Environmental, Social, and Governance





Contents

Preface	About This Report	002		Chapter 4 Employee Care	088
	Message from the Chairman	004	UA	4.1 Employee Profile	090
	About Mercuries & Associates	006		4.2 Labor Relations and Employee Benefits	094
	Holding Introduction to the Organization	006		4.3 Cultivation of Professional Talents	098
	Chronicle of Events of Mercuries & Associates Holding			4.4 Workplace Safety and Health	104
	Honors and Recognitions		$\left(\bigcap S\right)$	Chapter 5 Social Welfare	114
	Corporate Sustainable Management	010	UJ	5.1 Care for Children and Vulnerable Groups	116
	ESG Committee	012		5.2 Sports Promotion	126
	Stakeholder Engagement	016		5.3 Academic Culture	132
	Identification and Analysis of Material Topics	018		5.4 Enterprise Volunteers	139
$\bigcirc 1$			Appendix	Appendix 1	
	Chapter 1 Corporate Governance	024		GRI Index	142
	1.1 Governance Mechanism	025		Appendix 2	
	1.2 Functional Committees	031		Appendix 2	
	1.3 Operating Performance	033		Comparison Table of SASB Sustainability Accounting Standards	144
	1.4 Risk Management	034		Disclosures (FN-IN for Insurance Industry)	
	Chapter 2 Retail Business and	036		Appendix 3	
(UZ)	Food Management			Sustainability Disclosure Indicators	145
	2.1 Supplier Sustainable Management	038		of "Rules Governing the Preparation and Filing of Corporate Social	
	2.2 Quality Management of Retail Products	044		Responsibility Reports by TWSE Listed Companies"	
	2.3 Food Safety and Quality Management	047		Appendix 4	
	2.4 Consumer Service and Communication	056		Climate-related Information of "Rules Governing the Preparation and Filing of Corporate Social	147
	2.5 Information Security Management	060		Responsibility Reports by TWSE Listed Companies"	
$\left(\Omega \right)$				Appendix 5	
US	Chapter 3 Environmental Protection	062		Greenhouse Gas Inventory Third- party Reasonable Verification Report	149
	3.1 Response to Climate Change	064		,,	
	3.2 Greenhouse Gas Inventory	077		Appendix 6	
	3.3 Energy Management and Action Plans	078		Statement of Verification of ESG Report	152
	3.4 Water Resource Management	081			
	3.5 Waste Management	082			
	3.6 Loving the Earth with Ecological Actions	084			

About This Report

This report is the 2024 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 9th Sustainability Report of Mercuries & Associates Holding, Ltd. The previous edition of the Sustainability Report was published in June 2024.

Basis for Preparation

This Report has been prepared in accordance with GRI: 2021 Sustainability Reporting Standards published by Global Reporting Initiative (GRI) and verified according to the medium assurance grade in the first application type of AA1000:ASV3 (AA1000AP 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.

Additionally, the sustainability indicators of the industries of Mercuries & Associates Holding have also been gradually disclosed in response to "Sustainable Development Action Plans for TWSE- and TPEx-listed Companies (2023)" published by the Financial Supervisory Commission and with reference to SASB standards to strengthen the disclosure of sustainability information. Currently, the main revenue industry of Mercuries & Associates Holding is categorized as "FN-IN Insurance" in SASB standards. For detailed contents, please query the 2024 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 2024 (January 1, 2024-December 31, 2024), 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. During the report period, no material changes occurred to the Company's scale, structure and ownership.

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 of the performance of sustainable development of the listed subsidiaries of Mercuries & Associates Holding, please refer to ESG section on their official websites or the sustainability reports (Note 1) published by these companies.

- 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
- Official website of Mercuries F&B Co., Ltd.: https://www.mfb.com.tw/
- Official website of Simple Mart Retail Co., Ltd.: https://www.simplemartretail.com/

**Note 1: Currently, Mercuries Life Insurance Co., Ltd., SCI Pharmtech Inc., Mercuries Data Systems Ltd., Mercuries F&B Co., Ltd. and Simple Mart Retail Co., Ltd. have independently published ESG reports. For details, please query relevant information on 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 Sustainable Development Office of Mercuries & Associates Holding (hereinafter referred to as the ESG Office) 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. 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 shall comply with the requirements of local regulations. The report prepared shall be proofread and confirmed by the ESG Office and each business division and then presented to the ESG Committee and the Board of Directors for review, verification, and approval before publication.

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 AA1000AS v3. For the scope, method, and results of the preceding verification, please refer to the statement of verification on the final page of this Report.

Information Recompilation:

None

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
- Contact Person: Manager Lin, Jin-Ji
- 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 2024, the Earth faced increasing severe climate impact, with extreme weather patterns, including hurricanes, heatwaves, droughts and floods, inflicting heavy losses on communities, families and people's livelihood. According to a report published by Copernicus Climate Change Service, a climate monitoring agency of the EU, two significant records were made in 2024: The year 2024 was the hottest year since records began in 1850, and it was the first time when the global average temperature exceeded the preindustrial levels (1850-1890) by 1.6°C, surpassing the threshold of 1.5°C. Although progress towards climate justice remained slow this year, we will continue to move forward.

The Company will pay further attention to the climate finance agreements proposed at COP29 and the internal trends in ESG investment. Transforming to low-carbon economy, practicing net-zero transition and controlling the global warming below the critical threshold of 1.5°C at the end of the century all require substantial funding globally. Only with adequate financing can we upgrade equipment, modify processes, purchase carbon credits, develop carbon removal technologies, etc. Therefore, the low-carbon transformation of the global net-zero emissions is closely related to the flow of the climate finance.

"Pursuit for Sincere Services, Innovation, Excellence, and Social Co-prosperity" is a corporate business philosophy and core values always adopted by the Company. 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)

In 2024, we established greenhouse gas inventory boundaries for the Company and its subsidiaries, and completed third-party verification in April 2024. In addition to the implementation of greenhouse gas inventory verification, we have established a climate-related financial information disclosures (TCFD) mechanism, disclosed the management information regarding aspects like governance, strategy, risk management, and metrics and targets, and formulated related internal regulations and mechanisms.

Social (S)

The Company emphasizes 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 2024, subsidiary Mercuries Life Insurance Co., Ltd. won 14 awards including Insurance Dragon & Phoenix Award and Insurance Faith, Hope & Love Award. Besides, it was awarded "Sports Activist Awards" for 16 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.

The Company has disclosed its ESG performance for many years. By disclosing a variety of risks and opportunities related to sustainability, we enable the investors to learn about the investment value and sustainable competitiveness of Mercuries Group. Additionally, the Company has also drawn up response measures to improve climate change on the basis of Net-Zero emissions, indicating its positive attitude towards sustainability.

Looking into the future, the Company possesses a powerful operational foundation as well as flexible and steady diversified operation and investment strategies. The Company will join hands with each subsidiary 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

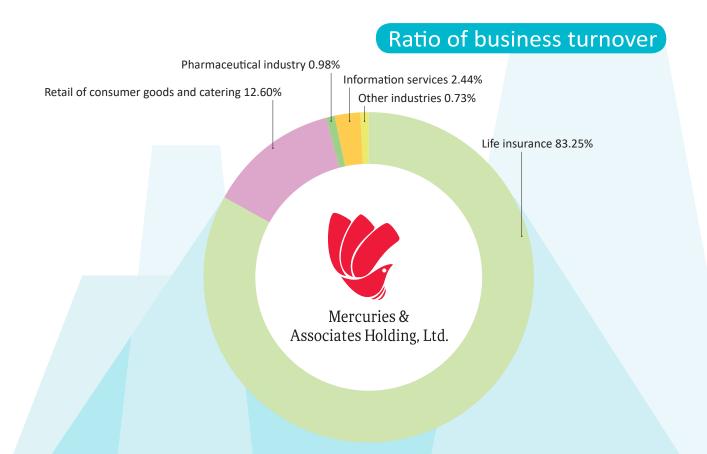
Chen, Shiang-Li

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.

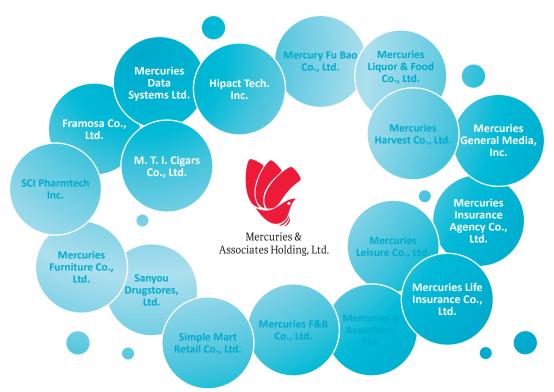
The Company was officially transformed and renamed to an investment holding company on January 1, 2015, showing the determination of Mercuries Group in long-term resource investment and sustainable corporate management. The main investment business of the Company includes life insurance, retail of consumer 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.



Per industry	Ratio of business turnover	Invested subsidiary	Major brands	Country (or region) of business operation	Change of operational value chain in 2024
Life insurance	83.25%	Mercuries Life Insurance Co., Ltd.		Taiwan	No material change
		Mercuries & Associates, Ltd.	Family Shoemart, En Route, etc.	Taiwan	• 8 new stores were opened, and 8 stores were shut down.
Retail of consumer goods and catering		Mercuries F&B Co., Ltd. and its subsidiaries	Sanshang Qiaofu, Napoli, Tonkatsu, Sanshang Don Mono, Pin Chuan Lan, BANCO, Mercuries Cloud Kitchen, Qiaofu Plus, 33 Fired Chicken, NOTHING BUT CURRY, etc.	Taiwan Japan	31 new stores were opened, and 7 stores were shut down. The newly constructed factory 3 of the central kitchen was put into service on June 21, 2023.
		Simple Mart Retail Co., Ltd. and its subsidiaries	Simple Mart, Simple Mart+, Simple Office, GoShopping Simple Mart, Sanyou Drugstores, Pet Wonderland, etc.	Taiwan	 19 new stores were opened, and 21 stores were shut down. The total number of stores reached 810. The number of Simple Offices reached 64.
		Mercuries Furniture Co., Ltd.	Mercuries Furniture	Taiwan	• 7 new stores were opened.
Pharmaceutical industry	0.98%	SCI Pharmtech Inc. and its subsidiaries		Taiwan	The Guanyin Factory was commenced for construction in 2022, and trial production is expected in 2025.
Information services	2.44%	Mercuries Data Systems Ltd. and its subsidiaries		Taiwan Nanjing, China	No material change
Other industries	0.73%	Mercury Fu Bao Co., Ltd., Mercuries Liquor & Food Co., Ltd., Mercuries Leisure Co., Ltd., Mercuries General Media, Inc., etc.			No material change

**Note 1: Only the main operating subsidiaries in this industry are listed. For the complete corporate structure, please refer to "1.1 Governance" Mechanism" of this Report.

Companies Invested by Mercuries & Associates Holding



Note 1: Hipact Tech. Inc. already determined the date of October 31, 2024 as its base date of dissolution. Currently, liquidation is being handled. Note 2: After the merger of the two companies on January 1, 2025, Mercuries Liquor & Food Co., Ltd. remains an existing company, while Mercury Fu Bao Co., Ltd. was an eliminated company.

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 Township to produce food ingredients with standardized quality and supply Sanshang Qiaofu retail stores in Taiwan.
- In 1989, the Company established Mercuries Baseball Team, 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 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.

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 whollyowned 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.

2001-2010

& Associates

- 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
- 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 worldfamous brands.

2021-2024

- 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, the Company increased capital by cash to raise its shareholding ratio to 25%.
- 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 of NT\$ 2 billion in cash and its capital was increased to NT\$ 11.22496 billion.
- In 2023, Mercuries F&B Co., Ltd. was listed on TWSE (November 26, 2024).
- In 2024, Simple Mart Retail Co., Ltd. invested in Pet Wonderland Co., Ltd.



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



T Honors and Recognitions



Attentive services

 Simple Mart of Simple Mart Retail Co., Ltd. Mercuries F&B Co., Ltd. received TCFA 2024 Gold Service Award.
• Tsai, Shih-Hsien, store manager of Tonkatsu of Mercuries F&B Co., Ltd.
 Chou, Chen-you of Sanshang Qiaofu and Huang, Ching-I of Finance and Accounting Division of Mercuries F&B Co., Ltd. Colleague Kung, Ya-chu from Family Shoemart and colleague Hung, Han-Ya from En Route of Mercuries & Associates, Ltd. Liu, Wan-I and Su, Wan-Ling from Simple Mart of Simple Mart Retail Co., Ltd.
 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
• Huang, I-Ju, store manager of Sanshang Qiaofu of Mercuries F&B Co., Ltd.
• Simple Mart of Simple Mart Retail Co., Ltd.
• Yen, Hsiao-Chu, store manager of Sanshang Qiaofu of Mercuries F&B Co., Ltd.
• Chen, Pei-Yu, manager of Napoli store of Mercuries F&B Co., Ltd.
• Chen, Pei-Yu, manager of Napoli store of Mercuries F&B Co., Ltd.



Quality products

7.8	
Bronze Medal Winner of the 21st Campionato mondiale del Pizzaiuolo in 2024	• Brand BANCO of Mercuries F&B Co., Ltd. won the bronze medal of the creative pizza group.
SGS food laboratory testing	• The shredded cheese from Mercuries F&B Co., Ltd. and thin noodles of Qiaofu fulfilled the testing criteria.
Champion of the 6th Trofeo Caputo Taiwan in 2023	• Brand BANCO of Mercuries F&B Co., Ltd. won the champion of Pizza Frittata.
Silver Medal Winner of the 20th 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

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.
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.
Uber Eats' 2023 Business Partner Award	Mercuries F&B Co., Ltd. won 2023 Environmental Sustainability Best Packaging Award





Friendly and healthy workplace

104 Job Bank "DEI Friendly Employer Awards for the Strong Generation"	• Simple Mart Retail Co., Ltd.
1111 Job Bank "2024 Happy Enterprise" Awards	• Simple Mart won "Gold Award".
1111 Job Bank "2024 Happy Enterprise" Awards	Mercuries F&B Co., Ltd. won "Gold Award".
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.
Certification of Middle-Aged and Senior Citizen Friendly Enterprise by the Taipei City Government in 2023	• Mercuries F&B 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. and Mercuries F&B Co., Ltd.
2023 Excellent Nursing (Milk Collecting) Room Certification by Department of Health, Taipei City Government	• 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
2022 Taipei City Government 6th Best Practice Awards	Mercuries F&B Co., Ltd. and Simple Mart Retail Co., Ltd.



Social co-prosperity

Signing of Memorandum of Understanding of Enterprise Disaster Prevention of New Taipei City in 2024	 Mercuries F&B Co., Ltd. signed the Memorandum of Understanding of Enterprise Disaster Prevention of New Taipei City in 2024.
48th 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 2024.
Winning of "Sports Activist Awards" by the Sports Administration, the Ministry of Education for 16 consecutive years	• In 2024, 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".
Linking ASSET Corporate Humanities Award	 Mercuries & Associates Holding, Ltd. won 2024 Education Promotion Model Award.
BSI ESG Sustainable Development Award	 Mercuries & Associates Holding, Ltd. won 2024 "ESG Sustainable Development Practice Award".

[%] Note 1: Taiwan Chain Stores and Franchise Association (TCFA)

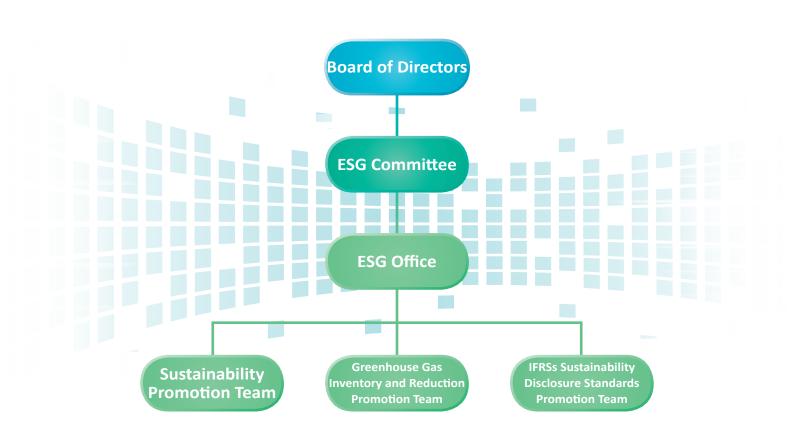
^{*}For the records of awards of other subsidiaries of Mercuries & Associates Holding, please refer to their websites or sustainability reports.

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 on August 12, 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 2024 was already submitted to the Board of Directors on November 11, 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. Furthermore, an ESG Office is established under the ESG Committee to coordinate and handle ESG-related matters.



Three project teams have been established under the ESG Office to manage sustainability projects separately:

(1) Sustainability Promotion Team:

- 1.Responsible for the sustainability information management policies, complying with relevant regulations and international standards on the disclosure of sustainability information, and fully disclosing material and reliable sustainability information, to improve the transparency of sustainability information.
- 2.Responsible for human rights management policies and procedures, complying with regulations and international standards on human rights, establishing relevant management mechanisms for the internal and external communication and evaluation of all members in the organization (e.g., employees, subsidiaries, etc.) and important members in the value chain, and promoting community development and cultural development, to achieve the goal of sustainable management.
- 3. Providing assistance in the regulatory compliance of corporate governance, implementation of remuneration policy, employee performance evaluation system, and education and training, and operation of the stakeholder communication mechanism, to practice the goal of corporate sustainable development.

(2) Greenhouse Gas Inventory and Reduction Promotion Team:

The Company specifically established this team 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 implementing environmental management systems, complying with environment-related regulations and international standards, evaluating sustainability transition, improving resource utilization rate, executing the climate change response mechanism, and allocating a dedicate unit or personnel for environmental management, to achieve the goal of environmental sustainability.

