it won the championship trophy. For the past 14 years, 1,121 teams and more than 16,800 person-times accumulatively participated in this competition.

Sponsoring the 21st "President Cup Slow Pitch Softball Championships"

"President Cup Slow Pitch Softball Championships" is not only the largest slow-pitch softball competition, but also the single competition with most participants in Taiwan. For the last 21 years, more than 27,000 teams and 810,000 participants accumulatively participated in this event. It was mainly sponsored by the Chinese Slow Pitch Softball Association and co-organized by Mercuries & Associates Holding and Mercuries Life Insurance. It annually attracts about 1,000 teams and more than 30,000 players around Taiwan to participate in the competition. Teams winning the championships of each group may acquire the special honor of visiting the Presidential office, being received by the president, and taking a group photo with the president.

第21屆 總統盃 慢速壘球 全國總決賽
Team Going
10/28-29

主辦單位：中華民國慢速壘球協會、新北市政府體育處。
 協辦單位：各縣市政府、新北市政府高灘地工程管理處、新北市體育總會慢速壘球委員會、新北市體育總會棒球委員會、新北市三重區慢速壘球委員會、
 新北市新莊區慢速壘球協會、新北市海山慢速壘球協會、三商投資控股股份有限公司、三商美邦人壽保險股份有限公司。

贊助商：全家福、三商美邦人壽、華城豐、福勝亭

Sponsoring Sports Activities of Secondary Schools for 15 Consecutive Years

Chinese Taipei School Sport Federation is committed to promoting sports competitions and enhancing friendship among schools. Therefore, it holds a variety of sport activities in secondary schools, including High School Basket Ball League (HBL), High School Volleyball League (HVL), Junior High School Basketball League (JHBL), Junior High School Volleyball League (JHVL), High School Football League (HFL), Women's Softball League, Hot Dance Competition, etc.

Mercuries Life Insurance Co., Ltd. has sponsored sports activities of secondary schools for 15 consecutive years. The senior executives of the company attend the press conferences of each competition every year, and award titles of rebounding king/rebounding queen in the award ceremony of HBL finals to encourage the winning players. Besides, Bobby, the mascot of Mercuries Life Insurance Co., Ltd., also participated in an exciting cheerleading midfield performance with professional dancers at the scene of the HBL finals to cheer up all the players and support the development of campus sports with practical actions.





5.3 Academic Culture

Promotion of Chinese Dietary Culture

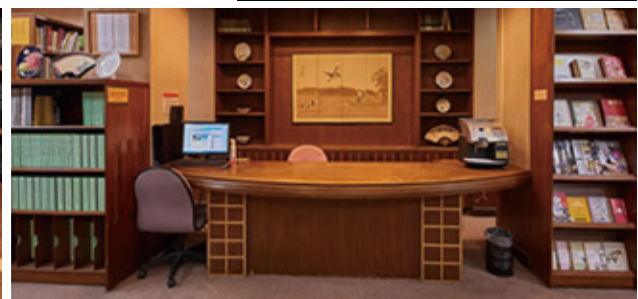
The Foundation of Chinese Dietary Culture was established by Mr. George C.S. Wong in 1989, the founder of Mercuries & Associates Holding, with the objective to explore and study various closely-related aspects of Chinese dietary culture, including astronomy, geography, history, literature, art, archaeology, artifacts, legends, etiquette, customs, aesthetics, philosophy, life sciences, and culinary skills, so as to ensure the systematic inheritance of Chinese dietary culture.

Over the past few years, the operation of the Foundation has gradually taken shape, and it has also won recognition from all sectors of society. Through the practice, the Foundation has come to understand its role in contributing to the promotion of Chinese dietary culture. Therefore, by inspiring persons of consensus, interdisciplinary integration was adopted to promote the research on Chinese dietary culture to an academic level.

• Chinese Dietary Culture Library Established for 34 Years

As for the origin of the establishment of the Chinese Dietary Culture Library, founder Mr. George C.S. Wong received training in Japan during his youth. As a person who liked reading at ordinary times, Mr. Wong found a large bundle of Chinese imperial cuisine recipes in a corner of an antiquarian bookstore. These books were exquisitely printed, but were covered in dust in the corner. Therefore, Mr. Wong was inspired to gather these scattered Chinese culinary classics from abroad. Even at the inception of the Mercuries Building, Mr. Wong intended to establish "Chinese Dietary Culture Library". After more than two years' preparation, the library was formally opened in 1989. "Foundation of Chinese Dietary Culture" was established the same year.

By the end of 2023, Chinese Dietary Culture Library collected Chinese Dietary Culture Library books, 80 types of periodicals, 2,450 types of audio-visual materials, and 3,668 local and foreign menus. Furthermore, special collections of this library included ancient books on cuisines, national banquet menus, etc. Currently, this library is the only treasury committed to collecting and preserving Chinese dietary culture, and also reflects the efforts given by Mercuries to pay back to society and inherit Chinese dietary culture.



In 2023, the library planned to establish and renovate “Diet Academy” which was completed and put into operation in March 2024. In addition to the expansion of book storage space, foreign language books were centrally distinguished and more comfortable reading spaces that facilitate easier access were provided. Furthermore, various kinds of culinary events were planned and convened, e.g., lectures on sharing of featured menus of gourmet experts, author sharing sessions for best-selling culinary books, courses of experts on pour-over coffee, demonstrative lectures from wagashi masters, sharing of experience of bakery masters learned from competitions, etc. As a result, the library is not only a place for book storage, but also a social community space for communication and interaction with readers.



In 2023, through the cooperation with National Kaohsiung University of Hospitality and Tourism Library, National Chung Hsing University Library, and National Dong Hwa University Library, the Chinese Dietary Culture Library held book exhibitions with the theme of “Taste of Books”. The exhibitions displayed hundreds of books collected by the Foundation, including six presidential banquet menus and three representative ancient books and diet-related books. These exhibits covered the culinary-related cultures in the world and issues recently concerned by readers, e.g., sustainable diet, plants and ecology, food and agriculture education, etc. To align with the unique characteristics of various academic departments, relevant books involving the themes of culinary competition, agriculture and agricultural specialties, indigenous peoples, and local agriculture, fishery, and animal husbandry of Taiwan were included into the highlights of the book exhibitions. 392 person-times participated in these three book exhibitions.

In 2023, Chen, Yu-Jen, from the Department of Taiwan Culture, Languages and Literature of National Taiwan Normal University, and Wong, Ling-Ling, from the Department of Cultural Assets and Reinvention, Fo Guang University wrote and produce animations of “Taiwan Dietary Culture” and “Japanese Dietary Culture” as teaching videos regarding the dietary culture of the library. Therefore, more related knowledge on dietary culture has been provided to the general public.

The Foundation of Chinese Dietary Culture Youtube channel





• 16th Art and Business Awards by the Ministry of Culture-Permanent Exhibition-Silver

Art and Business Awards are presented by the Ministry of Culture once every 2 years, with the objective to praise enterprises, groups, or individuals that have made special contributions to the maintenance and development of the art and culture of Taiwan. With the efforts from the government and the nongovernmental organizations, we strive to create a high-quality cultural environment. The total sponsorship amount of the 16th Art and Business Awards in 2023 exceeded NT\$ 1.8 billion. The Foundation of Chinese Dietary Culture won Culture-Permanent Exhibition-Silver of the Art and Business Awards.



The Foundation of Chinese Dietary Culture won Culture-Permanent Exhibition-Silver of the Art and Business Awards (fourth from the left); source of photo: Official Website of the Art and Business Awards by the Ministry of Culture)

• Ryori. Taiwan Bimonthly (Established for Nearly 12 Years)

Ryori. Taiwan Bimonthly is a professional culinary publication published by the Foundation, covering dietary trends, professional knowledge, education trends, and culture. The magazine was established in January 2012 and has been issued every odd month. A total of 72 issues were published over nearly 12 years.

In 2023, Ryori. Taiwan Bimonthly was recommended as an excellent publication among lifestyle magazines in the appraisal of the 47th Golden Tripod Awards which was granted by the Ministry of Culture, for the purposes of rewarding publishers of excellent magazines, books, and digital publications and their practitioners, individuals who have obtained achievements and contributions to Taiwan's publication industry, and encouraging the publication industry to give play to the functions of cultural dissemination in Taiwan. Through the recognition of this award, the Foundation hopes that the beauty of dietary culture can be seen by more people.

**GOLDEN
TRIPOD
AWARDS**
FOR PUBLICATIONS





In 2023, several culinary promotion events were successively held by Ryori. Taiwan. For example, in response to the International Year of Millets of the Food and Agricultural Organization of the United States (FAO), the magazine cooperated with the green sustainable employee restaurant of Gamania to hold a catering activity of “Gifts from Mountains and Seas Dining Table of Millets” in Phuket Island on August 17. It aimed to awaken the public’s emphasis on the culture of millets, biodiversity, and concept of agricultural sustainability from a perspective of climate change and global food crisis. A total of approximately persons participated in the activity.

On December 11, Ryori. Taiwan also held a catering forum activity of “The Philosophical Mix of Eastern Tea and Western Cuisine”. Mr. Lan, Ta-Cheng, the founder of ZEN ZEN THÉ and Flavor Distinction Tea Academy (FDTA) and Mr. Yang, Chan-Hao, executive chef of La Vie by Thomas Bühner were invited as keynote speakers to share the logic and process of matching tea with cuisine. Therefore, it provided a platform for professionals, culinary enthusiasts, and those interested in culinary research to interact and exchange ideas with each other. The total number of participants approached 70.



To popularize Ryori. Taiwan and communicate with readers of this magazine, we walked out of the library and engaged in “Exploration of Taste” activity in different places. On December 23, 2023, we organized “Honk a Horn! Burma Street” tour and experience activity with about 20 participants. The street tour included the survey of the Burma Street and market, dietary culture of Myanmar, and sharing of the differences in the dietary culture of South and North Myanmar. It was expected that this activity would encourage readers to pay more attention to the immigrant cuisines that shaped their daily lives and actively explore other possibilities out of the comfort dietary zone. After this activity, participants’ curiosity and desire to explore the cultural backgrounds contained in the dietary culture could be developed.





• Academic Periodical of Chinese Dietary Culture First Published 19 Years Ago

The academic periodical of Chinese Dietary Culture was first published in 2005, and later published in April and October regularly every year. Currently, 38 issues have already been published. In the appraisal and comparison of “Appraisal of Taiwan Humanities and Social Sciences Periodicals & Collections of Core Periodicals” organized by the Ministry of Science and Technology in 2020, this academic periodical was included in Taiwan Humanities Core Index (THCI) and Taiwan Social Sciences Core Index (TSSCI), and won the real-time communication award from National Central Library “2022 Taiwan Academic Influence Journal Award”. Volume 19, Issue 1 of Chinese Dietary Culture published in 2023 was a single manuscript, while the theme of Volume 19, Issue 2 was Innovation and Persistence of Contemporary Academic Circle of Taiwan on the Studies of Dietary History.

• Sponsoring International Conference on Chinese Food Culture Held for 17 Sessions

The Foundation of Chinese Dietary Culture held “International Conference on Chinese Food Culture” for the first time in 1989. This conference was later held once every two years. It was already the 35th year after its first appearance, and a total of 17 conferences were held. It was expected that scholars in each field could gather together through the holding of the conference and their opinions and common understandings could be collected through face-to-face interaction and communication.