(3) IFRSs Sustainability Disclosure Standards Promotion Team:

Mercuries & Associates Holding will apply IFRS Sustainability Disclosure Standards in its annual reports since 2026 in accordance with Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards issued by the Financial Supervisory Commission. To this end, the Company established this team in November 2024 to convert the accounting principles generally recognized by the Company and all members in the organization (e.g., employees, subsidiaries, etc.) to IFRS. This team is responsible for aligning with the international financial reporting standards, coordinating the introduction of sustainability disclosure standards to internal control, updating the internal control manuals related to IFRS sustainability information, and organizing relevant education and training.

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.



Sustainability Performance

BSI ESG Sustainable Development Practice Award

Mercuries & Associates Holding proactively implements corporate ESG development and promotes sustainable management through diversified strategies, thereby demonstrating its commitment to the corporate social responsibility. In order to strengthen corporate resilience, the Company has not only implemented effective measures regarding internal governance, environmental protection and social public welfare, but also actively introduced and passed the certification of multiple ISO international standards, to ensure a sound risk management mechanism, improve its operational efficiency, and steadfastly progress towards green transition and sustainable development. Relying on its excellent sustainability strategy and concrete actions, Mercuries & Associates Holding won the prestigious "ESG Sustainable Development Practice Award", fully showcasing the Company's determination and achievements in the promotion of ESG development and setting a benchmark for the industry peers.



About Mercuries

& Associates

Holding

Linking ASSET Corporate Humanities Award-Education Promotion Model Award

Driven by a passion to collect and preserve ancient Chinese culinary books scattered across the world, Mr. Wong, Chau-Shi, the founder of Mercuries & Associates Holding, Ltd., intended to establish Chinese Dietary Culture Library as early as the foundation of Mercuries Building was laid. After meticulous consultations from each party and careful planning, this library was opened to the public two years later. Then, the Foundation of Chinese Dietary Culture was established. The foundation actively engages in promoting reading, education, academic research, development and participation in humanities, and sponsorship and grant programs. Furthermore, it has held several sessions of International Conference on Chinese Food Culture and provided scholarships, grants and subsidies for doctoral dissertation and master's thesis, academic works by social figures, and overseas competitions attended by Taiwanese chefs. At the same time, it publishes international academic periodicals and professional catering magazines, and makes library data available to facilitate information communication. In recent years, it has actively participated in various kinds of academic and catering activities, to achieve the goal of resource interaction and integration.



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 major 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
		Annual Shareholders' Meeting	Annually
0.00	Corporate Sustainable GovernanceOperating PerformanceEthical Corporate Management	Board of Directors/Functional committees	Quarterly or irregularly
TI HI TI	Regulatory ComplianceRisk Management	Annual report	Annually
	Responsible Investment Climate Change Responsive Strategy	Financial statements	Quarterly
Shareholders/directors	<i>57</i>	MOPS	Immediately
	Product Quality and Food SafetyService Quality and Customer	Diversified media marketing	Irregularly
2000	Satisfaction • Information Security and Personal	Customer satisfaction survey	Irregularly
	Information Protection • Products and Services & Digital	Direct communication (stores)	Immediately
Customers	Innovation • Sustainable Product Packaging	Dedicated customer service hotline/Customer mailbox	Immediately
	 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 	Labor Relations Committee/ Occupational Safety and Health Committee	Quarterly
(2)		Internal websites (EIP website and email)	Irregularly
		Store audit and education & training	Per the Company's arrangements
		Professional doctor/nurse health consulting	Monthly
	Appeal and Communication Mechanism	Employee Welfare Committee	Irregularly
Employees		Employee performance interview	Irregularly
	Supplier Sustainable Management	Supplier evaluation	Annually
A STATE OF THE STA	Local ProcurementEnergy Management	Supply Chain Management (SCM)	Immediately
	Waste and Water Resource Management Product Quality and Food Safety	Factory visiting, meetings, and contracts	Irregularly
Suppliers	Product Marketing and Labelling	Telephone, mail, and written letters	Immediately

About Mercuries

& Associates

Holding

Stakeholder Communication

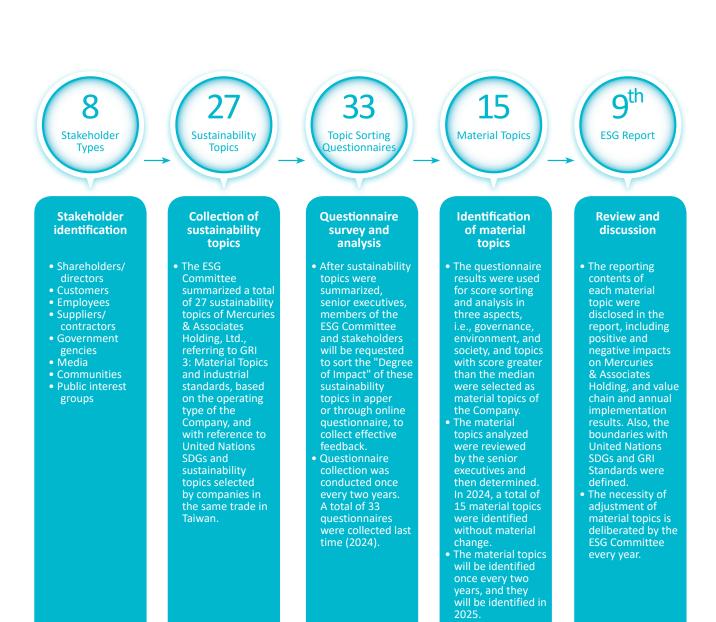
Mercuries & Associates Holding values stakeholders' rights and opinions, and has established public, direct communication channels and systems. In addition to the disclosure of relevant information in the "Dedicated Section for Stakeholders" on the official website of Mercuries & Associates Holding, 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.

Stakeholder	Topics concerned	Communication channel	Communication frequency
	Regulatory Compliance	Correspondences	Irregularly
	Energy Management Waste Resources and Wastewater Management	Competent authority's publicity meetings	Irregularly
ш_	 Labor Relations and Communication 	Establishment and revision of regulations	Irregularly
Government	Workplace Safety and Health Human Rights at Work	Workplace auditing/safety inspection	Irregularly
	Public Welfare and Community	Holding of public welfare activities and services	Irregularly
	Engagement • Leftover Management • Biodiversity • Human Rights at Work	Activities for supporting social major incidents	Irregularly
Public interest groups		Activity websites and external communication mailbox	Immediately
_	Operating Performance Ethical Corporate Management	Press conferences and newsletters	Irregularly
	Regulatory Compliance Products and Services & Digital Innovation	MOPS	Immediately
Media	 Product Marketing and Labelling Public Welfare and Community Engagement 	External communication mailbox and contact number	Immediately
	Local ProcurementWaste and Water Resource	Community visits	Irregularly
	Management • Leftover Management • Biodiversity	Community public welfare activities and services	Irregularly
Communities	Public Welfare and Community Engagement	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). It has determined material topics through five steps, i.e., identification of stakeholders, collection of sustainability topics, questionnaire survey and analysis, identification of material topics, and regular revie 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 2024, 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 2024, a total of 15 material topics were disclosed. 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 Governance (G) topics order **Operating Performance** 1 Corporate Sustainable 2 0 **Ethical Corporate** 3 0 Management 4 Regulatory Compliance 0 5 Risk Management 0 Information Security and 6 Personal Information 0 Protection 7 Responsible Investment Products and Services & 8 Digital Innovation Local Procurement 0 Supplier Sustainable 10 Management Appeal and 11 Communication 0 Mechanism

	E	
Order	Environment (E) topics	Change of order
1	Energy Management	0
2	Waste and Water Resource Management	0
3	Climate Change Responsive Strategy	0
4	Leftover Management	0
5	Sustainable Product Packaging	0
6	Biodiversity	0

	S	
Order	Social (S) topics	Change of order
1	Labor Relations and Communication	0
2	Employee Remuneration and Welfare	0
3	Talent Development and Cultivation	0
4	Product Quality and Food Safety	0
5	Workplace Safety and Health	0
6	Employee Diversity and Equal Opportunity	0
7	Human Rights at Work	0
8	Product Marketing and Labelling	0
9	Service Quality and Customer Satisfaction	0
10	Public Welfare and Community Engagement*	0

^{**}Topics marked with colors are the material topics for the current year, while the topic marked with "*" indicates an extra topic voluntarily disclosed by the Company.

^{*}The change of order refers to the discrepancies between the questionnaire surveys in 2024 and previous year Graphical representation: "O" indicates a same order number compared with the previous year; "A" indicates an ascending order number compared with previous year; "V" indicates a descending order number compared with previous year; "-" indicates a newly added topic.

Boundaries of Material Topics and Value Chain

Sustain	Mat	Mate				Inv		rect in		oUrg	rs in the ed impenpact		act
Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding SDGs Corresponding GRI topic standard in this		Corresponding section in this Report	Employee	Shareholders/ directors	Customers	Suppliers	Government	Public interest groups	Media	Communities	
	Operating Performance	Operating performance is the foundation for the growth of Mercuries & Associates Holding. Good operating performance cannot only increase profits and improve production capacity, but also enhance an enterprise's market position and attract external investment opportunities.	8 *************************************	GRI 201: Economic Performance 2016	1.3 Operating Performance	0	•	•	0	0			
6	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.	12 around morning and morning		Corporate Sustainable Management 1.1 Governance Mechanism 1.2 Functional Committees 3.1 Response to Climate Change	0	•	A	0	0			
Governance	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.	16 August Harman		1.1 Governance Mechanism	0	•	A	0	0			
	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 	•	•	•	0	0			0
	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	•	•	•	0	0			



Sustaina	Mat		United Control Control		Inv		rect in		oUrg	rs in the ed impe apact		act	
Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	Employee	Shareholders/ directors	Customers	Suppliers	Government	Public interest groups	Media	Communities
	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.	13 amn	GRI 302: Energy 2016 GRI 305: Emissions 2016	1.4 Risk Management 3.1 Response to Climate Change	0	•		•	0			
Environment	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.	7 minorates		3.1 Response to Climate Change 3.2 Greenhouse Gas Inventory 3.3 Energy Management and Action Plans	0	•	•	0	0			0
	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 2020, Mercuries & Associates Holding, SCI Pharmtech Inc. and Veolia Group of France established Framosa Co., Ltd. to dispose of waste solvents from the API manufacturers in Taiwan with annual treatment capacity of 23,000t, thereby realizing the vision of circular economy.	6 administration	GRI 303: Water and Effluents 2018 GRI 306: Effluents and Waste 2020	3.4 Water Resource Management 3.5 Waste Management	0	•	•	0	0	0		0

Mate		Mate				Inv		rect in		oUrg	rs in th ed imp npact		act
Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	United Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	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.	2 mm		3.5 Waste Management 3.6 Loving the Earth with Ecological Actions	0	•	A	0	0	0		0
	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	8 BERNA ARROWSHI TERRATE CHANNEL THE MALE ARRIVED THE MALE ARROWS THE MALE ARROWS THE	GRI 402: Labor/ Management Relations 2016	4.1 Employee Profile 4.2 Labor Relations and Employee Benefits	•	•			0		0	0	
Social	Employee Remuneration and Welfare	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 401: Employment 2016	4.2 Labor Relations and Employee Benefits	•	•			0		0	0
	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.	4 min	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 	•	•			0			



Sustain	Mat	Mate				Inv		rect i		oUrg	rs in the ed impa npact	
Sustainability aspect	Material topic	Importance for Mercuries & Associates Holding	United Nations SDGs	Corresponding GRI topic standard	Corresponding section in this Report	Employee	Shareholders/ directors	Customers	Suppliers	Government	Public interest groups	Communities Media
	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.	3 100 000.000 ———————————————————————————	GRI 416: Customer Health and Safety 2016 GRI 417: Marketing and Labelling 2016	Chapter 2 Retail Industry and Food Management	0	•	•	0	0		0
Social	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.	3 managan	GRI 403: Occupational Health and Safety 2018	4.4 Workplace Safety and Health	•	•		0	0		0
	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.	1 "duri"		3.6 Loving the Earth with Ecological Actions Chapter 5 Social Public Welfare	0	•			0	•	0 •

Appendix













- 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

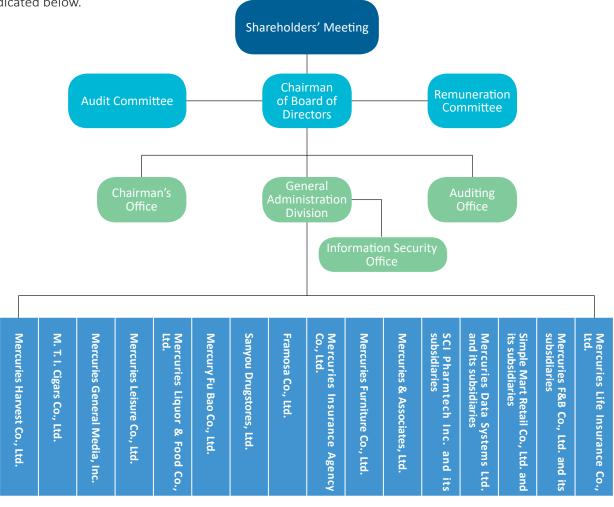
About Mercuries & Associates Holding

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	 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	 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	 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: 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	 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	 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 2024	 On November 26, 2024, Mercuries F&B Co., Ltd. was listed on TWSE. In 2024, Simple Mart Retail Co., Ltd. invested in Pet Wonderland Co., Ltd.

Corporate Governance

1.1 Governance Mechanism

As an industry 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 Board of Directors, Audit Committee, Chairman's Office, General Administration Division, Information Security Office, and Auditing Office based on their authorities and responsibilities which 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 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 of the organization. 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 2024, a total of 8 meetings were convened by the Board of Directors with average attendance rate of 94% (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 2024, a total number of 10 directors attended relevant courses with the duration of 99 hours in total and 9.9 hours per director on average.

Lis	st of Members of the Bo	oard of Dire	ctors	of Mercuries & Associates Ho	olding, Ltd	d.		
Title	Title Representative unit		Gender	Main position(s) at present	Continuing education hours in 2024	Car Economy	abil Environment	ities Society
Chairman	Natural person	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.	18	•	•	•
Director	Shuren Investment Co., Ltd.	Cheng, I-Teng	Male	Director of Dynacard Co., Ltd. and Sunhawk Vision Biotech, Inc.	9	•		•
Director	Mega Prosper Investment Limited	Li, Chien- Hsiung	Male	Chairman of Mega Prosper Investment Limited	12	•		•
Independent director	Natural person	Lee, Mao	Male	Chairman of Allter Technology Co., Ltd.	12	•		•
Independent director	Natural person	Tseng, Yu- Chiung	Female	Part-time professional technician at associate professor level of Ming Chuan University	12	•		•
Independent director	Natural person	Liu, Po-Liang	Male	Chairman of Chuan An Technology Property Co., Ltd.	9	•		•
Independent director	Natural person	Chao, Yuen- Chi	Male	Chairman of Concord Asia Finance Ltd. and independent director of Primasia Securities Co., Ltd.	6	•		•

^{**}The tenure of this Board of Directors started from June 21, 2024 and will expire on June 20, 2027.

^{**}All the members of the Board of Directors of the Company are Taiwanese with age above 50 and there is one female director. Besides, they are not vulnerable social groups.

Participation in External Organizations											
Name of external organization	Position served	Participating company									
Taiwan Criminal Investigation and Prevention Association	Vice chairman	Mercuries Data Systems 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 Life Insurance Co., 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 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 2024, 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 2024, 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 "Measures for the Implementation of 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

- 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
- Measures for the Implementation of Whistleblowing System
- Rules of Procedure for the Shareholders' Meeting
- Regulations Governing the Election of Directors
- Rules of Procedure for the Board of Directors
- Regulations Governing the Finance and Business Operations between Related Parties

- 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

For relevant contents, please query on the official website of the Company.



1.2 Functional Committees

Audit Committee

& Associates

The Audit Committee of the Company comprises 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 2024, a total of 6 meetings were convened by the Audit Committee with average attendance rate of 96% (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 2024, a total of 2 meetings were convened with average attendance rate of 86% (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.



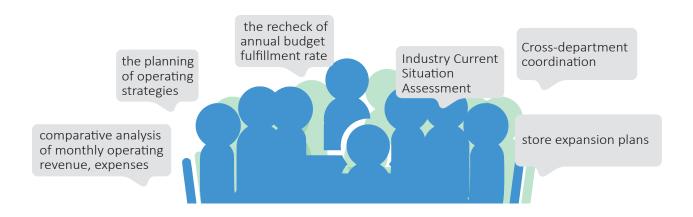
[※] Except those mentioned above, the Company does not provide signing bonus, or recruitment bonus, severance pay, recourse mechanisms, and retirement benefits.

Annual Remuneration Ratios of Mercuries & Associates Holding, Ltd Note 1											
Company name	Company name Indicator										
Margurias & Associatos Holding	Annual total remuneration ratio Note 2	12.02	12.19	8.25							
Mercuries & Associates Holding	Rate of change in annual total remuneration Note 3	-1.37	-0.08	-0.03							
Margurian Life Incurance Co. Ltd	Annual total remuneration ratio	20.22	20.37	24.72							
Mercuries Life Insurance Co., Ltd.	Rate of change in annual total remuneration	3.23	0.95	0.62							
NA	Annual total remuneration ratio	19.25	19.93	16.38							
Mercuries & Associates, Ltd.	Rate of change in annual total remuneration	2.21	1.63	-10.32							
M	Annual total remuneration ratio	20	17	15							
Mercuries F&B Co., Ltd.	Rate of change in annual total remuneration	-2.1	-0.04	-6.5							
Cincula Mant Datail Co. 111	Annual total remuneration ratio	19.49	20.49	20.04							
Simple Mart Retail Co., Ltd.	Rate of change in annual total remuneration	-10.66	2.16	0.76							

^{**}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.

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 2024, a total of 12 meetings were held by the business units 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.



<sup>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)]</sup>

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)]

1.3 Operating Performance

Financial Performance

About Mercuries

& Associates

In 2024, the paid-in capital of the Company reached NT\$ 11.2 billion, and its consolidated operating revenue reached NT\$ 202.5 billion, up by 22% compared with 2023. Benefiting from the recovery of the global financial markets and steady growth in the Company's investment portfolios, our equity business in the life insurance realized more profits compared with the previous year. Besides, the annual hedging cost was also effectively reduced due to flexible operation of foreign exchange hedging ratio and dynamic adjustment of allocation of hedging days. As a result, the net profit after tax of the Company attributable to the parent company reached NT\$ 1.518 billion in 2024. The earnings per share after tax reached NT\$ 1.42, the return on assets presented in the individual financial statements reached 6.69%, and the return on equity of individual shareholders reached 9.04% respectively.

> The financial performance of the Company in the last three years is shown in the table below. 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: From January 1 to December 31 of the given year.













1.4 Risk Management

The real-timey mastery of and the quick response to risks are the key to ensure the table operation of an enterprise. The overall risk management policy of Mercuries & Associates Holding emphasizes 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

Description Control strategies and performance 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 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. 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 risks, and operating risks. The financial assets or liabilities of the Company are vulnerable to investing behaviors, global economy and fluctuations in stock and exchange markets 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 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 content but required the regulations and internal content but required to the operating risk management. financial losses. regulations and internal control system that govern the products and operating activities so that the operating units may practically follow them • 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. The climate change has resulted in the increasing frequency and intensity of extreme climate events, e.g., rainstorm, typhoon, flood, drought, earthquake 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 or other relevant natural disasters These events would result in casualties, equipment repair and maintenance. • Establish a major event notification mechanism and provide logistics manpower for support. property damages, interruption of supply chain or operation and • To strengthen the Company's information security management and ensure the security of personal data, core systems and networks, we established an Information Security Office in 2023 as the dedicated unit for information security. This unit comprises Chief Information Security Officer, dedicated information security supervisors and at least two dedicated The Company has established a cybersecurity maintenance plan and regularly reviewed the plan, to ensure the confidentiality, integrity, availability and legality of information and its compliance with relevant statutory and regulatory requirements, reduce the information operating risks, protect information assets from internal and external intentional or unexpected threats, and maintain the security of data, systems, equipment and networks, thereby safeguarding the Company's interests and ensuring the sustainable operation of the information systems of each unit. The Company has established "Key Points for the Management of Information Assets and Risk Assessment" to check information assets, conduct risk assessment, and control the risks existing in the core business systems. We regularly conduct safety tests including vulnerability scanning and penetration testing to patch vulnerabilities. Through risk control and continual improving measures, we strive to mitigate threats possed by hacking groups and human errors and create a substructive formation provided the protection of the protec Since modern enterprises have already become highly dependent on digital technology and information cybersecurity environment to protect consumer personal data and the enterprise's sensitive operational information. • The Company has joined TWCERT to receive information security intelligence irregularly and strengthen joint defense for systems to support their business information security. operation, enterprises may face the The Company annually provides education and training on personal information protection and information security for 3 hours with 121 person-times, and regularly advocates information security to improve employees' information security risks of hacker attacks, ransomware, or theft of consumers' personal data or consumption data. • The Company organizes email social engineering drills every year. In 2024, we tested 157 users with a total of 314 emails sent. According to the results of the drill, the open rate was 10%, and the click rate was 1%. Furthermore, information security education and training were provided again for colleagues who failed in the drill. • We have established a core system redundancy mechanism with off-site redundancy and backup in IDC computer room, to improve information security resilience. • We have introduced an EDR threat insight analysis and response platform to continually predict future attacks with intelligence and monitor abnormal behaviors around the clock. Furthermore, we prevent and block Advanced Persistent Threats (APTs) and ransomware. The Company has established relevant operating process for notification of and response to information security incidents. The Company has introduced cybersecurity threat detection management (SOC) to judge information security incidents, early warnings, abnormal connections and other relevant behaviors. Mercuries F&B Co., Ltd. is expected to introduce ISO 27001 in 2025. The competition in the catering industry and retail industry is fierce with high personnel turnover, easily resulting in 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. the risk of decline of service quality and employee satisfaction. 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. If labor related regulations are not followed, risks of losses from litigation,

finance, and reputation may be caused

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 corporate profits.
 The fixed operating cost of stores is

- 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.

 • Mercuries F&B Co., Ltd. promotes new patterns or new service types based on market changes and continues to improve the
- taste of regular products.
 in ◆In 2024, there were as many as 51 stores of Simple Mart with shelves of "Tomod's" to enrich the categories of drugs and
 - cosmetics and create the advantages of customer sources.

 In 2024, Simple Mart Retail Co., Ltd. integrated the resources of Simple Mart, Simple Mart+ and Pet Wonderland, and
- dedicated sections for pet shelves were set up at 65 stores, expanding the ecosystem of pet retail.
 ◆In 2024, exclusive wine shelves were introduced to 244 stores of Simple Mart with "Lane Wine Cellar". With abundant wine
- categories and a high level of cost effectiveness, these products attracted customers and was widely favored by the market.

 In 2024, Simple Mart continually provided differentiated products, with "self-owned brands" and "self-operated import" accounting for nearly twenty percent of all products; additionally, through continual optimization of limited-time offers and APP services, it continued to make breakthroughs in terms of annual operating revenue.
- relatively high, including personnel, rent, depreciation, etc. Losses are very likely to occur in case of economic downturn or change in the business district.
- 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.
 - Achain 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.
- · The logistics scale of the retail industry is limited, thus affecting the Company's overall expansion effect.
- 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.
- Due to the continuous development of online transactions, people consumption habits and payment methods have changed, and the e-commerce and take-away platforms have impacted the physical retail industry.
- 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 2024, coffee service became available at more than 800 stores of Simple Mart, and "Buy & Pick" APP service was provided

- +In 2024, coffee service became available at more than 800 stores of Simple Mart, and "Buy & Pick" APP service was provided online, to offer more convenient shopping experience to consumers.
 +In 2024, nearly 600 stores of Simple Mart provided take-away service. Relying on the delivery services provided by Uber Eats and FoodPanda, a new service distance of 500m-5km was realized.
 +In 2024, 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.
 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.

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

Since consumers increasingly emphasize
 Establish a standardized product safety management process and conduct random sampling of the products independently.
 Establish a standardized product safety management process and conduct random sampling of the products independently.
 Establish a standardized 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).

 • The central kitchen of Mercuries F&B Co., Ltd. was already completed in 2023 and put into operation in 2024. 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.

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.

be caused.

that do not comply with standards may

- · Actively establish ISO 45001 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
- Regularly execute hazard identification and risk assessment and continually improve workplace environment, to improve safety and reduce the risks of hazards.
- Implement occupational safety and health education and training periodically, and improve employees' safety awareness. Regularly execute workplace safety and health automatic inspection and irregularly conduct auditing.
- Establish an emergency response team, and carry out disaster classified management and periodical implementation of emergency response drills according to the emergency response plan.
- Regularly measure the operating environment, to ensure that the concentration of carbon dioxide complies with relevant regulations and confirm the safety of water quality.
- Regularly check the firefighting equipment to ensure normal operation and compliance of the equipment with the safety standards; the occupational safety and health department conducts irregular audits to ensure the overall safety conditions

Internal Control System

Mercuries & Associates Holding has set up an Auditing Office under the Board of Directors. The auditors shall carry out internal audit and internal control self-evaluation according to the Company's "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. At the same time, new internal control and internal audit operations shall be established as specified. 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 2024, neither parent company nor subsidiaries of Mercuries & Associates Holding was involved in any major situation that violated relevant regulations.





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



2.Retail Business and Food Management 3.Environmental Protection 4.Employee 5.Social Care Welfare 1.Corporate Governance

Appendix

Management	
guideline	Content description
Policy	Mercuries & Associates Holding 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	 Sticking to the tenet of "Satisfying All Family Members' Needs for Affordable Shoes" and the vision of "A truly caring, warm, and progressive Family Shoemart, accompanying you through every step of your life", 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	 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	 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	 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	 [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

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.

- Whether various materials used by suppliers
- whether various materials used by suppliers in processes comply with the requirements of the Company and do not violate relevant environmental regulations of the government.

 Whether the suppliers have sufficient software and hardware facilities and capabilities to treat the sewage and (hazardous) waste possibly generated in
- Whether the suppliers have received relevant licenses required for their qualified operations and complied with each regulation of the
- government.
 Quality and productivity indicators:
 Production capacity, production
 techniques, quality management
 capacity, R&D capacity, financial position, degree of coordination, supply flexibility, operators' features, brand image, and MIT label.



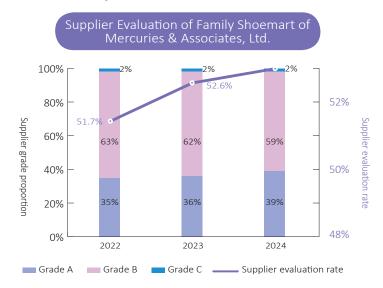
- Whether the suppliers follow relevant regulations of the government regarding labor and occupational safety and
- Whether the suppliers have established occupational safety and health management systems and preserved
- execution records.
 Whether the suppliers fail to satisfy the expectations for social aspects like labor, human rights, and moral requirements.

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%.



XY-axis on the left shows the ratio of supplier grades; Y-axis on the right shows the supplier evaluation rate.

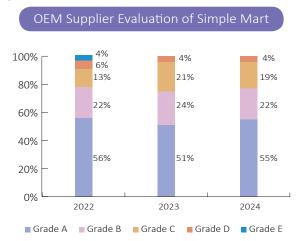
**The statistical chart indicates that the supplier selection quality could be effectively improved through the supplier evaluation mechanism from 2020 to 2023.

In 2024, Family Shoemart cooperated with 96 suppliers, and evaluated 51 suppliers (evaluation rate: 53.1%, up by 0.5% compared with that in the previous year. Among the evaluation results, there were 20 grade A excellent manufacturers (accounting for 39%), 30 grade B eligible suppliers (accounting for 59%), 1 grade C manufacturer (accounting for 2%), and 0 grade D suppliers. The company already terminated the cooperation with suppliers of grade C and below since their products failed to meet the its requirements.

• 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 2024, Simple Mart cooperated with 61 original equipment manufacturers (OEMs) and evaluated 58 of them with evaluation rate of 95%. Among these suppliers, there were 32 grade A excellent manufacturers (accounting for 55%), 13 grade B eligible suppliers (accounting for 22%), 11 grade C suppliers (accounting for 19%), 2 grade D suppliers (accounting for 4%), and 0 grade E suppliers.

Supplier Communication in Retail Industry

To effectively communicate with suppliers, the subsidiaries held 1,617 supplier communication meetings in 2024. 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	
	Men's shoes	15	Product development, inspection of goods and bargaining
Mercuries &	Women's shoes	15	Product development, inspection of goods, and quality improvement
Associates, Ltd. (Family Shoemart)	Sports shoes	18	Brand budgeting, product planning, and activity sponsorship
	Children's shoes	15	Introduction of new cartons and development of shoes suitable for children
Simple Mart Retail Co., Ltd. (Simple Mart)	Supply Chain	1,554	New product development, promotion on festivals, and non-industry cooperation (518 suppliers)

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.

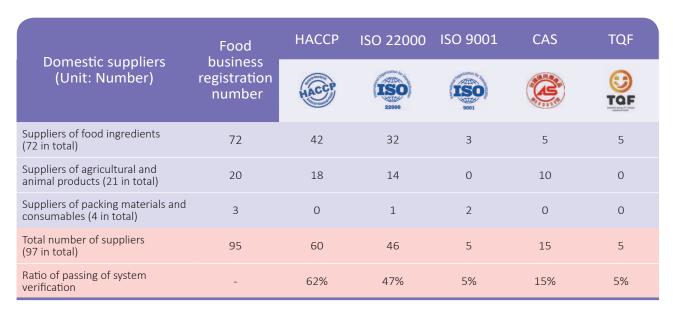
Food Supplier Selection Standards

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 2024, the central kitchen of Mercuries F&B Co., Ltd. cooperated with 101 suppliers, including 97 suppliers in Taiwan with 95 of them obtaining food business registration numbers and 4 foreign suppliers all of which obtained HACCP certification.

Among suppliers in Taiwan, there were 64 suppliers with the certification of at least one system, accounting for 64% of total number of suppliers in Taiwan. However, suppliers of consumables with non-food grade including 30 food ingredient suppliers, 6 suppliers of agricultural and animal products and 1 packing box 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.

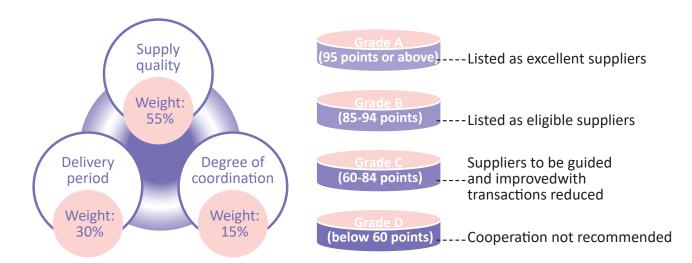




	НАССР	FSSC 22000	BRC	IFS
Foreign suppliers (Unit: Number)	HACCP	FSSC 22000	BRC FOOD	* IFS
Suppliers of food ingredients (2 in total)	2	1	0	1
Suppliers of agricultural and animal products (2 in total)	2	0	1	0
Total number of suppliers (4)	4	1	1	1
Ratio of passing of system verification	100%	25%	25%	25%

Food Supplier Evaluation

Suppliers who are registered as qualified with continuous transactions will be evaluated quarterly on three aspects: Product quality (weight as 55%), delivery time (weight as 30%), and cooperation (weight as 15%). The evaluation score is divided into four grades as shown in the figure below.



In 2024, Mercuries F&B Co., Ltd. evaluated a total of 109 food suppliers. According to the evaluation results, there were 27 grade A excellent suppliers, accounting for 25%, 78 grade B eligible suppliers, accounting for 72%, 4 grade C suppliers who required improvement, and no suppliers of grade D. The company paid on-site visits to 16 food ingredient suppliers, which was twice as many as the previous year.

In 2024, to optimize the regular supplier evaluation mechanism and in response to the increased evaluation items, Mercuries F&B Co., Ltd. adjusted the evaluation frequency from "once a quarter" to "once a year". The original three core evaluation indicators, i.e., quality, delivery period and degree of coordination, were further divided into ten specific evaluation items, resulting in more meticulous and complete evaluation standards.

Additionally, the scoring weights of the aforesaid three indicators were adjusted synchronously in 2024: The weight of supply quality was increased from 50% to 55%, to strengthen the emphasis on product quality; the weight of degree of coordination was adjusted from 20% to 15%, to reflect its relative trade-off. Since the overall evaluation standards were improved compared with the previous year, the results of supplier evaluation were significantly changed in 2024.

Based on the changes of the evaluation mechanism from 2022 to 2024, the regular supplier evaluation system has more effectively achieved the goal of level-to-level management and further strengthened supplier chain quality and cooperation benefits through frequency adjustment, optimization of evaluation items and improvement of evaluation standards.



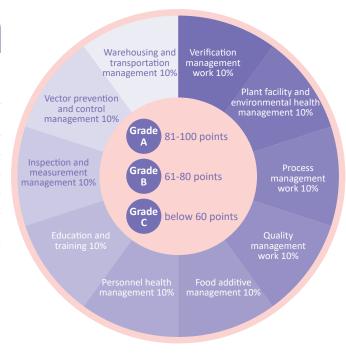
%The statistical chart indicates that the supplier selection quality could be effectively improved through the supplier evaluation mechanism from 2020 to 2024.

On-the-Spot Audit of New 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. In 2024, Mercuries F&B Co., Ltd. audited 9 new suppliers, among which the company conducted site visits to 6 new suppliers with onthe-spot evaluation grade of grade A (above 85 points) and written audit of 3 new suppliers who all passed the review. The evaluation items are shown in the table below.

The evaluation criteria are listed in the following table.

New supplier evaluation method Evaluation item	Written audit	Site visit
Purchasing of product liability insurance	0	0
Food safety management related certification	0	0
Food safety (import license and test report)	0	0
Worker health checkup records	0	0
In-house water quality test records	0	0
Disinfection and pest control records	0	0
Traceability management	0	0
Warehouse temperature and humidity control	0	0
Chemical and facility/equipment management	0	
Plant area and environmental sanitation	0	
Records on calibration of measuring instruments	0	-
Records on personnel education and training	0	



About Mercuries

& Associates

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 80.7% of the total procurement budget (the ratio of procurement from foreign suppliers was 19.3% in 2024). 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.

In 2024, the ratio of local procurement of Simple Mart Retail Co., Ltd. reached 94%. 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 (%)
A PARTIES	Vegetables	100%
商品商	Fruit	100%
MALIAN	Mercuries F&B Co., Ltd.	Ratio of procurement from local suppliers (%)
	Vegetables	100%
www.有機	Fruit	100%
Broki Mushroom ** 2009	Meat	100%
THE REAL PROPERTY.	Family Shoemart	Ratio of procurement from local suppliers (%)
	Men's sho <mark>es</mark>	90%
	Women's shoes	88%
	Children's shoes	75%
微笑 MIT	Slippers	80%
台灣製值得信賴	Sports shoes	48%
紡織業托尿會驗證 http://www.mittw.org.tw	Accessories (towels and socks)	90%
No.01100000	*The ratio of local procurement is calc	culated 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 2024, 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 scraped.