During these seventeen conferences, internationally renowned scholars were invited to present their research findings, e.g., academicians Li, Yih-yuan and Chang, Kwang-chih from Academia Sinica, Prof. Naomichi Ishige from Japan, Prof. Sidney Mintz from the United States, and other famous scholars from nearly 20 countries including the UK, France, Germany, the United States, Canada, Japan, South Korea, Australia, Singapore, Malaysia, Chinese mainland, and Vietnam. About 20-30 papers would be published in each conference. After the conference, a collection of papers would be published. Now, a total of 473 papers on relevant themes were collected, thereby effectively preserving the research on Chinese dietary culture and disseminating the research achievements.

Due to the influence of the pandemic, the International Conference on Chinese Food Culture for the year 2021 was postponed to 2022 and held at Chiang Ching-kuo Presidential Library with the theme of “Chinese Food Culture: Biological and Ecological Perspectives”. 2 keynote speeches were delivered, and 31 papers from local and foreign scholars were published. The next conference will be held in 2024 through cooperation with Kyoto University. The theme will be “Comparative Study of Sustainable Dietary Culture”.



2022 中華飲食文化國際學術研討會
2022 International Conference on Chinese Food Culture
21-23 October, 2022
Chiang Ching-kuo Presidential Library, Taipei, Taiwan

• Sponsoring Scholarships and Grants for Doctorate and Master's Dissertations and Subsidies for Taiwanese Chefs for Participation in Overseas Competitions

To encourage local and foreign doctoral and master students to conduct in-depth and systematic research on Chinese dietary culture and write academic papers with high research level and value, the Foundation of Chinese Dietary Culture has been awarding scholarships and grants for doctoral and master's dissertations since 1991. So far, a total of 22 doctoral students have been awarded scholarships, amounting to NT\$ 2.64 million; and 56 master students have been awarded scholarships, amounting to NT\$ 3.92 million.

In 2023, applications for 17 dissertations were submitted and 2 master dissertations were approved. These master dissertations included Precision of Making: Tradition and Innovation of Han Pastry Competition by Fu, Pei-Ying, Graduate Institute of Food Culture and Innovation, National Kaohsiung University of Hospitality and Tourism and A Preliminary Exploration of Status Quo and Operation Model of Private Chefs in Taiwan by Yen, Kuang-Hsuan. These two people obtained scholarship of NT\$ 70,000 respectively.

Additionally, to encourage young chefs in Taiwan to cultivate their professional knowledge and skills, and improve the quality and connotation for dietary culture of Taiwan by participating in international competitions and learning experience from them, the Foundation of Chinese Dietary Culture has sponsored "Subsidies for Taiwanese Chefs for Participation in Overseas Competitions" since 2012. The accumulated sponsorship amount reached NT\$ 625,000. A total of 14 chefs obtained subsidies before competitions, and 12 obtained subsidies after competitions.



Promotion of Art and Culture

Subsidiary Mercuries Life Insurance Co., Ltd. has supported various kinds of art and cultural performance activities for a long term. It has not only continually sponsored "iLook Film Obsession Party Campus Activity" for 15 consecutive years, but also sponsored artist performance, lantern shows and other relevant activities highly favored by the general public. Also, by supporting the artists in Taiwan, the company contributed to the development of cultural and creative industries. It has not only provided art creators with a stage to show their talents, but also cultivate people's ability to appreciate art.

• Promotion of Cultural and Creative Industries

Subsidiary Mercuries Life Insurance Co., Ltd. has continually sponsored "iLook Film Obsession Party Campus Activity" for 15 consecutive years and conducted film touring in major colleges and universities in Taiwan. Also, colleagues set up stalls to communicate with college students, to enhance the artistic and cultural atmosphere on campus. In 2023, with the theme of "Unlocking Things Not Taught in School-Chapter of Finance Education", the company passed on the correct concept on virtual currency and knowledge on financial insurance. In 2023, a total of 39 activities were held, and about 4,875 students were attracted. Also, a total of 195 person-times of colleagues participated in these activities.





• Promotion of Cultural and Creative Industries

Mercuries Life Insurance Co., Ltd. exclusively sponsored the lantern works designed by artists from Mexico and Taiwan with names of “Rongrong” and “Anan” in the “Taiwan Lantern Festival in Taipei, 2023”, showing its support for the lantern festival culture; at the same time, Cheng, Yuen-Tung, a Taiwanese artist, was invited to build the lantern decoration of “Mercuries Life Insurance Gathering of Silver Rabbits” to decorate the external landscape of the headquarters building of Mercuries Life Insurance. Also, the unique cultural elements of Taiwan were abstracted and the general public was invited to experience the life aesthetics of “Art in Life and Life in Art”.



Promotion of Financial Insurance Education

• Sponsoring Academic Development

As an insurance company, Mercuries Life Insurance Co., Ltd. has been committed to financial insurance education and cultivation of outstanding talents in the field. The company has sponsored the academic development of insurance for National Chengchi University Risk and Insurance Research Center for 10 consecutive years, and sponsored the FinTech innovation of FinTech Industry-Academia Cooperation Alliance (now known as Industry-Academia Research Commercialization Platform) at National Chengchi University for 6 consecutive years. Also, Mercuries Life Insurance Co., Ltd. has cooperated with the Foundation of Modern Insurance Education and made donations to Modern Insurance Health and Wealth Management Magazine for 5 consecutive years. Additionally, it sponsored large financial forums like 2023 East Asia Pacific Insurance Forum and 2024 Insurance and Economic Development Forum.

• Popularizing Education of Inclusive Finance

Mercuries Life Insurance Co., Ltd. has not only actively developed financial products that fulfill the needs of the senior citizens and disadvantaged groups, but also leveraged its expertise in the main business and joined hands with colleagues to conduct various finance and wealth management education activities, including finance courses for remote rural elementary schools, wealth management lectures for policyholders, wealth management summer camp for policyholders’ children, and other activities related to wealth management. The company is committed to providing school children, policyholders and the general public with a correct concept of wealth management and basic financial knowledge. In 2023, the company held a total of 55 activities and benefited 6,439 people.