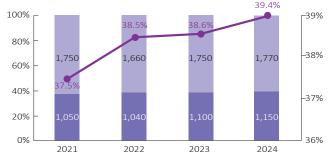
Product Labelling and Sampling Inspection

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 2024, the total number of main products of each department of Family Shoemart reached 2,920. A total of 1,150 products were put under sampling inspection with a sampling inspection rate of 39.4%, 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 39.4%



Number of products not included in sampling inspection

Number of products under sampling inspection

Ratio of spot check

Simple Mart Retail Co., Ltd.

About Mercuries

& Associates

Before products of Simple Mart Retail Co., Ltd. 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; lowtemperature 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 2024, a total of 128 imported food products were checked; 212 OEM self-owned brand products were checked. All of them complied with relevant regulations and rules.

In addition, Simple Mart Retail Co., Ltd. sends some products for third-party inspection annually, to assure food sanitation and safety. In 2024, all 100 test items under sampling inspection of the third party complied with the food safety and sanitation specifications of Taiwan (yield: 100%).

Problematic Product Shelf-removal Mechanism

Problematic Product Notification Flowchart

(Family Shoemart as an Example)



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
May 2024	The staff at a Family Shoemart store reported that the buckles on 1 style of children's shoes would easy detach when tried by the customer.	After the purchasers conducted sampling inspection in relevant stores, an announcement was made on May 9 to notify the stores selling these problematic shoes to immediately remove them from shelves and return them to the factory.
November 2024	The staff at a Family Shoemart store found that the insoles of 2 styles of casual shoes were not even, affecting wear comfort.	After the purchasers conducted sampling inspection in relevant stores, an announcement was made on November 4 to notify the stores remove them from shelves and return them to the factory. These shoes will be shipped again only after their insoles were improved by the vendor.

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 2024, a total of 5,022 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 2024, a total of 8,415 store-times' auditing was performed for the Simple Mart stores with audit rate of 100%. Stores with points deducted immediately improved after current audits; statistics would be gathered regarding the scores of the stores patrolled on a monthly basis, and the insufficiencies would be reviewed at the operation meeting convened in the next month. The supervisors of each region will assist the strengthened review of improvement conditions subsequently.



2.3 Food Safety and Quality Management

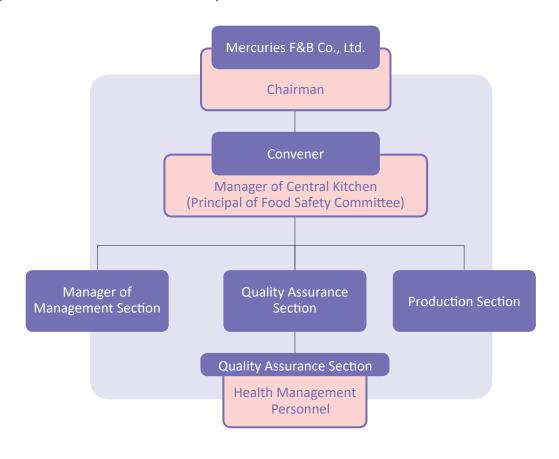
In this section, the food safety and quality management of the stores and central kitchen of "Mercuries F&B Co., Ltd.", a major subsidiary in the catering industry will be disclosed. We take "Food Safety" as the highest principle, deem "Quality Foremost, Safety and Health, and Customer Satisfaction" 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 Division, the Production Division, and the Quality Assurance Section 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 July 23, 2024). 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.

Organization Chart of Food Safety Committee



Rights and Responsibilities of Food Safety Team



Food Safety Team			
Team representative	Corporate title	Work responsibilities	
Convener	Factory manager	 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	 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	 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	 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	 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. 	

& Associates

Holdina

Food Safety Management System

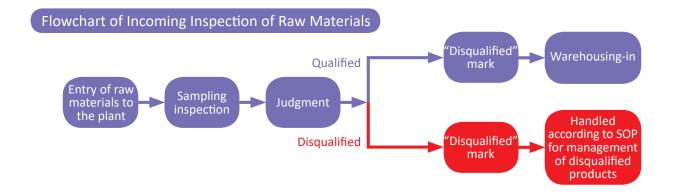
Dayuan Factory of the central kitchen of Mercuries F&B Co., Ltd. acquired the FSSC/ISO 22000:2018 and HACCP certificates in July 2019. After completing renewal review in 2022, it passed the follow-up inspection in September 2024. Additionally, the flour factory of Dayuan Factory of the central kitchen passed TQF renewal review and obtained a verification certificate in September 2024. 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.



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

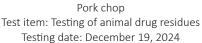
Rapid screening of "animal drug residues" is conducted for different parts of various kinds of raw meat in the central kitchen of Mercuries F&B Co., Ltd. In 2024, 598 samples were selected from the raw materials of 19 product items for inspection, with yield of 100%.

Raw material monitoring	Categories sampled	Number of product items	Number of samples	Yield (%)
	Chicken	7	204	100%
Independent	Beef	8	80	100%
testing	Pork	4	311	100%
	Total	19	598	100%

^{**}Due to the increase of suppliers of pork raw materials, the number of samples selected in 2024 increased by 18% compared with that in 2024 to ensure that the supply meets the requirements.

Rapid Screening Reagent Report







Beef leg tendon
Test item: Testing of animal drug residues
Testing date: November 14, 2024





Minced pork Test item: Testing of animal drug residues Testing date: December 13, 2024

• Independent Health Monitoring

About Mercuries

& Associates

The central kitchen of Mercuries F&B Co., Ltd. conducts independent sanitation inspection of five categories every month. In 2024, a total of 287 sampling points (up by 35% compared with last year) were independently inspected with 2,556 sample-times in total (up by 12% compared with last year) and yield of 100%.

Raw material monitoring	Sampled category	Sampling points (number of product items)	Number of samples	Yield (%)
	1. Finished products	162	1177	100%
	2. Water quality and ice cubes	7	77	100%
Independent health	3. Colony formation in the environment of the plant area	38	428	100%
monitoring		42	453	100%
	5. Hand sanitary application of employees	38	421	100%
	Total	287	2556	100%

^{**}Since Factory 3 was put into production in 2024, the finished products, mechanical equipment and employees increased significantly. Therefore, the total number of sampling points increased by 29%, 45% and 73% respectively compared with last year. The total sampling points for mechanical equipment and employees increased by 28% and 57% respectively.

• Third-party Impartial Unit Testing

In 2024, the central kitchen of Mercuries F&B Co., Ltd. conducted third-party impartial unit testing of 33 raw material items (accounting for 21% of total raw material), 128 types of finished products (accounting for 76% of total finished products), and water quality for 5 times respectively, with 190 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 (%)
		Chicken		12	100%
	Raw materials of meat	Beef	Animal drug residues	14	100%
		Pork	-	10	100%
	Raw materials of cheese	Cheese	Salmonella, Staphylococcus aureus, Listeria monocytogenes in dairy products, melamine, preservative and ethylene oxide	2	100%
	Medicinal materials/	Traditional Chinese medicinal materials	Heavy metals and pesticide residues	1	100%
	spice raw materials/ curing powder mix	Vanilla raw material	'	1	100%
		Curing powder mix	Sudan red	4	100%
Third-party	Raw materials of flour	Flour	Mycotoxins and bleaching agent	3	100%
impartial unit testing	Vegetable raw	Vegetables	Acid preservatives, bleaching agent and pesticide residue	2	100%
	Tinned raw materials	Pineapple juice	Heavy metals	1	100%
	Canned raw materials	Canned tuna	Methylmercury and heavy metals	1	100%
		Canned pineapple	Sweetener and heavy metals	1	100%
		Canned button mushrooms	Bleaching agent and heavy metals	1	100%
	Quality of finished	Noodles (9%)	Microorganisms, bleaching agent, preservative and bongkrekic acid	8	100%
	products	Finished products (91%)	Microorganisms	124	100%
	Water quality	Water dispenser/ water column	Escherichia coli, Pseudomonas aeruginosa, fecal streptococcus, and heavy metal residues (mercury, lead, cadmium, arsenic, and copper)	5	100%
		-	Total	190	100%

Test Reports from Third-party Impartial Unit SGS SGS SGS SGS 二枚管数数分を充むす 純菓サ人製造土一場が表 工業を表現の実際の司 機能する単版工一権計算 HARE (Product) Braised beef Thin noodles of Qiaofu Shredded cheese Chuck (IBP) tendon Total bacterial count, Staphylococcus aureus Total bacterial count. Animal drug residue testing, coliform group, Escherichia enterotoxin, Escherichia coli, coliform group, Escherichia heavy metals in livestock coli, Salmonella, Listeria monocytogenes and coli. products, and pesticide Staphylococcus aureus, Salmonella residues in livestock Listeria monocytogenes, products Bacillus cereus, acid preservatives, sulfur dioxide and hydrogen peroxide November 27, 2024 August 2, 2024 November 28, 2024 October 9, 2024

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 2024. The validity period of verification expires on December 31, 2025.

"Clean Label" Verification Certificate





Data of acquisition: January 1, 2025 Valid until: December 31, 2025 **About Mercuries**

& Associates

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 October and November 2024, 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)", "Escherichia coli (AOAC 991.14)", "Salmonella" and "Staphylococcus aureus" 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 2024, we also upgraded the equipment of the laboratory, including replacement of probe thermometer, saccharimeter, electronic scale and low temperature incubator (without purchasing new equipment) to improve the independent testing efficiency and quality. In 2024, 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

ISO 17025 Laboratory Certification



Data of acquisition: December 30, 2024 Valid until: Participation in testing regularly every year





Data 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 and Staphylococcus aureus
	Physical test	Sugar content, salinity, moisture content
Water quality	Microbiological testing	Total bacterial count, Escherichia coli group and Escherichia coli
	Chemical test	pH value, available residual chlorine
Meat products	Beta-agonists residues	Ractopamine, clenbuterol hydrochloride and salbutamol
	Antibody residues	Chloramphenicol, sulfadimethoxine and sulfadimidine
Application on personnel and equipment	Microbiological testing	Total bacterial count, Escherichia coli group, Escherichia coli, molds and yeasts
Colony formation in plant area	Allergen residues	Surface protein residue testing

*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 2024, the raw materials used in accordance with the administrative provisions of food regulations of Taiwan included 318 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 2024
Product quality specification	 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 packaging labelling of "food raw materials" were checked. To be specific, 289 product items (accounting for 90% of all product
Safety documents related to raw materials imported from foreign countries	 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) 	and relevant certificates of places of origin of
	 Testing objectives of animal drug residues and antibodies in processed meat products Testing objectives of fungaltoxin of flour raw materials Testing objectives of animal drugs of raw material of shredded cheese 	Among the mandatory test items of raw materials, 45 items were submitted for contracted testing with yield of 100%.
Food ingredient and raw material monitoring plan	• General food sanitation specifications and standards: Total bacterial count, Escherichia coli group, Escherichia coli, Bacillus cereus, Salmonella, Enterobacteriaceae, Staphylococcus aureus and Listeria monocytogenes	in the independent sanitation sampling
	 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. 	

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 2024, the central kitchen executed a total of 3,908.5 hours for all food and safety education and training programs, and the average training duration per capita reached 23.13 hours, up by 26.39% compared with that in the previous year.

	istics per level of position	Internal education and training	External education and training
Mar	No. of trainee- times	30	9
Management positions	Total training hours	736.5	96
nent ns	Average training duration	24.55	10.67
General employees	No. of trainee- times	139	4
	Total training hours	3033	43
	Average training duration	21.82	10.75

Sta	tistics per gender	Internal education and training	External education and training
Male employees	No. of trainee- times	42	6
	Total training hours	948	66
	Average training duration	22.57	11
Female employees	No. of trainee- times	127	7
	Total training hours	2821.5	73
	Average training duration	22.22	10.43

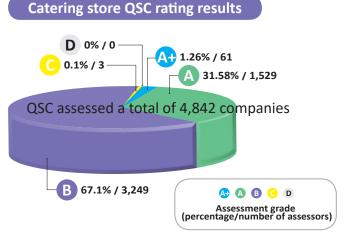
	Contents of food safety and health	
Category	education and training	Hours \
	Provisions of FSSC 22000 V.6	2.5
	HACCP introduction and monitoring of control points	2
	Food defense and food fraud	2
	Introduction to food sanitation and safety	2
	Regulations on prevention and control of foreign objects	1
	Employees' personal sanitation awareness and 5S concept	2
education and training	Quality management and critical quality points	3
	Code of environmental sanitation and cleanliness	2
	Cleaning and disinfection work and chemical management	2
	Introduction and prevention of food poisoning	4
	Customer complaint cases and improvements	2
	Food allergen management	2

Category	Contents of food safety and health education and training 容	
	Continual HACCP education and training	8
	Continual HACCP education and training	4
External sanitation	Sanitation lecturing	4
lecturing	Hot water spray/shower-type retort machine operation program	14
	Canned food sterilization technology management program	21
	GHP (I) to be fulfilled by food factories	1

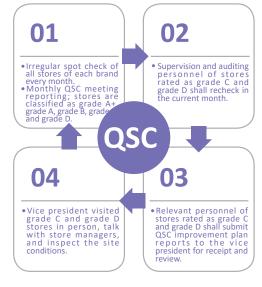
Catering Store Audit Mechanism (QSC)

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 2024, the company audited for 4,842 store-times (up by 2.4% compared with previous year). The monthly average audit rate reached 98.27%, down by 0.73% compared with previous year. Those with evaluation results as grades A+



and A accounted for 32.84% of total store-times, down by 3.26% 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 2024. The deputy general manager of Mercuries F&B Co., Ltd. also personally visited the stores requiring improvements, checked the site conditions, and talked with the store managers to perform the supervisory responsibility.





Photos of Store Representatives of Mercuries F&B Co., Ltd. Receiving QSC Evaluation Award

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 2024, no violations of regulations governing food safety and product labelling occurred.

2.4 Consumer Service and Communication

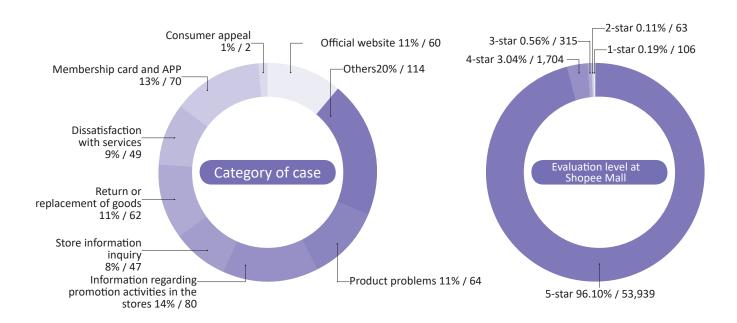
To safeguard consumers' rights and interest, Mercuries & Associates Holding searches customers' opinions and feedback through a variety of pipelines and effectively handles consumer appeals; as for information security and personal data protection, we implement strict information security protection 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 2024, we handled 548 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 2024, customers commented on a total of 56,127 transactions, with five-star comments accounting for approximately 96%.



Mercuries F&B Co., Ltd.

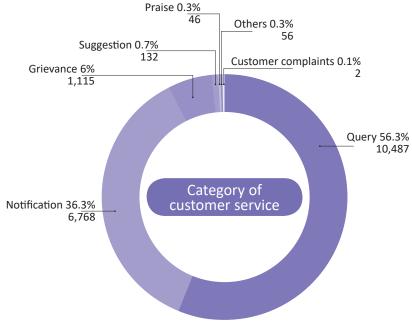
In 2024, Mercuries F&B Co., Ltd. processed approximately 86,916 customer service cases through its 0800 Customer Service Hotline. The service items included queries of marketing preferences of stores, addresses and telephone numbers of stores, suggestions on products, Mercuries Card APP, etc. There were approximately 70 customer complaints , up by 6% 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 of Simple Mart Retail Co., Ltd. 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 2024, there were 18,606 customer service cases in total, and all of them were replied.



Among all the categories, the category of "Grievance" refers to appeal incidents with a minor situation resulting from consumers' unfavorable experience or misunderstanding after their consumption at stores and GoShopping Simple Mart online due to factors like service quality, product quality, store operation, and consumer environment. In 2024, the ratio of this category decreased to 6%; however, 2 special incidents in the category of "Customer complaints" occurred in 2024, resulting in risks of major damage to customers and the company. The customer service center provided assistance in resolving these 2 cases immediately.

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 2024, a total of 2.5 million person-times downloaded and used this APP. Currently, the total number of members already reaches 3.05 million, up by 11.3% 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 2024, approximately 11% of printing quantity was reduced compared with that in the previous year, involving nearly 400,000 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. The printing quantity of approximately 300,000 membership application forms has already been 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) Subscription notices in the store query have already been seldom used. Therefore, the subscription notice was modified to the function of "navigation" through APP optimization, so that customers can quickly find the stores nearby according to 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.

Since the operation interface of the APP was revised in 2023, active operations were performed in 2024 in combination with OMO as well as the virtual-real integration of online shopping discount codes, and achievements were gradually presented. In 2024, with respect to APP optimization, half-page advertisement was displayed in the home page. In combination with OMO, the online shopping discount codes were also expanded to the shopping website of En Route, and the backstage functions were improved. In 2024, the optimized contents of the APP could be smoothly completed and went live formally this year. In 2025, the virtual-real integration of online shopping discount codes will be actively carried out, especially the shopping website of En Route. Besides, relying on the powerful promotion of Family Shoemart, higher-quality international brand products and diverse shopping options will be provided for the members, to improve their shopping experience.

Official Website of Family Shoemart for Online Shopping

In response to the needs of the global ESG trends, promoting sustainable development consumption models has become a key objective. In 2024, through the adjustment of free delivery threshold, the company encouraged consumers to pick up their goods from stores nearby. The store pickup ratio was increased from 21.88% in 2023 to 24.01% in 2024. This adjustment helps reduce the use of packaging materials during product allocation and delivery as well as the carbon footprints generated during transportation. By shortening the transportation distance and reducing the environmental burden, we know that each small choice contributes to building a sustainable future and creating a more friendly global environment. Additional, with respect to the selection of packaging materials, these materials are purchased from vendors who comply with "Objects Restricted from Using Packaging during Online Shopping and Implementation Method" (Huan-Shu-Chi-Tzu No. 1121010684). Packaging materials purchased online shall be made of at least 25% of renewable raw materials, and this standard will be improved with the revision of relevant government regulations.