• Providing Campus Internship

By providing internship programs for college students and collaborating with related departments such as insurance and finance, Mercuries Life Insurance Co., Ltd. has conducted academic and practical exchanges to reduce the gap between theory and practice, promote the linkage between students and practical work, further retain talents for the company. The company has cooperated with 16 departments in 12 universities, including Department of Finance, Southern Taiwan University of Science and Technology, Department of Risk Management and Insurance, Shih Chien University, Department of Finance, Minghsin University of Science and Technology, Department of Insurance, Chaoyang University of Technology, Department of Finance, Chaoyang University of Technology, ICE Department, Chaoyang University of Technology, Department of Finance, Tunghai University, Department of Marketing & Logistics Management, Ling Tung University, Department of Business Administration, Ling Tung University, Department of Finance, National Kaohsiung University of Science and Technology, Department of Risk Management and Insurance, National Kaohsiung University of Science and Technology, Department of Information Technology and Management, Fooyin University, Department of Financial Management, Kun Shan University of Technology, Department of Business Administration, National Chin-Yi University of Technology, Bachelor’s Program of Business, Feng Chia University, and Department of Economics and Finance, Ming Chuan University. A total of 98 students from these universities have been admitted to the company to engage in internship and have a preliminary understanding of the operation of insurance companies.



5.4 Enterprise Volunteers

Community Services by Mercuries Life Insurance Co., Ltd.

Mercuries Life Insurance Co., Ltd. has been continuously encouraging its employees to participate in various volunteering service activities to help the disadvantaged senior citizens and children and guard the environmental and ecological sustainability. In 2023, the accumulated number of volunteers reached 2,449 person-times. If estimated as 3 service hours per person, the total service duration was approximately 7,347 hours.

• Volunteering for Caring about the Disadvantaged:

In 2023, 13 volunteering activities were launched, and 314 person-times participated in the activities launched by Genesis Social Welfare Foundation, Taichung Home of Hope, Angel Heart Family Social Welfare Foundation, Yate Cup Intellectual Disability Games, and Love Binti International Care Association. Among them, Mercuries Life Insurance Co., Ltd. has sponsored “Yate Cup Intellectual Disability Games” for 25 consecutive years to safeguard students with mental and physical disabilities so that the students can train their learning ability, enhance physical capability and confidence and finally blend in society by participating in sports activities.



• Volunteering for Publicity of Finance Education

In 2023, 51 volunteering activities were launched, and 307 person-times participated in the activities. The colleagues gave play to their expertise in finance and participated in the volunteering of “Wealth Management Mindset Cultivation Plan”. Through activities like finance courses for remote rural areas, wealth management summer camp, and finance checkpoint activities, our colleagues served as leaders of course teams to assist school children and the general public in establishing the correct concepts of wealth management and risk management.

• Volunteering for Conservation of Ecological Environment

In 2023, 10 volunteering activities were launched, and 333 person-times participated in the activities. Colleagues served as resource recycling volunteers at Tzu Chi environmental protection education stations in each place and spontaneously formed volunteer teams to engage in ecological conservation services like mountain and beach cleaning in places such as Zhongliao Fish-Vegetable Symbiosis Demonstration Zone in Tamsui District, Sandimen Township in Pingtung County, Zhongliao Township in Pingtung County, and Wanggong Fishing Port, to make contributions to the safeguarding of a sustainable environment.

• “Love from Mercuries with Warm Blood”: Volunteering for Blood Donation

In 2023, volunteers participated in blood donation activities for 353 person-times. Mercuries Life Insurance Co., Ltd. has cooperated with Taiwan Blood Services Foundation for a long term, and holds blood donation activities regularly every year. In 2023, it also donated to Taiwan Foundation for Rare Disorders, with the objective to help patients with rare diseases. In 2023, 91 blood donation activities were held in Taiwan, and a total number of 6,166 blood bags were donated. The accumulated number of blood bags donated over the years already exceeded 50,000.

• “Public Welfare 30-PET Bottles for Sending Love and Assisting the Disadvantaged”: Volunteering for Environmental Protection

In 2023, volunteers participated in this activity for 1,142 person-times in a period of 2 months. Mercuries Life Insurance Co., Ltd. joined hands with Tzu Chi Charity Foundation and DAAI Technology and called upon colleagues, policyholders and the general public to recycle PET bottles with the thinking of environmental protection, resource reutilization, and care about the disadvantaged. Then, the bottles were made to environment-friendly scarves which were sent to school children in remote rural areas. A total of nearly 70,000 PET bottles were collected and 305 indigenous children were benefited.



Mercuries Furniture Co., Ltd. Building a Comfortable Outdoor Field for the Elderly in Eden Social Welfare Foundation

In June 2023, 13 colleagues from Mercuries Furniture Co., Ltd. visited the long-term care facility of Eden Social Welfare Foundation in Beida Community, Sanxia District, New Taipei City and assisted in organizing the long-abandoned and dilapidated courtyard garden and balcony flower bed area, and creating a clean and tidy field for the elderly to attend the teaching of agricultural courses. The companionship and assistance not only provided the elderly with a beautiful environment, but also realized the continual extension of the spirit of love and service, in the hope that this kindness would be continued and spread in daily life.

For more information on the public welfare activities of Mercuries Furniture Co., Ltd., please refer to the collection of choice activities on the official website of the company



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303-1	Interactions with water as a shared resource	3.4 Water Resource Management	70
303-2	Management of water discharge related impacts	3.4 Water Resource Management	70
303-3	Water withdrawal	3.4 Water Resource Management	70
303-4	Water discharge	3.4 Water Resource Management	70
303-5	Water consumption	3.4 Water Resource Management	70
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	3.2 Greenhouse Gas Inventory	66
305-2	Energy indirect (Scope 2) GHG emissions	3.2 Greenhouse Gas Inventory	66
305-3	Other indirect (Scope 3) GHG emissions	3.2 Greenhouse Gas Inventory	66
305-4	GHG emissions intensity	3.2 Greenhouse Gas Inventory	66
305-5	Reduction of GHG emissions	3.3 Energy Management and Action Plans	67-69
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	3.5 Waste Management	71-72
306-2	Management of significant waste related impact	3.5 Waste Management	71-72
306-3	Waste generated	3.5 Waste Management	71-72
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	4.1 Employee Profile	82-83
401-2	Benefits provided to full-time employees that are not provided	4.2 Labor Relations and Employee Benefits	86-87
401-3	Parental leave	4.1 Employee Profile	83
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	4.2 Labor Relations and Employee Benefits	85
GRI 403: Occupational health and safety 2018			
403-1	Occupational health and safety management system	4.4 Workplace Safety and Health	96
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Workplace Safety and Health	98-99
403-3	Occupational health services	4.4 Workplace Safety and Health	102 104-105
403-4	Worker participation, consultation, and communication on	4.4 Workplace Safety and Health	96
403-5	Worker training on occupational health and safety	4.4 Workplace Safety and Health	100-103
403-6	Promotion of worker health	4.4 Workplace Safety and Health	100-105
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.1 Supplier Sustainable Management	36-40
403-8	Workers covered by an occupational	4.4 Workplace Safety and Health	96
403-9	Work-related injuries	4.4 Workplace Safety and Health	98-99
403-10	Work-related ill health	4.4 Workplace Safety and Health	98-99
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	2.3 Food Safety and Quality Management 4.3 Cultivation of Professional Talents 4.4 Workplace Safety and Health	52-53 88-89 100-101
404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Cultivation of Professional Talents	88-95
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	2.3 Food Safety and Quality Management	48-52
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2 Quality Management of Retail Products 2.3 Food Safety and Quality Management	42-44 54
GRI 417: Marketing and Labelling 2016			
417-2	Incidents of non-compliance concerning product and service information and labelling	2.2 Quality Management of Retail Products 2.3 Food Safety and Quality Management	42 54

Appendix 2: Comparison Table of SASB Sustainability Accounting Standards Disclosures (FN-IN Insurance)

Topic disclosed	Indicator code	Indicator disclosed	Corresponding information
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers (amount of legal expenses resulting from selling of commodities and solicitation of insurance business)	No losses were caused to the Company due to litigation of insurance solicitation business in 2023.
	FN-IN-270a.2	Complaints-to-claims ratio	See Chapter 3 of 2023 Sustainability Report of Mercuries Life Insurance for details.
	FN-IN-270a.3	Customer retention rate	In 2023, the policy renewal rate (13 months) was 96.20%.
	FN-IN-270a.4	Description of approach to informing customers about products	See Chapter 3 of 2023 Sustainability Report of Mercuries Life Insurance for details.
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	See Chapter 2 of 2023 Sustainability Report of Mercuries Life Insurance for details.
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	See Chapter 3 of 2023 Sustainability Report of Mercuries Life Insurance for details.
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Not applicable since Mercuries Life Insurance belongs to the life insurance industry.
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	See Chapter 3, Chapter 5, and Chapter 6 of 2023 Sustainability Report of Mercuries Life Insurance for details.
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather related natural catastrophes	Not applicable since Mercuries Life Insurance belongs to the life insurance industry.
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Not applicable since Mercuries Life Insurance belongs to the life insurance industry.
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	See Chapter 6 of 2023 Sustainability Report of Mercuries Life Insurance for details.
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives (2) total fair value of acceptable collateral posted with the Central Clearinghouse and (3) total potential exposure to centrally cleared derivatives	See the Individual Financial Reports and Auditors' Review Report of Mercuries Life Insurance Co., Ltd. for details.
	FN-IN-550a.2	Total fair value of securities lending collateral assets	See Chapter 2 of 2023 Sustainability Report of Mercuries Life Insurance for details.
	FN-IN-550a.3	Description of approach to managing capital and liquidity-related	See the Individual Financial Reports and Auditors' Review Report of Mercuries Life Insurance Co., Ltd. for details.



Appendix 3: Sustainability Disclosure Indicators of “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies”

Schedule 1-1: Ratio of Revenue from Food Industry and Catering in Total Operating Revenue Reaching 50% and Above (Mercuries F&B Co., Ltd.)