Mercuries Card APP



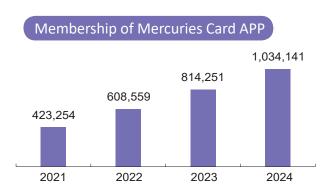
Mercuries F&B Co., Ltd. began to issue a physical bonus point collection card called "Mercuries Card" in 2012. Through the accumulation/

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 2024, the total number of APP members reached 1,034,141 persons, and the growth rate of membership was approximately 27% in 2024. Although the growth rate was not as high as that in the early stage of the creation of this APP, strong momentum for annual growth was still maintained.

In addition to its dedication to the digitalization of membership, Mercuries F&B Co., Ltd. places greater emphasis on satisfying 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 11.9% in 2024, and the ratio of member consumption transactions in the total customer visits was increased from 4.7% to 13.4%, indicating the effectiveness of the digital marketing approaches.





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 the latest information 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. 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 2024, the Company was included in "Small and Medium Enterprise and Startup Incubator Development Program" launched by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs and established the first "Traditional Cuisine Sustainable Development Industry Accelerator" focusing on catering industry in Taiwan. We are committed to creating a complete supply chain from farm production, food processing and sales to dining tables and restaurants and comprehensively improving the competitiveness of the catering market of Taiwan. While strengthening our roots in Taiwan, we also plan to expand globally and brining Taiwanese cuisine to the international stage.

In addition to the opportunities for cooperating with external institutions, Mercuries F&B Co., Ltd. initially launched its first online curry brand of "NOTHING BUT CURRY" 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. In 2024, a physical store was established for this brand, , to realize integration of objectives both online and offline and create the second life curve of the enterprise; at the same time, Mercuries F&B Co., Ltd. quickly copied this successful business model and launched a brand focusing on noodle products, i.e., "Noodle Pot". Through continual, diversified operating strategies, we can further expand the market share and satisfy different consumer groups' needs.

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 AEB, AcBel Polytech Inc., Chi Mei Medical Center in Tainan, Pacific Sogo, FETnet, Trade-Van, etc. The sites are spread all over Taiwan, to 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 ensure members' rights and interests, Mercuries & Associates, Ltd. implemented information security testing for the website, web pages, APP, etc. of Family Shoemart in 2024. Also, the company invests appropriate resources to optimize and upgrade the APP annually, to ensure that members can shop by using the network of Family Shoemart and operate the APP more safely and enjoy higher-quality shopping experience.

The information security testing implemented in 2024 included vulnerability scanning and penetration testing of website, web pages and APP, to find problems in a timely manner and immediately solve them. Also, the company planned to build a cloud network environment with AWS system, to maintain the security of members' data attentively. As for the improvement of information security of APP, members' passwords were encrypted, including database encryption, and the process for handling missing passwords was adjusted. Specifically, short message containing password was sent in the past. After the adjustment, short message containing verification code was sent instead. After receiving a verification code, the members may set their passwords again and then log in their accounts. This operation can improve the security of members' data during transmission process.





[Google Account Verification] To strengthen the information transparency of Google Play platform and enhance users' trust in the company, Family Shoemart completed relevant verification procedure as planned in October 2024 in accordance with the provisions of the policy of the latest edition of Google Play management center, to ensure the compliance of platform operation and the trust of the users.

※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.

ISO 270001 management system was formally introduced to Mercuries Card APP and the online ordering platform, to comprehensively reinforce information security guarantee, assure the security and privacy in the process of members trading with the platform, and conduct vulnerability scanning and risk assessment. By adopting this international standard, Mercuries F&B Co., Ltd. has not only effectively reduced information security risks, but also significantly improved the efficiency of the internal process management and assured the compliance of each operation with regulatory requirements. Besides, the implementation of this management system will further strengthen members' trust in our services, thereby laying a sound foundation for future sustainable development.



• 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 of cybersecurity environment, mobile APP testing, email social engineering drill, etc. Furthermore, the company handles information security education courses and publicity through internal and external information security management training courses. In 2024, the committee reported to the Board of Directors twice, with the scope of issues including external information audit item improvements, redundant networks at stores and IDC computer room, information security health diagnosis, system disaster recovery drill, updating of wireless network equipment at the logistics center, and information security testing of the website of GoShopping Simple Mart and APP.

The company implements annual personal data checking work, and revises "Maintenance Plan of Personal Data Files" when appropriate to strengthen each unit's personal information maintenance awareness 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.





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

	About Mercurie
((=)	& Associates
	Holding

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	 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	 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	 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	 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 2024, a total of 3,386 recyclable bags were recycled. Simple Mart of Simple Mart Retail Co., Ltd. participated in "GreenPoint System" in response to the concept of "Green Consumption Circle" launched by the Ministry of Environment, and became an exchange cooperation channel for "GreenPoint", encouraging consumers to give collective efforts to reduce resource waste and mitigate environmental impact. <l< td=""></l<>	
Appeal mechanism	Email for corporate sustainable development: jay.lin@mercuries.com.tw	
Major incidents in 2024	 Relevant stores of Mercuries F&B Co., Ltd. won "2023 New Taipei City Green and Circular Store Appraisal". Simple Mart Retail Co., Ltd. joined hands with E Ink and M2Communication Inc. to comprehensively replaced the original paper price tags with electronic price tags in all stores in a well-planned way. 	

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. with respect to climate change. 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
	Policies and regulations	 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.
Transition risks	Technology	 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	 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	 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	Immediacy	 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.
risks	Long term	 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
	Resource efficiency	 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	Lead each Mercuries enterprise to gradually purchase or develop and use green electricity.
Opportunities	Products/ services	• 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	 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	 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

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

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.

(III)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.

TCFD of Mercuries Life Insurance Co., Ltd.

To improve the integrity and representativeness of Task Force on Climate-related Financial Disclosures (TCFD), Mercuries Life Insurance Co., Ltd. has already established a relatively complete climate risk management mechanism and a greenhouse gas management foundation while its operating revenue accounts for more than 80% of the overall operating revenue of the Group. Therefore, disclosures regarding climate governance framework, risk and opportunity assessment, responsive strategies, and relevant indicators and targets in this report are illustrated mainly based on the actual promotion achievements of Mercuries Life Insurance Co., Ltd. The practices of Mercuries Life Insurance Co., Ltd. are therefore adopted as the representative examples of the Group's climate governance practices.

Climate Change Risk Identification and Management

"Regulations on Climate Change Risk Management" has been developed in accordance with "Guidance on Climate-Related Risk and Financial Disclosure of Insurance Industry", "Risk Management Best Practice Principles of Insurance Industry" and "Best Practice Principles for Three Lines of Defense of Internal Control in Insurance Industry" as well as "Risk Management Policy" of Mercuries Life Insurance Co., Ltd., to establish a climate change risk management and opportunity mechanism. Furthermore, a framework specified in the Recommendations of the Task Force on Climate-related Financial Disclosures published by TCFD has been adopted, to disclose climate-related information on four major elements, i.e., governance, strategy, risk management, and metrics and targets.

Governance

Board of Directors' Supervision of Climate-related Risks and Opportunities

Mercuries Life Insurance Co., Ltd. has established a complete governance framework to ensure the implementation of climate change risk management through division of responsibilities of the Board of Directors, the Risk Management Committee, and departments related to the three lines of defense. As the highest decision-making body, the Board of Directors is responsible for supervising climate risk management, identifying opportunities, and approving relevant administrative measures. The Risk Management Committee is responsible for drafting climate risk management policies, evaluating the implementation status, and reporting to the Board of Directors. The Risk Management Department and the Executive Office are responsible for promoting daily monitoring, measurement and evaluation work, and reporting management achievements to the Risk Management Committee annually.

The Management's Administration of Climate-related Risks and Opportunities

Mercuries Life Insurance Co., Ltd. has included climate risks into its risk management policy and established "Regulations on Climate Change Risk Management" to facilitate the execution of climate risk management process at the first line of defense, e.g., identification of the impact of climate risks and opportunities on the business scope as well as quantitative scenario analysis; besides, the company guarantees that the implementation results are aligned with its ESG goals, to guide relevant departments and offices to implement climate change risk management. The management achievements are presented to the Risk Management Committee annually.

Strategy

In accordance with the requirements of "Guidance on Climate-Related Risk and Financial Disclosure of Insurance Industry", the insurance industry shall establish criteria for the judgment of climate-related risks per materiality, and rank these risks based on their materiality standards. The company identifies materiality using two methods, i.e., "Overall Risk Ranking" and "Individual Risk Ranking".

"Overall Risk Ranking":

About Mercuries

& Associates

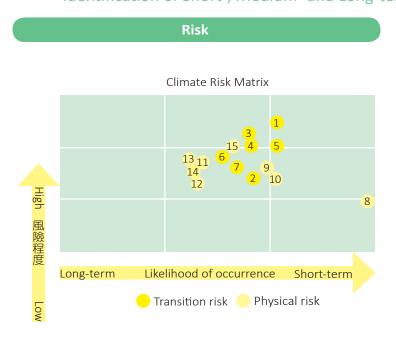
Holding

The TCFD conducts an internal survey using a questionnaire according to the impact level and likelihood of occurrence and then carries out materiality ranking on this basis, for the reference of allocating resources to the significant risks/opportunities.

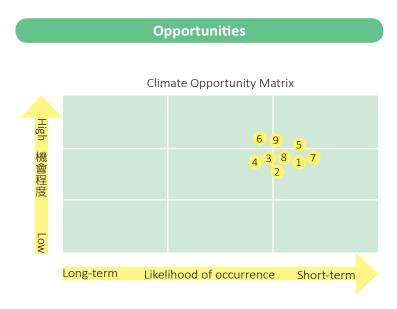
"Individual Risk Ranking":

The industry climate risk level report published by Moody's is adopted as the materiality standard to address "Climate Transition Risks" and rank the risk levels of securities investments in each industry; for "Climate Physical Risks", factors like "flood risk coefficient, floor level and building age" are adopted as materiality standards, and the risk levels of investment property, housing loan collateral, and locations of operating sites are ranked. After the completion of the materiality ranking of climate risks, climate change scenario analysis will be further implemented.

• Identification of Short-, Medium- and Long-term Risks and Opportunities



		**
		Risks
	Risk 1	Cost in response to climate regulations affects the profits from investment targets.*
	Risk 3	The investment targets are threatened by low-carbon transition.*
	Risk 5	Increased risk from the investment in highly climate-sensitive industries*
Inves	Risk 4	Changes in consumers' preferences affect the investment targets.
Investment	Risk 6	The reputation of the industries with high climate risks is impaired, which does not benefit corporate investments.
	Risk 8	Impairment of investment property or property collateral resulting from climatic disasters (immediate)
	Risk 12	Impairment of investment property or property collateral resulting from climatic disasters (long-term)
	Risk 9	Operational interruption due to extreme climate (immediate)
0	Risk 7	The corporate image is affected due to failure to actively implement energy conservation and carbon reduction.
per	Risk 2	Increased cost in response to climate regulations.
Operation	Risk 10	Damage caused to operating sites due to climatic disasters (immediate)
	Risk 13	Operational interruption due to extreme climate (long-term)
	Risk 14	Damage caused to operating sites due to climatic disasters (long-term)
Insur	Risk 11	Increasing claims settlement due to climatic factors (immediate)
nsurance	Risk 15	Increasing claims settlement due to climatic factors (long-term)



			Opportunities
Investment		Opportunity 8	Green investment
		Opportunity 9	Business continuity management mechanism
	`	Opportunity 7	Paperless office*
Operation		Opportunity 1	Resource utilization efficiency and replacement of outdated equipment
on on		Opportunity 3	Energy-saving green buildings
		Opportunity 4	Use of renewable energy
		Opportunity 2	Resource management plan
Insurance		Opportunity 5	Low-carbon digital insurance services*
ance		Opportunity 6	Low-carbon insurance products*

Overview of Significant Climate Risks and Opportunities

The competent departments and offices related to the first line of defense shall identify the degree of the impact of climate risks and opportunities on the business scope of the company as well as potential financial impact, make an inventory of the risk exposure in the previous year based on the climate risk and opportunity indicators, and submit relevant information to the Risk Management Department for summarization to complete "Summary Sheet of Climate Risks and Opportunities".

Mercuries Life Insurance Co., Ltd. conducts risk measurement and response according to risk classification in TCFD, and considers the availability of scenario data. Quantitative scenario analysis is conducted to address climate transition risks and climate physical risks in investing, financing and operating activities.

A.Investing and Financing Activities-Analysis of Climate Transition Risks

i. Scenario Analysis of Transition Risks of Securities

(a) Scope and Setting of Scenario Analysis

The company distinguishes equity investment position and bond investment position. In accordance with the scenarios of NGFS "Net Zero 2050" and "Delay Transition", the company considers the carbon emissions and temperature pathway and analyzes the financial impact of additional costs resulted from carbon fees on the investments, to strengthen the capability in response to climate risks; for the carbon price, NGFS Phase 5 REMIND MAgPIE model is adopted. The scenarios established are as follows:

- "Net Zero 2050" scenario of NGFS: A pathway that introduces the climate transition policy globally in an orderly manner and restricts the global warming to 1.5°C, to achieve Net Zero 2050.
- "Delay Transition" scenario of NGFS: A pathway that still needs to achieve Net Zero 2050 under the assumption that the introduction of the climate transition policy will be delayed globally until 2030.

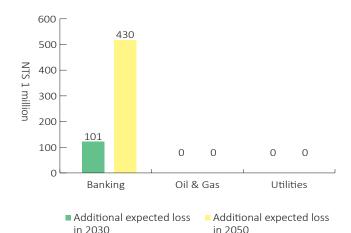
(b) Implementation Methods and Results of Scenario Analysis

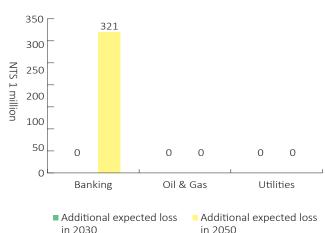
(1) Equity Investment Position

Mercuries Life Insurance Co., Ltd. adopted P/B valuation model to conduct scenario analysis of transition risks with respect to equity investments in industries with high climate risks. The company estimated excess carbon emissions based on carbon emission growth rate released by IEA and SBT reduction pathway, and predicted the cost of carbon fee and evaluate its impact on the net worth as well as potential losses in accordance with NGFS carbon price. By the end of 2024, the total exposure at default of three high-risk industries reached NT\$ 689,000,000. Under the "Net Zero 2050" scenario, the expected loss will increase from NT\$ 101,000,000 in 2030 to NT\$ 493,000,000 in 2050; under the "Delay Transition" scenario, the loss in 2050 will be NT\$ 496,000,000. The impact on the banking industry is particularly significant under the "Net Zero" scenario.







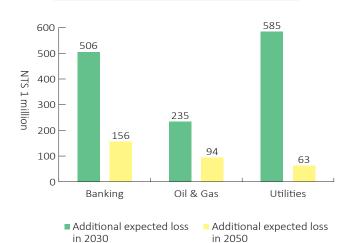


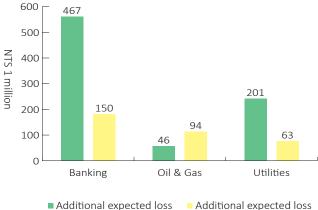
(2) Bond Investment Position

Mercuries Life Insurance Co., Ltd. adopted an expected credit loss model (Credit-Metrics) to conduct scenario analysis of transition risks with respect to bond investments in industries with high climate risks. The company estimated excess carbon emissions based on carbon emission growth rate released by IEA and SBT reduction pathway, and calculated the financial impact of the carbon fee on investment companies and reflected it in the PD change to evaluate the credit loss based on NGFS carbon price and the bond maturity date. By the end of 2024, the total exposure at default of three high-risk industries reached NT\$ 517,162,000,000. Under the "Net Zero 2050" scenario, the expected loss in 2030 will be NT\$ 1,326,000,000, and this figure will be decreased to NT\$ 314,000,000 in 2050; under the "Delay Transition" scenario, the loss in 2030 will be NT\$ 714,000,000, and that in 2050 will be NT\$ 307,000,000.



Delay Transition - Results of Scenario Analysis of Transition Risks in the Bond Position





ii. Response to Transition Risks of Securities

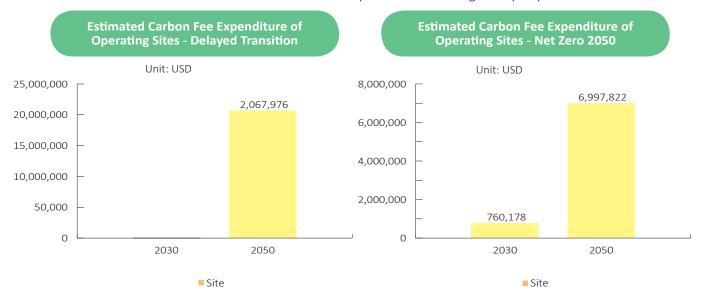
The investment department shall conduct engagement method evaluation with reference to SBT initiative and then establish carbon reduction goals and draft administrative measures on this basis; after investment, it is required to regularly follow up the greenhouse gas emissions and ESG ratings of the investment targets, take climate engagement actions as necessary, and encourage them to promote low-carbon transmission, to facilitate sustainable development.

in 2030

B.Operating Activities-Evaluation of Climate Transition Risks

i. Scenario Analysis of Transition Risks in Operating Activities

Mercuries Life Insurance made an inventory of the electricity consumption of each operating site (note) in 2024, and conducted scenario analysis based on the carbon emission converted per the electricity carbon emission coefficient of 2023, to evaluate the possible financial impact of carbon fee in the future. Since the company is in the finance and insurance industry, its carbon emissions primarily come from the electricity consumption of the office buildings. The preliminary evaluation indicates that the impact on the operating cost is insignificant. The company will continue the greenhouse gas inventory and promote energy conservation and carbon reduction to ensure the compliance with the regulatory requirements.



ii. Response to Transition Risks in Operating Activities

The following measures will be taken to respond to and manage the transition risks in operating sites.

	High risk	Mediate risk	Low risk
Risk response	Evaluating the increase of the ratio of energy-saving equipment used, and increasing the use of alternative energy sources (e.g., solar energy)	Reducing waste through management approaches, replacing old energy-consuming equipment, and increasing the use of energy-saving equipment.	Continual attention required

C.Investing and Financing Activities - Evaluation of Climate Physical Risks

In consideration of the increasing frequency and intensity of extreme climate events that may cause extensive and irreversible impact on nature and mankind, the company has conducted risk analysis of extreme climate factors with respect to the distribution of property in accordance with IPCC's "Impacts, Adaptation and Vulnerability" report.

i. Scenario Analysis of Physical Risks in Investment Property and Housing Loan Collateral

(a) Scope and Setting of Scenario Analysis

Mercuries Life Insurance Co., Ltd. conducted scenario analysis of climate physical risks for investment property and housing loan collateral and considered the potential impact of future greenhouse gas emission pathway on its finance. The company estimated the flooding risk and evaluates its possible asset value impairment under the most severe SSP5-8.5 emission scenario from 2040 to 2060 with reference to "Flooding Risk Map" published by the National Science and Technology Center for Disaster Reduction (NCDR).

(b) Implementation Method and Results of Scenario Analysis

Mercuries Life Insurance Co., Ltd. conducted scenario analysis on the financial impacts of physical risks and evaluated the potential impact of flood disaster on its asset value under the SSP5-8.5 scenario from 2040 to 2060 with respect to investment property and housing loan collateral with high flooding risks and with reference to the flooding probability and asset impairment ratio indicated on "Physical Risk Information Integration Platform".

(1) Investment Property

Mercuries Life Insurance Co., Ltd. evaluated the potential value impairment of the investment property with a high flooding risk in accordance with the probability of occurrence of flooding and the value impairment ratio of the property and based on the maximum degree of the impact of flooding on housing prices under RA (risk appetite). The evaluation results showed that the risk was still within a controllable range.

(2) Housing Loan Collateral

Mercuries Life Insurance Co., Ltd. adopted the expected credit loss method to conduct scenario analysis of physical risks in the housing loan collateral with a high flooding risk. Based on the ratio of value impairment of the collateral resulted from flooding, the Probability of Default (PD) and Loss Given Default (LGD) were stressed to evaluate the expected loss under the SSP5-8.5 loss. The evaluation results showed that the loss amount was within a controllable range.

	Exposed position/Credit balance	Expected loss	Ratio of expected loss to exposed position/credit balance
Investment property	6,932	38	0.55%
Housing loan collateral	726	0.04	0.01%

ii. Response to Physical Risks in Investment Property and Housing Loan Collateral

Mercuries Life Insurance Co., Ltd. will take the following measures to manage physical risks in the investment property and housing loan.

Aspect		High risk	Medium risk	Low risk
	Each target	Enhancing attention to the potential changes of disasters and strengthening the overhaul of targets in the face of natural disasters	Enhancing attention to the potential changes of disasters	Approved per procedure
Investment property	Same region	Enhancing attention to the potential changes of disasters and strengthening the overhaul of targets in the face of natural disasters	Enhancing attention to the potential changes of disasters	Sustained
Colletoral	Single target	Marking that the target is in a high-risk region during new project review.	Enhancing attention to the potential changes of disasters	Approved per procedure
Collateral -	Same region	Reinforcing monitoring and evaluating the change of risk value.	Enhancing attention to the potential changes of disasters	Approved per procedure

D.Operating Activities - Evaluation of Climate Physical Risks

i. Scenario Analysis of Physical Risks in Operating Sites

(a) Scope and Setting of Scenario Analysis

Mercuries Life Insurance Co., Ltd. conducted scenario analysis of climate physical risks for its operating site and considered the potential impact of future greenhouse gas emission pathway. The company estimated the flooding risk and evaluates the potential impact of the restoration cost and equipment losses resulting from flooding under the most severe SSP5-8.5 emission scenario from 2040 to 2060 with reference to "Flooding Risk Map" published by the National Science and Technology Center for Disaster Reduction (NCDR).

(b)Implementation Method and Results of Scenario Analysis

Mercuries Life Insurance Co., Ltd. analyzed the financial impact of physical risks in its operating sites with medium and high flooding risks under the SSP5-8.5 scenario from 2040 to 2060. The results indicated: The estimated loss of the sites with a high risk was NT\$ 0, and that of the sites with a medium risk was NT\$ 18,000,000. The company has established a continuous operation plan to strengthen its restoration capability, and regularly review the impact of natural disasters on its operation and continually optimize responsive strategies to reduce risks.

Risk level	Exposed position	Expected loss	Ratio of expected loss to exposed position
High	-	-	-
Medium	6,150	18	0.29%

ii. Response to Physical Risks in Operating Sites

The following measures will be taken to respond to and manage the physical risks in the operating sites.

	High risk	Medium risk	Low risk
Risk response	 Evaluating the feasibility of relocation Ensuring the effectiveness of data backup Planning the necessity of work in different places Strengthening monitoring and confirming the company's sustainable operation management. 	(1) Enhancing attention to the potential changes of disasters(2) Reviewing the adequacy of each type of property insurance(3) Regular backup drills	Sustained operation

Climate Strategies and Action Plans

Mercuries Life Insurance Co., Ltd. shoulders a climate mission of "Supporting Taiwan and the World to Achieve the Goal of Net Zero by 2050". Specifically, after the first line of defense implements climate change risk management process, identifies the financial impact of climate change risks and opportunities on the company's business, products, investments, loans and other relevant aspects, the company has drafted climate-related strategies based on the evaluation results and the climate mission, including climate risk management for investments, assessment of climate risks in the property, tracking of the impact of climate risks on the company's products, emphasis on the investment policies for innovative key industries (i.e., "Six Core Strategic Industries"), promotion of low-carbon digital insurance services and low-carbon insurance products as well as green operation and energy management, maintenance of the business continuity management, promotion of paperless office, and assurance of corporate reputation.

Risk Management

Inclusion of Climate Risks into the Existing Risk Management Framework

The "Risk Management Policy" originally covered market risk, credit risk, liquidity risk, insurance risk, etc. Later, the climate change risks have been included in the controlled scope. In principles of risk management, Mercuries Life Insurance actively responds to climate change risks and reduce their possible negative impact on the company through a risk identification, measurement, management and monitoring cycle procedure.

Diagram of Three Lines of Defense for Risk Management

Mercuries Life Insurance Co., Ltd. carries out climate change risk management according to "Best Practice Principles for Three Lines of Defense of Internal Control in Insurance Industry":

Climate Risk Management Mechanism

Mercuries Life Insurance Co., Ltd. has included climate change risks in "Risk Management Policy" and established "Regulations on Climate Change Risk Management" for control and management. When the climate risk management is implemented at the first line of defense, the connection between each risk factor and existing risks has been analyzed, and a linkage has been established to integrate them into the overall risk management system.

Climate Risk and Opportunity Management Processes

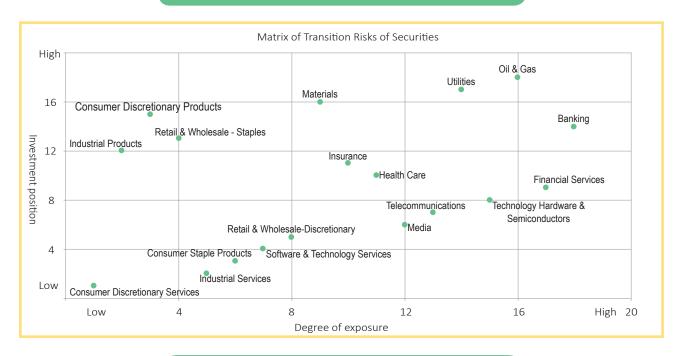
The first line of defense is responsible for identifying climate risks for management, measuring the potential financial impacts of primary risk/opportunity factors identified on the company's business, products, investments and loans (e.g., decrease in investment returns/operating revenue, increase in operating expenses, or increase in claims settlement expenditure and other relevant impacts), drafting and implementing short-, medium-, and long-term responsive strategies based on the evaluation results, and reporting relevant implementation effect to the Risk Management Committee for meeting review.

Risk Exposure

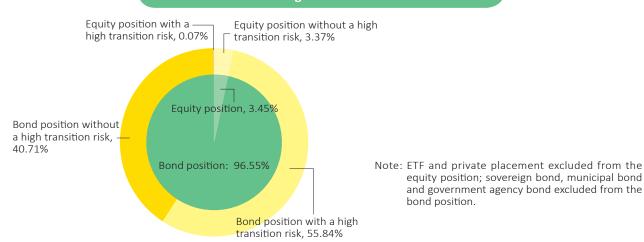
(A)Climate Transition Risks in Securities Investment

For securities investment, climate risk analysis per industry has been implemented with reference to the research report of Moody's. In accordance with the investment ratios in each industry, the degree of the company's exposure to climate risks per industry has been sorted first, and then the top 3 industries with high climate risks have been selected for scenario analysis. Specifically, based on the ranking results, these three industries are banking, oil & gas, and utilities. In December 2024, the risk exposure ratio of investment portfolios in the top 3 industries with high climate risks reached approximately 56%.

Matrix of Transition Risks of Securities



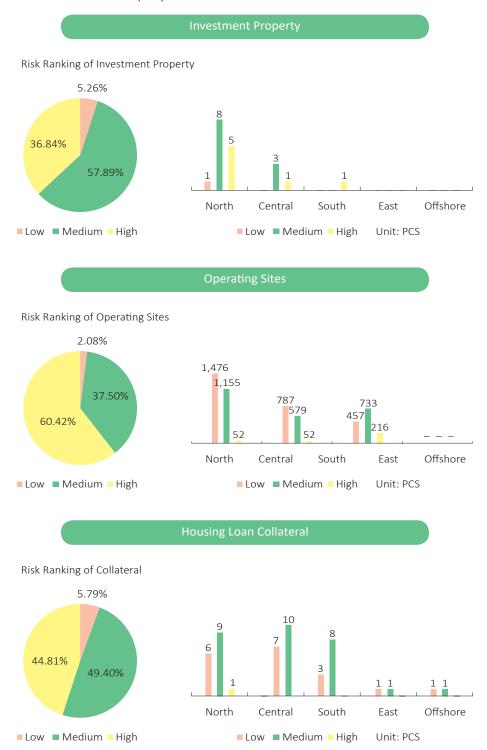




By the end of December 2024, the top 3 industries with high climate risks were banking, oil & gas, and utilities based on the ranking results, which accounted for 42.7%, 6.9% and 6.3% in the total investment position, respectively. The risk exposure ratio of investment portfolios in the top 3 industries with high climate risks reached approximately 55.9%.

(B)Climate Physical Risks of Property

With reference to SSP5-8.5 scenario (2040-2060) from the climate change disaster risk platform of NCDR, Mercuries Life Insurance Co., Ltd. analyzed the flooding risk, integrated factors like "Hazard", "Vulnerability" and "Exposure", and included indicators like floor level and building age into evaluation. The risk factor was calculated by multiplying the graded flooding risk, floor level and building age, with the total score exceeding 35 points classified as high risk. As of the end of 2024, among the company's 19 pieces of investment property, 7 (37%) were identified as high-risk; besides, 319 (6%) pieces of housing loan collateral and 1 (2%) operating site were classified as high-risk. Relevant administrative measures were taken to reduce the potential impact of these risks. The diagrams below show the flood risk ratings of all property risk locations of the company:



Risk Monitoring

When establishing risk appetite, strategy and operation plan, the company has always taken the identified climate change risks into account, and established metrics and targets for climate change risks. Relevant competent departments and offices monitor and manage the achievement status of metrics and targets of climate risks/opportunities annually, and the Risk Management Department presents the implementation status to the Risk Management Committee and the Board of Directors annually.

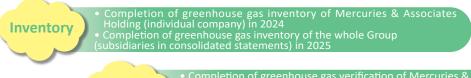
Due Diligence in Governance

Through shareholders' meetings, investor conferences, teleconferences and on-the-spot visits, Mercuries Life Insurance Co., Ltd. asks invested companies' views and plans regarding carbon risks and differences from the ESG implementation efforts of industry peers, to fulfill its due diligence in governance and strengthen the invested companies' awareness of ESG issues.

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.





- 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

*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.

Carbon Reduction Targets and Strategies and Concrete Action Plans

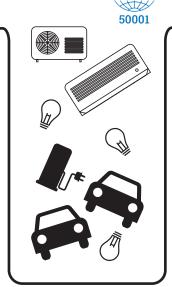
The year 2024 was determined the year when Mercuries & Associates Holding completed its information inventory of consolidated financial statements at the earliest. Mercuries & Associates Holding sets the annual reduction of carbon emissions by 1% compared with the base year is adopted as the reduction 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.

	Greenhouse (Gas Reduction Targets of N	Mercuries Group	
Risk/opportunity indicator	Fulfillment status in 2024	Short-term target 2024-2027	Medium-term target 2028-2034	Long-term target 2045-Later
Greenhouse gas emissions from self- operation (Scope 1 + Scope 2)		With the year 2024 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 2024 as the base year, a target of accumulated reduction of carbon emissions by 10% in 2034.	accumulated reduction of
Energy usage (power consumption)	The year 2024 was determined the year when Mercuries & Associates Holding completed its information inventory	letermined the year whenof reduction of power Mercuries & Associates consumption by 3% is Holding completed its established for the next 3		With the year 2024 as the base year, a target of reduction of power consumption by 20% is established for the year 2045.
Resource usage (water consumption)	of consolidated financial statements at the earliest. For the stickiness data of 2024, see 3.2 Greenhouse	of reduction of water	With the year 2024 as the base year, a target of reduction of water consumption by 10% is established for the year 2034.	With the year 2024 as the base year, a target of reduction of water consumption by 20% is established for the year 2045.
Utilization ratio of renewable energy	_	Evaluate, consider and plan the feasibility for use of renewable energy at the headquarters building	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.



Carbon Reduction Strategies

- Replacement of outdated equipment (LED lighting fixtures and airconditioning equipment)
- Modification of water-saving equipment
- Replacement of gasoline-powered official cars and leased cars with hybrid or electric vehicles
- Feasibility assessment for installation of electric vehicle charging piles at the headquarters building
- Adjustment of the air-conditioning timer and temperature control in the workplace and increase of the frequency of shutdown of airconditioning system
- Standardization of lighting startup and shutdown models based on time-of-use requirements
- Introduction of ISO 50001 Energy management system standard to more sites
- Introduction of green electricity transfer supply.



Concrete Action Plans for Carbon Reduction

The carbon reduction targets established by Mercuries & Associates Holding above have already been included in the monthly carbon reduction schedule of the ESG Office, and will be controlled on a monthly basis. Besides, the items in the carbon reduction targets will be gradually increased, to further improve the carbon reduction effect of the Company.

Compliance with Regulations Related to Environmental Protection

Mercuries & Associates Holding adheres to the requirements of each environmental protection regulation. In 2024, 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 2024, a total of 5 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
January 17, 2024	Mercuries F&B Co., Ltd. Guangzhou Branch	Environmental Protection Bureau, Kaohsiung City Government	Paragraph 11, Article 27 of the Waste Disposal Act	Due to dengue fever cases in nearby households, we also needed to conduct disinfection spraying. During the spraying, water accumulation was found on the rooftop, resulting in a fine. There was also water accumulation beneath the cooling tower.	Immediate improvement	NT\$ 1,200
May 13, 2024	Mercuries F&B Co., Ltd. Nangang Branch	Department of Environmental Protection, Taipei City Government	In violation of the provisions of Paragraph 2, Article 27 of the Waste Disposal Act and punished according to Paragraph 3, Article 50 of the Waste Disposal Act	The sewage of a store was discharged to the storm drain, but it should have been discharged to the sewage system.	Immediate improvement	NT\$ 2,400
November 13, 2024	Mercuries F&B Co., Ltd.	Environmental Protection Bureau, Miaoli County	Subparagraph 1, Paragraph 1, Article 31 of the Waste Disposal Act	A store in Toufen directly conducted operation without obtaining an industrial waste disposal plan verified and approved by the competent authority.	Immediate improvement	NT\$ 12,000
November 13, 2024	Mercuries F&B Co., Ltd.	Department of Environmental Protection, Taipei City Government	Paragraph 2, Article 27 of the Waste Disposal Act	The waste was placed in the covered walkway, and was reported by local residents.	Immediate improvement	NT\$ 2,400
November 19, 2024	Mercuries F&B Co., Ltd.	Environmental Protection Bureau, Miaoli County	Subparagraph 1, Paragraph 1, Article 31 of the Waste Disposal Act	A store of Family Shoemart in Miaoli directly conducted operation without obtaining an industrial waste disposal plan verified and approved by the competent authority.	Immediate improvement	NT\$ 12,000

**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 (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (N_2O), nitrogen trifluoride (N_3O).