No.	Indicator	Disclosures in 2023	Corresponding Section
I	Evaluation and improvement of sanitation management of employees, workplaces, and facilities as well as quality assurance system with the objective to better food hygiene, safety, and quality, as well as categories and percentages of main products and services affected	<ul style="list-style-type: none"> Independent testing of raw materials: 638 samples were selected from the raw materials of 21 product items for inspection, with yield of 100%. Independent health monitoring: a total of 213 sampling points inspected with 2,278 sample-times in total and yield of 100%. Third-party impartial unit testing: The third-party impartial unit testing was conducted for 28 raw material items (accounting for 21% of total raw material), 95 types of finished products (accounting for 95% of total finished products), and water quality for 4 times respectively, with 148 sample-times in total. The inspection results were 100% qualified. Establishment of a catering store audit mechanism (QSC). The audit team conducts sampling inspection of stores of each brand every month, and the scoring results are classified into five grades, i.e., A+, A, B, C, and D. According to the annual evaluation results, there were 1,691 stores with grades A+ and A (accounting for 36.1%), and 2,969 stores with grade B (accounting for 63.4%). 	2.3 Food Safety and Quality Management
II	Categories and number of incidents regarding violation of health and safety regulations on products and services and failure to follow information and labelling regulations on products and services, number of times of products removed from shelf, and gross weight of products removed from shelf	No incidents that did not comply with the regulations occurred.	2.3 Food Safety and Quality Management
III	Percentage of procurement of products complying with internationally recognized product liability standards in the overall procurement, and differentiation per standard	The central kitchen of Mercuries F&B Co., Ltd. cooperated with a total of 105 manufacturers, and purchased from 70 manufacturers that have established internationally recognized product liability standards, accounting for 67% of the overall procurement. (For detailed classification of standards, please refer to relevant section of the report).	2.1 Supplier Sustainable Management
IV	Percentage of products manufactured by a plant verified by an independent third party as complying with the internationally certificated food safety management system standards	Dayuan Factory of the central kitchen of Mercuries F&B Co., Ltd. obtained FSSC/ISO 22000:2018 and HACCP Certification in 2009, and passed annual renewal review in June 2023, with coverage including all products manufactured.	2.1 Supplier Sustainable Management
V	Number and percentage of suppliers audited, and audit items and results	<ul style="list-style-type: none"> 105 food suppliers in total (evaluation rate: 100%) Evaluation items: Supply quality (weight: 50%); delivery period (weight: 30%); degree of coordination (weight: 20%) Evaluation results: 101 grade A excellent suppliers (accounting for 96%); 4 grade B eligible suppliers (accounting for 4%). There were no suppliers of grade C and below. 	2.1 Supplier Sustainable Management
VI	Conditions of product traceability and tracking management conducted according to regulatory requirements, or voluntarily as well as percentage of relevant products in all products	The raw materials used in accordance with the administrative provisions of food regulations of Taiwan included 392 food ingredients and 120 non-food ingredients. Tracking and traceability management was implemented for 100% of food ingredients and 98% of non-food ingredients (The remaining 2% of non-food ingredients were packaging bags). The yield was 100%.	2.3 Food Safety and Quality Management
VII	Conditions of setting of food safety laboratory according to regulatory requirements, or voluntarily, test items, test results, relevant expenditure, and the percentage of such expenditure in the operating revenue.	<ul style="list-style-type: none"> The laboratory acquired ISO/IEC 17025 Laboratory quality management system certification in December 20202, and completed renewal certification in December 2023. In December 2023, the inspection personnel of the Quality Management Section of Mercuries F&B Co., Ltd. participated in the proficiency test held by SuperLab, a proficiency testing executing agency recognized by TAF and complying with ISO/IEC 17043. Items of “Total bacterial count (AOAC 990.12)”, “Escherichia coli group (AOAC 991.14)” and “Escherichia coli (AOAC 991.14)” passed the testing. The expenses incurred to the laboratory of Mercuries F&B Co., Ltd. accounted for approximately 0.15% of the annual net operating revenue from food. 	2.3 Food Safety and Quality Management
VIII	Total energy consumption, percentage of purchased electric power, and utilization rate of renewable energy sources	100% of energy consumption was purchased electricity, and 0% from renewable energy: <ul style="list-style-type: none"> Head office: 404,091kWh (1,454.73 GJ) Central kitchen: 9,750,900kWh (35,103.24 GJ) 	3.3 Energy Management and Action Plans
IX	Total water withdrawal and total water consumption	<ul style="list-style-type: none"> Total water withdrawal: 89,215t; total water consumption: 17,843t 	3.4 Water Resource Management
X	Weight of products sold and number of production facilities and places	Operating sites of Mercuries F&B Co., Ltd.: 1 central kitchen and 402 stores (statistics gathered as of December 31, 2023)	About Mercuries & Associates Holding



Schedule 1-3-Finance Industry (Mercuries Life Insurance Co., Ltd.)

No.	Indicator	Disclosures in 2023
I	Number of information leakage incidents, ratio of information leakage incidents related to personal information, and number of customers affected due to information leakage incidents	In 2023, a total of 3 information disclosure incidents occurred, and the information disclosure incidents related to personal information accounted for 67%. A total of 18 customers were affected. As sorted out by the Company and evaluated according to the internal measures of Mercuries, the Company was not involved in major information disclosure, and no customers' interests were affected.
II	Number of loans granted to promote the development of small enterprises and communities, and loan balance	Not applicable.
III	Number of participants in finance education provided for vulnerable groups who are lack of banking services.	See Chapter 5 of 2023 Sustainability Report of Mercuries Life Insurance for details.
IV	Products and services designed for creating environmental or social benefits in each operated business	See Chapter 3 and Chapter 6 of 2023 Sustainability Report of Mercuries Life Insurance for details.

Mercuries Life Insurance Sustainability Report Download





Appendix 4: Climate-related Information of “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies”