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 2024								
Category	Type o	f emission source	Activity data	Emissions (tCO ₂ e)	Verification status			
Scope 1	Refrigerant e conditioner ^{(Not}	ffusion of split type air	0.0000t	0.0000	Acquisition of			
360pc 1	Septic tank em	issions	24507.5man-hours	1.0909	Verification Standard of GHG Protocol			
Scope 2	Power consum	ption of operating sites	196.9390MWh	97.2879	from BSI			
	Purchasing of products or services (water)		2.0865MWh	0.1978				
Scope 3	Upstream fuel and energy related activities (electric power)		196.9390MWh	19.1622	Not verified yet			
	Transportation of domestic waste		10.4243RFTK	0.0137				
	Disposal of domestic waste		1.1090t	0.3771				
Scope 1 + Scope	Total e	emissions (tCO2e)		98.379				
2 (within the organization)	Emission tCO_2e/m^2 intensity $tCO_2e/NT\$ \$ 1 million			0.061 0.0005				

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 0.494kgCO2e/kWh announced by the Energy Administration in 2023.
- (3) The actual refrigerant effusion was 41.8g/year, which was rounded off to 0t.
- (4) Basis for calculation of intensity: In 2024, the total floor office area was 1,615.8m2; the consolidated operating revenue was NT\$ 202,518,000,000.

		Subsidiaries of Mercuries & Associates Holding I Financial Statements in 2024	
Category	Type of emission source	Emissions (tCO ₂ e)	
Scope 1	Direct greenhouse gas emissions		14,631.7078
Scope 2	Energy indirect greenhouse gas emissions		104,094.3864
Scope 1 + Scope 2	Total emissions (tCO ₂ e)		118,726.0942

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 0.494kgCO2e/kWh announced by the Energy Administration in 2023.
- (3) With respect to Scope 3 and remaining data of the subsidiaries presented in the consolidated financial statements, the inventory data of 2026 will be disclosed and verified in 2027.
- (4) Mercuries & Associates Holding and Mercuries Life Insurance have passed third-party verification.

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

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





Date of acquisition: 2023.11.10 Valid until: 2026.11.09

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.

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%.

About Mercuries

& Associates

Statistics of Power Consumption of Head Offices of Subsidiaries



Per head	Total power consumption in 2024		Intensity	Base year	Amount of energy saving/Carbon reduction (Scope 2)		
office	kWh	GJ	kWh/m2		kWh	GJ	tCO2e
Mercuries & Associates Holding	196,939	708.98	122		20,866	75.12	10.308
Mercuries & Associates, Ltd.	297,311	1,070.32	112	2020	27,226	98.01	13.450
Mercuries F&B Co., Ltd.	383,587	1,380.91	113		56,344	202.84	27.834
Simple Mart Retail Co., Ltd.	390,452	1,405.63	211	2023	-59,245	-213.28	-28.936
Total	1,268,289	4,565.84	133	Total	45,191	162.69	22.656

^{**} The increase of power consumption of Simple Mart Retail Co., Ltd. in 2024 was resulted from the change of the inventory boundary; the base year for greenhouse gas inventory of Simple Mart Retail Co., Ltd. was 2024, with the scope of inventory covering headquarters building and 6 external offices; the power consumption of the headquarters building was mainly calculated prior to 2023. The data benchmarks adopted in 2023 were 33,1207(kWh), 1,192.35(GJ), and 163.947(tCO2e), respectively.

* Power conversion: 1kWh=3.6MJ.

• Energy-saving Measures of Stores and Achievements

Per company	Business nature	Energy-saving strategies	Planned results in 2024
Mercuries & Associates, Ltd.	Retail of shoes/general merchandise	 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. 	 Total quantity of air conditioners replaced in 2024: ✓Air-conditioning units: 12 units in 7 stores ✓Cooling towers: 3 units in 3 stores In 2024, the lighting equipment of 6 stores was replaced in total. It is expected that LED lamps will be installed for 30 stores in 2025. Total quantity of air conditioners cleaned and maintained in 2024: ✓Air-conditioning units: 209 units in 97 stores ✓Indoor blowers: 133 units in 19 stores Cooling towers: 93 units in 82 stores
Mercuries F&B Co., Ltd.	Restaurant	 Purchase energy-saving equipment. Use energy-saving lamps and air-conditioning equipment. Install frequency converters for exhaust motors. Select green buildings for interior decoration. 	 In 2024, a total of 108 variable frequency airconditioners were installed. The air-conditioners of 12 stores were replaced (level-1 energy efficiency cooling). The number of stores with energy-saving LED lamps already adopted reached 88%. The number of stores with frequency converters installed for exhaust motors reached 9%. 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	 Comprehensively 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. Apply for procurement of small-amount green electricity. 	 In 2024, for new stores and refitted stores, panel light was comprehensively adopted, or the original lamps were replaced with panel light. To be specific, 1,191 panel lights were adopted for 43 stores (27.7 panel lights for each store on average); the number of stores with energy-saving LED lamps adopted reached 100%. In 2024, the company participated in the small-amount green electricity sale trial plan of Taipower, with 10,000kWh of electricity (electricity fee as NT\$ 49,000 at the unit price of NT\$ 4.9/kWh) and a total of 10 renewable energy certificates; it is expected that carbon emissions of 4,940kg will be reduced. (The data was obtained with reference to the power emission coefficient of 2023 announced by the Energy Administration, Ministry of Economic Affairs on December 9, 2024.)

^{**} The power carbon emission coefficient of 2023 published by the Bureau of Energy of the Ministry of Economic Affairs was used: 0.494kgCO2e/kWh as the calculation standard.

• 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 2024		Intensity		rgy saving/Carbo compared with la	
. c. compan, c. 12		kWh	GJ	kWh / m ²	kWh	GJ	tCO₂e
Central Kitchen	Production Center (Factory 2 + Factory 3)	6,762,200	24,343.92	328	+2,107,000	+7,585.20	1,040.858
	Logistics Center	4,796,400	17,270.64	408	-299,300	-1,077.48	-147.854
1	- otal	11,558,600	41,614.56	357	+1,807,700	+6,507.72	893.004

^{**}The increase of power consumption of the production center in 2024 was resulted from the successive initiation of the production lines of Factory 3. Specifically, processes of pork chop cutting and dumpling contract production were successively increased. Besides, the production capacity of Factory 3 increased significantly. These factors resulted in the increase of power consumption compared with previous year.

^{**}The power carbon emission coefficient of 2023 published by the Bureau of Energy of the Ministry of Economic Affairs was used: 0.494kgCO2e/kWh as the calculation standard.



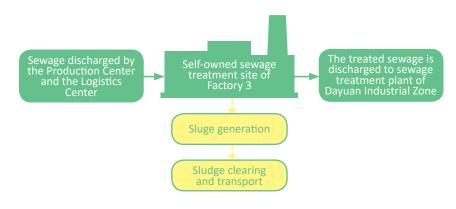
[※]Power conversion: 1kWh=3.6MJ.

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	2022	2023	2024
Total water withdrawal	1,000t	53.081	89.215	86.213
Total water consumption	1,000t	10.616	17.843	17.243
Total sewage quantity	1,000t	42.465	71.372	68.970
Average COD of effluent	mg/L	215.65	210.04	41.11
Average SS of effluent	mg/L	113.65	11.64	10.51
Clearing and transport of organic sludge	t	93.24	137.84	205.58

[%]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.

^{**}Limits required for entry into Dayuan Industrial Zone: 480mg/L for COD and 240mg/L for SS.

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	2022	2023	2024				
Family Shoemart of Mercuries & Associates, Ltd.	14.38	18.52	19.2				
Simple Mart of Simple Mart Retail Co., Ltd.	330	350	368				

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 of Simple Mart Retail Co., Ltd.							
Unit	2022	2023	2024				
Quantity of empty bottles recycled (bottle)	8,237,520	7,665,840	6,545,520				
Total weight of empty bottles recycled (t)	370.69	344.95	294.55				

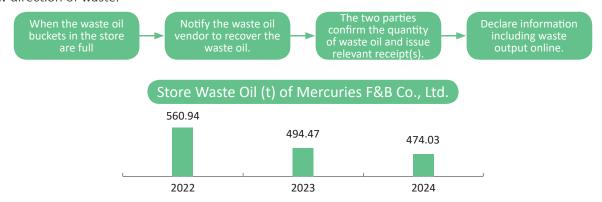
^{**}The quantity of empty bottles is determined based on the actual sales conditions and consumers' willingness for recycling. At the same time, there are also sites for empty bottle recycling in other channels. Simple Mart of Simple Mart Retail Co., Ltd. will continually promote the empty bottle recycling plan.

[※]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 Trans	sport Records	of Central Kitch	en (t)
	Item	2022		2023	2024
	General industrial waste	134.55		126.15	167.648
	Waste edible food	7.59		8.4	12.77
Re	Aluminum foil package	1.39		0.18	3.66
cyc	Scrap iron can	7.59		8.92	13.25
labl	Waste plastic bottle	14.63		12.26	14.45
e ≶	Waste glass bottle	5.6		1.8	1.8
Recyclable waste	Waste paper	98.2		104.82	156.905
	Kitchen waste	36.92		29.59	51.901
Ra	tios (%) of Waste Categories of the Central Kitchen Non-recyclable waste Recyclable waste	100 80 60 40 20	44% 56%	43% 57%	40% 60%
		0	2022	2023	2024

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. has begun the donation of edible food 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 2024, it donated over 2,300kg edible food to Chensenmei Social Welfare Foundation in the hope that mentally disordered children cared by the foundation could have more diversified and sufficient food. In 2025, the company will continually donate food to the foundation.





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. In 2024, Simple Mart continued to gather 17 stores in north, central and south Taiwan to cooperate with food banks around so that the cycle of "Love from Food" entered each town. When natural disasters, epidemics, or emergencies occur, Simple Mart played a powerful regional disaster prevention and backup role, to support families in need.

In recent years, Simple Mart has continually optimized its automatic store replenishment system to effectively manage food consumption. Besides, staff at each store also actively advocated the concept of "Cherish Food, No Waste" to consumers. The weight of total materials donated exceeded 16t from November 2018 to December 2024, and it helped nearly 5,000 vulnerable local families.

Recycle Bins of "momo" Recyclable Bag of Simple Mart of Simple Mart Retail Co., Ltd.

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 2024, a total of 1,837 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.

GreenPoint, a Cooperation Channel between Simple Mart of Simple Mart Retail Co., Ltd. and Ministry of Environment

Simple Mart of Simple Mart Retail Co., Ltd. focuses on sustainable management as its core goal and is committed to promoting environmental sustainability, friendly environment and other relevant issues. In May 2023, Simple Mart joined the GreenPoint program launched by the Ministry of Environment, becoming a cooperation channel for "GreenPoint".

To promote green consumption to its members, Simple Mart has conducted two-way member introduction and point gathering connection with GreenPoint. Those who download the GreenPoint APP and become members of Simple Mart can synchronously accumulate green points and Simple Mart membership points when purchasing environment-friendly products with Green Mark, Carbon Footprint Label, MIT Smile Logo, CAS (Certified Agricultural Standards) label, Organic Agricultural Product label and TAP certificate at all stores of Simple Mart in Taiwan. The green points accumulated can be used to deduct and exchange for environment-friendly products. A green point equals to NT\$ 1. It effectively encouraged the members of Simple Mart to select and purchase products with environment-friendly labels. In 2024, there were a total of 15,622 green point exchange transactions.

Simple Mart G + Recycling Love, Retired Laptop Concept **Store**

Considering the generation of a great quantity of electronic waste due to the quick replacement of 3C products, Simple Mart of Simple Mart Retail Co., Ltd. specifically joined hands with BYTE International Co., Ltd. to establish a second-hand laptop community recycling station to recycle second-hand laptops from those no longer used them at designated stores, thereby reducing the generation of electronic waste.

Then, BYTE International Co., Ltd. will refurbish the second-hand laptops professionally, and plan to donate them to the local residents or social welfare organizations, to help underprivileged students reduce the digital learning gap, or provide laptops for families in need.





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 2024, the actual number of product containers used to hold eggs, cakes, bread, and vegetables and fruits (3 categories in total) reached 1,560,000, including 390,000 alternative containers and 1,978,164 without container packages. The reduction rate was 80.91%, and the weight of plastic reduced reached 75.66t.

In addition, to coordinate the implementation of the government's plastic reduction policy, Simple Mart+ of Simple Mart Retail Co., Ltd. has made a "Passing Love by Bags" program to encourage consumers to spontaneously donated second-hand paper bags through coffee exchange; besides, in response to the environmental protection policy, people may enjoy a discount of NT\$ 5 as long as they bring their own environment-friendly cups to buy freshly brewed coffee. Also, they may have their glass bottles recycled at the stores of Simple Mart. In recent years, more than 7 million bottles can be recycled at the stores on average 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, bowels, disks, and plates.

Setting of ECOCO Smart Recycling Machines at Stores of Family Shoemart

Through cooperation with Fun Lead Change, Family Shoemart installed "ECOCO Smart Recycling Machine" at Guangfu Store in Hsinchu and Changrong Store in Tainan in December 2024, to provide the public with a convenient recycling channel and encourage resource reutilization. People may put recyclable bottles and cans to this machine and obtain points or cashback, and then exchange for discounts or cash rewards through the APP or membership system, to improve the willingness to recycle and circular economy. As of 2024, a total of 2,485 bottles and cans were accumulatively recycled, exhibiting the actual effect of the smart recycling machines in terms of environmental sustainability. Through this cooperation, Family Shoemart expects to improve recycling efficiency and promote environmental protection actions, thereby further strengthening the public awareness and participation in sustainable development.









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



1.Corporate Governance

2.Retail Business and Food Management Service Protection 3.Environmental

4.Employee Care

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	 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	 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 advocation and lecturing, and arranges occupational physicians and nurses to provide site services, occupational disaster analysis and prevention, operating environment monitoring, etc.
Resources engaged	 In 2024, the travel subsidies, marriage subsidies, maternity subsidies, and funeral subsidies granted by the subsidiaries reached NT\$ 9 million, NT\$ 120,000, nearly NT\$ 60,000, and NT\$ 100,000 respectively. In 2024, subsidiaries organized functional education and training programs attended by 11,377 persontimes. The average training duration of male employees reached 2.83 hours/person, while that of female employees reached 4.3 hours/person. In 2024, the subsidiaries held a total of 996 in-person education and training activities and online courses regarding workplace safety and health education and training attended by more than 10,322 person-times; 466 person-times were included in the training programs of externa licenses with expenses of NT\$ 807,220. 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 2024, it provided 23 students from 7 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. The head office and Longjiang store of Simple Mart Retail Co., Ltd. passed the verification of ISO 450001 Occupational safety and health management system on January 23, 2025. Each subsidiary annually organizes employee health examinations every year. In 2024, a total of 3,242 person-times received health examinations, with a total cost of approximately NT\$ 2.46 million; in addition, physicians were arranged to provide site services. In 2024, a total of 52 site service activities were
Appeal mechanism	Mailbox of Human Resources Office: 3080@mercuries.com.tw
Major incidents in 2024	 1 store manager from Mercuries F&B Co., Ltd. won TCFA "2024 Outstanding Store Manager Award". A total of 6 colleagues from Mercuries & Associates, Ltd., Mercuries F&B Co., Ltd. and Simple Mart Retail Co., Ltd. won TCFA 2024 "Service Angel Award". Mercuries F&B Co., Ltd. won 1111 Job Bank "2024 Happy Enterprise" Awards. Mercuries F&B Co., Ltd. won TCFA 2024 Gold Service Award. Mercuries F&B Co., Ltd. received Talent Quality-management System (TTQS) evaluation and certification. Beigang store of Tonkatsu (store manager as Hong, Yi-Jhen) won Quality Assurance Label of Yunlin County. Simple Mart Retail Co., Ltd. won "2024 104 Job Bank-DEI Friendly Employer Awards for the Strong Generation".

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

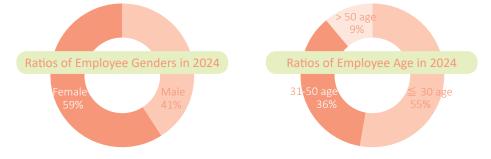
As of the December 31, 2024 in the report period, the total number of employees reached 10,583, up by approximately 5% compared with last year. Female employees accounted for approximately 59% of the total number of employees regarding manpower composition. Employees aged below 30 accounted for approximately 59% 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, 219 were foreign employees (accounting for 2% of total number of employees). There is one foreign employee serving a management position $^{\text{Note 1}}$. The Company hasn't employed any employees aged below 16 or child laborers $^{\text{Note 2}}$ for work.

^{*}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	2,931	2,727	5,658
30-50	1,168	2,635	3,803
> 50	234	888	1,122
Total	4,333	6,250	10,583

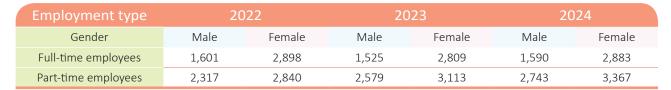
		Taiv	wan	Hong K	mainland, ong, and acao		heast sia		heast sia	Otl	ners	Total
T	ype of employee	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Full-time employees	Employees under non-fixed-term contracts	1,494	2,869	2	11	2	0	92	3	0	0	4,473
me yees	Employees under fixed-term contracts	0	0	0	0	0	0	0	0	0	0	0
Full-time employees	Employees without working hour guarantee	2,716	3,285	1	19	2	1	24	60	0	2	6,110
	Total	4,210	6,154	3	30	4	1	116	63	0	2	10,583

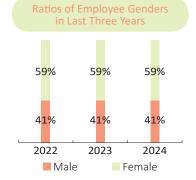


^{**}Note 1: Definition of "management position" in this section: Management position in the head office refers to the rank of manager or above; management position in the stores refers to the rank of deputy store manager or above.

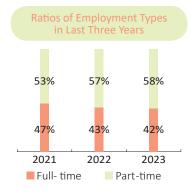
^{**}Note 2: According to the definition of Labor Standards Act, a child laborer is a worker aged above 15 but below 16, not including students in cooperative education.

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 2024, the ratios of full-time employees and part-time employees were 42% (4,473 persons) and 58% (6,250 persons) respectively.