Schedule 2 Climate-related Information of TWSE Listed Companies		
No.	Item	Implementation status
1	Describe the Board of Directors' and the management's supervision and governance of climate-related risks and opportunities.	See 3.1 Response to Climate Change for details.
2	Describe how the climate risks and opportunities identified impact an enterprise's business, strategies, and finance (short-term, medium-term, and long-term).	
3	Describe the impact of extreme climate events and transition actions on the finance.	
4	Describe how the identification, evaluation, and management processes of climate risks are integrated in the overall risk management system.	
5	Scenarios, parameters, assumptions, and analysis factors used as well as the main financial impacts shall be explained if scenarios are used to analyze and evaluate the resilience of climate change risks.	The Company hasn't used scenarios to analyze and evaluate the resilience of climate change risks.
6	The contents of a transition plan in response to the management of climate-related risks shall be indicated if any, together with indicators and objectives used to identify and manage physical and transition risks.	<ul style="list-style-type: none"> To achieve circular economy and a sustainable business model, the Company has invested in the in-process purification OEM technology of pharmaceutical manufacturer: Subsidiary SCI Pharmtech Inc. joined hands with Veolia Group of France in 2020 to establish "Framosa Co., Ltd." which has introduced advanced in-process purification OEM technology to effectively improve the utilization rate of production capacity of drug substances. The new drug substance manufacturer constructed by SCI Pharmtech Inc. in Guanyin industrial zone was planned for trial volume production in 2025. In the future processes, the steam supplier and solvent treatment work will be handed over to Framosa, a neighboring company, for purification OEM per GMP. After completion of OEM work, they will be returned to SCI Pharmtech Inc. and made to usable raw materials. It is estimated that the annual solvent recycling volume will reach approximately 15,000t, with a recycling rate as high as 85%.
7	The price setting basis shall be explained if internal carbon pricing is used as a planning tool.	The Company didn't use internal carbon pricing as a planning tool.
8	Information including activities covered, scope of greenhouse gas emissions, planned scheduled, and required annual progress shall be described if climate-related goals are established; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the sources and quantity of carbon quota offset or the quantity of RECs shall be described.	<ul style="list-style-type: none"> In accordance with the Sustainable Development Roadmap of the Financial Supervisory Commission, Mercuries & Associates Holding already completed the individual company greenhouse gas inventory and verification in 2024; subsidiaries included in the consolidated statements are expected to complete greenhouse inventory in 2025 and verification in 2027 respectively. Priority is given to the inventory and verification of Scope 1 and Scope greenhouse gas emissions, and the emission sources of Scope 3 will be gradually included according to the maternity of operations of different subsidiaries. For climate-related goals, please refer to "3.1 Response to Climate Change". Currently, the Company hasn't used carbon offset or RECs yet.
9	Greenhouse gas inventory verification and assurance as well as greenhouse gas reduction goals, strategies and specific action plans (filled out in 1-1 and 1-2 separately)	<ul style="list-style-type: none"> The information on greenhouse gas inventory and assurance are detailed in the table below. The reduction targets, strategies, and concrete action plans are detailed in Chapter 3.



Greenhouse Gas Inventory and Assurance	
• Basic information of the Company	• Minimum disclosures required by Sustainable Development Roadmap for TWSE/TPEX Listed Companies
<ul style="list-style-type: none"> ■ Company with capital of NT 10 billion or above, iron and steel industry, and cement industry □ Companies with capital of more than NT\$ 5 billion but less than NT\$ 10 billion □ Companies with capital below NT\$ 5 billion 	<ul style="list-style-type: none"> ■ Individual inventory of parent company □ Inventory of subsidiaries in the consolidated financial reports ■ Individual assurance of parent company □ Assurance of subsidiaries in the consolidated financial reports

Scope 1	Total emissions (tCO ₂ e)	Intensity ^{Note 3} (tCO ₂ e / NT\$ 1 million)	Assurance agency	Description of assurance
Parent company	1.2555	0.000008	BSI	BSI has already conducted reasonable assurance of carbon emission data of the year 2023 per GHG Protocol.
Subsidiaries	-	-		
Total	1.2555	0.000008		
Scope 2	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e / NT\$ 1 million)	Assurance agency	Description of assurance
Parent company	93.7530	0.000564	BSI	BSI has already conducted reasonable assurance of carbon emission data of the year 2023 per GHG Protocol.
Subsidiaries	-	-		
Total	93.7530	0.000564		
Scope 3	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e / NT\$ 1 million)	Assurance agency	Description of assurance
Parent company	19.0042	0.000114	Not assurance has been obtained.	

※Note 1: The base year of greenhouse gas inventory of subsidiaries is the year 2024. The emission data will be disclosed in the report of 2023.

※Note 2: The inventory sources of Scope 3 in 2023 included “water resources purchased”, “upstream of energy”, and “disposal and transport of domestic waste”.

※Note 3: The consolidated operating revenue reached NT\$ 166,301,000,000 in 2023.

Appendix 5: Greenhouse Gas Inventory Third-party Reasonable Verification Report



Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that: Mercuries & Associates Holding, Ltd.
No. 145, Sec. 2, Jianguo N. Rd.
Zhongshan Dist.
Taipei City 104476
Taiwan

三商投資控股股份有限公司
臺灣
台北市
中山區
建國北路2段145號
104476

Holds Statement No: GHGEV 803802

Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2019, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with Mercuries & Associates Holding, Ltd. for the period from 2023-01-01 to 2023-12-31 was verified, including direct greenhouse gas emissions 1.2555 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 93.7530 tonnes of CO₂ equivalent.
- No material misstatements for the period from 2023-01-01 to 2023-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in GHG PROTOCOL CORPORATE ACCOUNTING AND REPORTING STANDARD (2004).
- The emission factor for electricity for year 2023 is not published by Taiwan government so far, the emission factor used for electricity is 0.495 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

Originally Issue: 2024-04-18

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. The review does not extend beyond such information and is solely based on it. In performing such review, The British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this Opinion Statement or matters relating to it should be addressed to the above name client only.
Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
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Statement No: GHGEV 803802

The greenhouse gas emissions information reported by the organization for the period from 2023-01-01 to 2023-12-31 is as follows:

EMISSIONS		Notes	tonnes CO ₂ e
Scope 1: Direct GHG emissions and removals			1.2555
1.1	Stationary combustion		0.0000
1.2	Mobile combustion		0.0000
1.3	Industrial processes(anthropogenic systems)		0.0000
1.4	Fugitive(anthropogenic systems)		1.2555
1.5	Land use, land use change and forestry	N/A	-
Direct emissions in tonnes of CO ₂ e from biomass			0.0000
Scope 2: Indirect GHG emissions from imported energy			93.7530
2.1	Indirect emissions from imported electricity	location-based approach	93.7530
2.2	Indirect emissions from imported energy (steam, heating, cooling and compressed air)	N/A	-

* NS: Non significant; N/A: Non available.

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Statement No: GHGEV 803802

The total emissions were verified in the following:

Location	Verification Information
Mercuries & Associates Holding, Ltd. No. 145, Sec. 2, Jianguo N. Rd. Zhongshan Dist. Taipei City 104476 Taiwan 三商投資控股股份有限公司 臺灣 台北市 中山區 建國北路 2 段 145 號 104476	The Greenhouse Gas Emissions with Mercuries & Associates Holding, Ltd. for the period from 2023-01-01 to 2023-12-31 was verified, including direct greenhouse gas emissions 1.2555 tonnes of CO ₂ equivalent and indirect greenhouse gas emissions from imported energy 93.7530 tonnes of CO ₂ equivalent.

The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards institution will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. The review does not extend beyond such information and is solely based on it. In performing such review, The British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this Opinion Statement or matters relating to it should be addressed to the above name client only.

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Appendix 6: Statement of Verification of ESG Report



獨立保證意見聲明書

三商投資控股股份有限公司 2023 年永續報告書

英國標準協會與三商投資控股股份有限公司(簡稱三商投控)為相互獨立的公司,英國標準協會除了針對三商投資控股股份有限公司 2023 年永續報告書進行評估和查證外,與公司中文簡稱並無任何財務上的關係。

本獨立保證意見聲明書之目的,僅作為對三商投資控股股份有限公司 2023 年永續報告書所界定範圍內的相關事項進行保證之結論,而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外,對於其他目的之使用,或閱讀此獨立保證意見聲明書的任何人,英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查三商投控提供之相關資訊所作成之結論,因此審查範圍乃基於並侷限在這些提供的資訊內容之內,英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問,將由三商投控一併回覆。

查證範圍

三商投控與英國標準協會協議的查證範圍包括:

1. 本查證作業範疇與三商投資控股股份有限公司 2023 年永續報告書揭露之報告範疇一致。
2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估三商投控遵循 AA1000 當責性原則(2018)的本質和程度,不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結三商投資控股股份有限公司 2023 年永續報告書內容,對於三商投控之相關運作與永續績效則提供了一個公平的觀點。基於保證範圍限制事項、三商投控所提供資訊與數據以及抽樣之測試,此報告書並無重大之不實陳述。我們相信有關三商投控的環境、社會及治理等績效資訊是被正確無誤地呈現。報告書所揭露之永續績效資訊展現了三商投控對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行,以及策劃和執行這部分的工作,以獲得必要之訊息資料及說明。我們認為就三商投控所提供之足夠證據,表明其符合 AA1000 保證標準 v3 的報告方法與自我聲明依循 GRI 永續性報導準則係屬公允的。

查證方法

為了收集與作成結論有關的證據,我們執行了以下工作:

- 對來自外部團體的議題相關於三商投控政策進行高階管理層訪談,以確認本報告書中聲明書的合適性;
- 與管理者討論有關利害關係人參與的方式,然而,我們並無直接接觸外部利害關係人;
- 訪談 10 位與永續性管理、報告書編製及資訊提供有關的員工;
- 審查有關組織的關鍵性發展;
- 審查內部稽核的發現;
- 審查報告書中所作宣告的支持性證據;
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查。

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性報導準則的詳細審查結果如下:

包容性

2023 年報告書反映出三商投控已持續尋求利害關係人的參與,並建立重大永續主題,以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息,足以支持適當的計畫與目標設定。以我們的專業意見而言,這份報告書涵蓋了三商投控之包容性議題。



重大性

三商投控公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了三商投控之重大性議題。

回應性

三商投控執行來自利害關係人之期待與看法之回應。三商投控已發展相關道德政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書涵蓋了三商投控之回應性議題。

衝擊性

三商投控已鑑別並以平衡和有效之量測及揭露方式公正展現其衝擊。三商投控已經建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了三商投控之衝擊性議題。

GRI 永續性報導準則

三商投控提供有關依據GRI永續性報導準則2021之自我宣告，並對每個涵蓋其行業準則和具相關性的GRI主題準則之重大主題，其揭露項目依循全部報導要求的相關資料。基於審查的結果，我們確認報告書中參照GRI永續性報導準則之永續發展相關揭露項目已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了三商投控的永續性主題。

保證等級

依據 AA1000 保證標準 v3 我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任

這份永續報告書所屬責任，如同責任信中所宣稱，為三商投控負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由具專業背景，且接受過如 AA1000AS-ISO 14001-ISO 45001-ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練，具有稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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Statement No: SRA-TW-787730

2024-05-28

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INDEPENDENT ASSURANCE OPINION STATEMENT

Mercuries & Associates Holding, Ltd. 2023 Sustainability Report

The British Standards Institution is independent to Mercuries & Associates Holding, Ltd. (hereafter referred to as MERCURIES in this statement) and has no financial interest in the operation of MERCURIES other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of MERCURIES only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by MERCURIES. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to MERCURIES only.

Scope

The scope of engagement agreed upon with MERCURIES includes the followings:

1. The assurance scope is consistent with the description of Mercuries & Associates Holding, Ltd. 2023 Sustainability Report.
2. The evaluation of the nature and extent of the MERCURIES' adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Mercuries & Associates Holding, Ltd. 2023 Sustainability Report provides a fair view of the MERCURIES sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the MERCURIES and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate MERCURIES' efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that MERCURIES' description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to MERCURIES' policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 10 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that MERCURIES has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the MERCURIES' inclusivity issues.

Materiality

MERCURIES publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of MERCURIES and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the MERCURIES' management and performance. In our professional opinion the report covers the MERCURIES' material issues.

Responsiveness

MERCURIES has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for MERCURIES is developed and continually provides the opportunity to further enhance MERCURIES' responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the MERCURIES' responsiveness issues.

Impact

MERCURIES has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. MERCURIES has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the MERCURIES' impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

MERCURIES provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the MERCURIES' sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the MERCURIES' chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-787730
2024-05-28

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A large, stylized white bird graphic is positioned on the left side of the page, set against a solid red background. The bird is depicted in profile, facing right, with its head and neck forming a large, open shape that frames the 'ESG' text. The letters 'ESG' are rendered in a bold, white, sans-serif font, centered within the bird's head area.

ESG

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