Non-employee Workers

Туре	Male	Female	Total
Interns	0	0	0
Dispatched workers of Simple Mart	3	2	5
Dispatched logistics workers	40	42	82
Workers assigned by Mercuries F&B Co., Ltd.	5	0	5
Total	48	44	92

^{*}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		20)21	20)22	20	23
	Age	Male	Female	Male	Female	Male	Female
	<30	0	0	0	0	0	0
Management position	30-50	0	0	0	0	42	42
_	>50	0	0	0	0	46	30
General	<30	89	103	75	88	103	100
position at	30-50	224	312	206	290	189	267
head office	>50	78	72	54	53	46	42
Management	<30	92	149	89	144	163	186
position at	30-50	257	495	242	515	309	614
store	>50	23	72	25	85	43	133
General	<30	542	785	539	773	423	577
position at	30-50	267	741	270	773	197	655
store	>50	32	181	44	201	33	237
	<30	2,029	1,815	2,032	1,827	2,261	1,892
Part-time	30-50	220	658	247	760	349	947
	>50	27	207	38	253	50	321
Total		3,918	5,738	3,975	6,017	4,333	6,250
*/ * ! // !	1 (: 1	//	1 16 22				

^{*}No "employees under fixed contracts" were employed from 2022 to 2024.

^{*}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

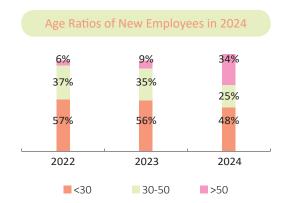
Ratio of New Employees

In 2024, the total ratio of new employees among full-time employees reached 33.9%, down by 8.5% compared with last year.

New Employees among Full-time Employes									
New employees	20)22	20)23	2024				
Туре	Male	Female	Male	Female	Male	Female	То	tal	
<30	443	523	478	552	365	385	750	48%	
30-50	196	427	194	446	182	411	593	25%	
>50	24	71	42	124	43	128	171	34%	
Total	663	1021	714	1122	590	924	1514		
Ratio of new employees (per gender)	41%	35%	47%	40%	39%	33%		33.9%	

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

^{**}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 2024, the total ratio of separating employees among full-time employees reached 37.3%, down by 8.5% compared with last year.

	Full-time employees										
Separating employees	20	022	20)23		2024					
Age	Male	Female	Male	Female	Male	Female	То	tal			
≦ 30	491	644	514	585	402	417	819	53%			
30-50	2536	504	247	488	227	448	675	29%			
≥ 51	31	68	38	115	40	131	171	34%			
Total	778	1216	799	1188	669	996	1665				
Separation rate	41%	35%	47%	40%	42%	35%		37.3%			

^{**}Since part-time employees changed relatively frequently, only statistics of total separation rate of 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.

^{**}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.





Parental Leave

There were 91 newborns in 2024.



Reinstatement and retention ratio after parental leave	20	022	20	023	2024		
ltem	Male	Female	Male	Female	Male	Female	
Number of employees qualified for applying for parental leave in current year	27	196	30	163	26	155	
Number of employees applying for parental leave in current year	3	93	6	67	6	71	
Application rate of parental leave (%)	11%	47%	20%	41%	23%	46%	
Number of persons scheduled to reinstate in current year	0	64	0	38	14	81	
Number of employees reinstated in current year	0	45	0	29	10	38	
Reinstatement ratio (%) Note 1	-	70%	-	76%	71%	47%	
Number of employees reinstated in previous year	1	36	0	42	0	23	
Number of employees working continuously for one year after reinstatement in the previous year	0	25	0	30	0	17	
Retention rate (%) Note 2	0%	69%	-	71%	-	74%	

^{**}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%

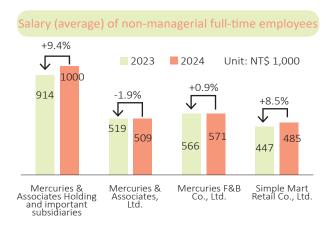
4.2 Labor Relations and Employee Benefits

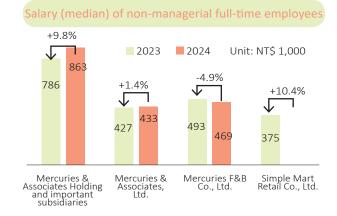
Compensation Structure

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

,	90a. =b.o/000							
Information of Remuneration of Non-managerial Full-time Employees Note 1 (Unit: NT\$ 1,00								
Head office	ltem	2022	2023	2024				
Mercuries & Associates	Number of non-managerial full-time employees	1,578	1,655	1612				
Holding and important	Salary (average) of non-managerial full-time employees	947	914	1000				
subsidiaries Note 2	Salary (median) of non-managerial full-time employees	814	786	863				
Individual subsidiaries	ltem	2022	2023	2024				
	Number of non-managerial full-time employees	954	932	917				
Mercuries & Associates, Ltd.	Salary (average) of non-managerial full-time employees	487	519	509				
	Salary (median) of non-managerial full-time employees	403	427	433				
	Number of non-managerial full-time employees	524	910	1187				
Mercuries F&B Co., Ltd.	Salary (average) of non-managerial full-time employees	404	566	571				
	Salary (median) of non-managerial full-time employees	383	493	469				
	Number of non-managerial full-time employees	2,276	2,174	2,101				
Simple Mart Retail Co., Ltd.	Salary (average) of non-managerial full-time employees	426	447	485				
	Salary (median) of non-managerial full-time employees	358	375	414				





Note: The diagrams above compared the average and median of salary of non-managerial full-time employees in 2023 and 2024.
For the related data and changes in the previous year, query at MOPS according to the indexing method.

About Mercuries

& Associates

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 2024, 6 violations of regulations occurred to Mercuries & Associates Holding and its subsidiaries in the retail industry, with a total penalty amount of NT\$ 310,000. 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 2024, no major penalty resulting from violation of labor related regulations occurred Note 1

Total amount of penalty loss in the year	2022	2023	2024
Violation of the Labor Standards Act	NT\$ 450,000	NT\$ 80,000	NT\$ 310,000
Violation of the Labor Pension Act	NT\$ 5,000	NT\$ 0	NT\$ 0

Date of disposal	Per company	Legal provision violated	Content of violation	Improving measures and results	Fine amount
July 12, 2024	Mercuries F&B Co., Ltd.	Paragraph 6, Article 30 of the Labor Standards Act	Workers' attendance shall be recorded day by day on the attendance records and accurate to minutes.	1. The penalty of NT\$ 20,000 only was already paid off. 2. The employee attendance clock-in system was optimized and the business supervisor was asked to supervise and implement shift scheduling and clock-in. 3. Relevant education and training were strengthened.	20,000
September 11, 2024	Mercuries F&B Co., Ltd.	Paragraph 6, Article 30 of the Labor Standards Act	Workers' attendance shall be recorded day by day on the attendance records and accurate to minutes.	1. The penalty of NT\$ 40,000 only was already paid off. 2. The employee attendance clock-in system was optimized and the business supervisor was asked to supervise and implement shift scheduling and clock-in. 3. Relevant education and training were strengthened.	40,000
November 14, 2024	Mercuries F&B Co., Ltd.	Article 35 of the Labor Standards Act	The employer failed to provide workers with a 30-minute break after four hours' continuous work.	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.	50,000

Date of disposal	Per company	Legal provision violated	Content of violation	Improving measures and results	Fine amount
January 18, 2024	Simple Mart Retail Co., Ltd.	Paragraph 2, Article 21 of the Act of Gender Equality in Employment	An adverse penalty was imposed on applicant(s) for parental leave.	1. A labor-management dispute mediation meeting was held. 2. Each supervisor was required to further publicize relevant procedure regarding "colleagues reinstated from parental leave" 3. A diversified communication channel of complaint hotline 3385 was provided so that the labor and management could effectively communicate and express their ideas, to achieve a win-win situation.	100,000
February 26, 2024	Simple Mart Retail Co., Ltd.	Paragraph 1, Article 24 of the Labor Standards Act	Overtime wage was not paid for overtime as stipulated.	The company already publicized provisions and process on application for overtime work to the employees, to ensure their rights and interests.	50,000
March 13, 2024	Simple Mart Retail Co., Ltd.	Paragraph 2, Article 22 of the Labor Standards Act	The salary should be directly paid to workers in full.	The Company immediately improved and adjusted the system	50,000

**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 Re	gular Employees			
Bonus	Welfare benefits	Employee Welfare Committee	Education and training		
 Yearend bonus Employees' dividend bonus Various performance fulfillment bonuses Long tenure bonus for employees who work for ten years or above 	 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 	 Annual subsidy for employee travel Cash gifts/coupons for three major festivals Yearend dinner for employees and Spring party Subsidies for associations 	 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					

- Group insurance (accident insurance/medical accident
- Irregular get-together dinners and recreational activities provided by the company.
- Employee shopping discounts/staff meals

- 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.

		2024	1
Subsidy item	Content of activity	Benefited person- times	Subsidized amount
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.	2,055	4,798,933
Marriage subsidies	Wedding gift money, etc.	37	124,610
Maternity subsidies	Maternity gift money, infant care allowance, childcare subsidy, etc.	38	67,612
Funeral subsidies	Condolence money, etc.	73	102,016
Subsidies for children's education	Scholarships for children, etc.	2	90,000
Employee shopping discounts	Employee shopping discounts	2,181	2,832,022



Toreward 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 2024, employee travels were successively recovered, or flexibly replaced with travel rewards, etc. as encouragement. In 2024, the number of employees and their family members participating in overseas travels reached 558 with total subsidy amount exceeding NT\$ 9 million.





Five days and four nights in Japan

Five days and four nights in Thailand

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 13 times so far. The Mercuries Cup Sports Meeting of 2024 was held at Zhunan Sports Park on October 26, and 409 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 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						
	Male			Female		
Employee type	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	1,622	8,331	15.32	3,999	20,502	15.23
General positions	577	3,146	13.29	1,895	8,820	13.95
Part-time	1,541	3,082	2	1,703	3,406	2
Total	3,740	10,585	24.01	7,597	32,728	31.18

^{**}There were 568 male employees and 1,016 female employees in management positions; 1,921 male employee and 971 female employees in general positions; 2,718 male employees and 3,332 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., courses on service trends, workplace communication, leadership, handling of employees' problems, etc., to enable managers to guide the teams and cope with challenges more effectively through training.



Simple Mart Retail Co., Ltd.

About Mercuries

& Associates

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 2024, Mercuries F&B Co., Ltd. organized 10 field education and training activities which were attended by 200 people with average training duration of 8 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 2024, the total number of users reached 4,592 person-times.

A program called "Good Time Together" was initially launched in 2024, and the theme for this year was "Relax and Speak Well". We aimed to help trainees understand the importance of mindfulness and stress management and learn practical skills to better handle their stress in work and life and improve their physical and mental health as well as working efficiency.

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 December 11, 2024 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 2024, it cooperated with 7 universities and colleges to provide 23 students from 6 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 employment and internship expos 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.





About Mercuries

& Associates

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 2024 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 spirt if "Peers are not enemies, and people from other industries can be teachers".

In 2024, Tsai, Shih-Hsien, store manager of Shulin Store of Tonkatsu, a brand of Mercuries F&B Co., Ltd., won 2024 "Outstanding Store Manager Award" and Store Service Excellent Quality 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.



Tsai, Shih-Hsien, store manager of Shulin Store of Tonkatsu

TCFA 2024 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 2024, 6 employees from the subsidiaries of Mercuries Associates Holding won the special honor of "2024 Service Angel Award", including Kung, Ya-chu from Family Shoemart and Hung, Han-Ya from En Route of Mercuries & Associates, Ltd.; Huang, Ching-I of Finance and Accounting Division of Mercuries F&B Co., Ltd. and Chou, Chen-you of Sanshang Qiaofu; Liu, Wan-I and Su, Wan-Ling from Simple Mart of Simple Mart Retail Co., Ltd. In the future, the Company will still lead its employees to continuously stick their positions, accumulate the strengthen of brand service value, and provide customers with better service quality.



Kung, Ya-chu from Family Shoemart and Hung, Han-Ya from En Route of Mercuries & Associates, Ltd.



Huang, Ching-I of Finance and Accounting Division of Mercuries F&B Co., Ltd. and Chou, Chen-you of Sanshang Qiaofu



Liu, Wan-I and Su, Wan-Ling from Simple Mart of Simple Mart Retail Co., Ltd.

Mercuries F&B Co., Ltd. Awarded "1111 Job Bank-2024 Happy Enterprise"

Through the preliminary selection, online voting, and secret customer evaluation of "2024 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". It has consecutively won this gold award for two



years. 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.

& Associates

Mercuries F&B Co., Ltd. Winning TCFA 2024 Gold Service Award

Mercuries F&B Co., Ltd. acquired the first "Gold Service Award Certification" held by TCFA. The evaluation was conducted in five major aspects, i.e., service hospitality, operational capability, store performance, sales performance and team service capability. The service quality of the company reached the level of customer loyalty. In the future, we will continue to maintain our service quality and



work together to enhance the overall service standards in Taiwan.

Mercuries F&B Co., Ltd. Acquiring Talent Quality-management System (TTQS) Evaluation and Certification

Mercuries F&B Co., Ltd. implements an education and training policy, and passed TTQS evaluation and certification in 2024. By promoting the implementation of TTQS, the company aligns its business strategy with PDDRO evaluation process cycle, establishes a complete and systematic strategic training system, progressively promotes a mechanism for the continual improvement of training quality, strengthen human capital, and sustain its competitiveness in sustainable management.

Beigang Store of Tonkatsu (Store Manager as Hong, Yi-Jhen) Winning **Quality Assurance Label of Yunlin County**

Beigang store of Tonkatsu (store manager as Hong, Yi-Jhen), a brand of Mercuries F&B Co., Ltd. complied with the Regulations on Good Hygiene Practice (GHP) for Food and exhibited high-standard hygiene management. Therefore, it won "Quality Assurance Label" of Yunlin County in 2024. In the future, we will be committed to creating a safe and health food environment.



Simple Mart Retail Co., Ltd. winning "2024 104 Job Bank-DEI Friendly **Employer Awards for the Strong Generation"**

Simple Mart Retail Co., Ltd. won "2024 104 Job Bank-DEI Friendly Employer Awards for the Strong Generation" for its profound cooperation with people aged 50+ and its great efforts in actively introducing middle-aged and senior talents, combining public welfare activities with workplace experience, and practicing diversified and inclusive value.



This award is presented to enterprises who demonstrates kindness and inclusivity towards

middle-aged and senior employees (the strong generation) based on the evaluation of five indicators of DEIfriendly strong generation, i.e., friendly recruitment, friendly culture, friendly work, friendly life and friendly environment. 22 DEI-friendly employers were selected through big data analysis.

As one of the winners of this award, Simple Mart Retail Co., Ltd. is deeply honored. In the future, it will continue to uphold the philosophy of innovation, quality and social responsibility, focus on creating greater value for all stakeholders, and strive to become a friendly enterprise that provides the best environment for workers of all ages.

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 2024. 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. To speak of, the head office and Longjiang store of Simple Mart Retail Co., Ltd. passed the verification of ISO 450001 Occupational safety and health management system on January 23, 2025, and obtained a certificate. Furthermore, through annual management review meetings, this company actively implements employee safety and health management and care, to improve the corporate safety and health culture.

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

ISO 45001:2018 Occupational Safety and Health Management System of Head Office and Longjiang Store of Simple Mart Retail Co., Ltd.



Date of acquisition: January 24, 2025 Valid until: January 23, 2028

Date of acquisition: January 24, 2025 Valid until: January 23, 2028

Workplace Safety and Health Performance and Awards

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

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



Mercuries & Associates, Ltd.

(head office)

Validity period: January 1,

2023-December 31, 2025





Mercuries F&B Co., Ltd. (head office) Validity period: January 1, 2024-December 31, 2026



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 2024				
Name of company	Mercuries & Associates, Ltd.	Mercuries F&B Co., Ltd.		
Total number of stores	218	430		
Targeted audit rate	80%	70.3%		
Targeted standard-reaching rate	105%	80%		

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 2024, 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 2024 Note	Unit	Retail industry	Catering industry
Total working hours (A)	Hour	10,219,472	7,088,074
Number/Ratio of deaths caused by occupational injuries Note 2	Person/%	0/0%	0/0%
Person-times/Ratio of serious occupational injuries Note 3	Person- time/%	0/0%	0/0%
Loss of person-times due to occupational injuries (B)	Person- time	17	10
Loss of number of days due to occupational injuries (C)	Day	98	241
Frequency of disabling injury FR = (B×106÷A)	-	1.66	1.41
Severity of disabling injury SR = (C×1 06÷A)	-	9	34
Frequency-Severity Indicator FSI = ((FR×SR)÷1000)	-	0.12	0.21
Days of sick leave (D)	Day	4,714.9	2,076
Days of absence (C+D)	Day	4,813	2,317
Absence rate Note 4	%	0.38%	0.38%

^{**}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.

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

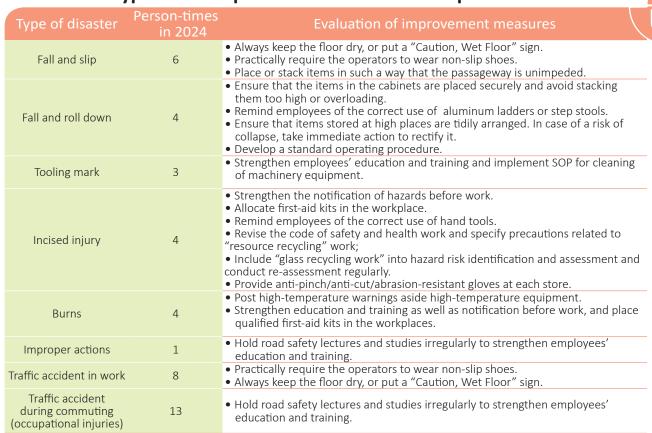
 $[\]times$ Note 4: Absence rate = Total number of days of absence in current year $\div \Sigma$ (Total number of persons in each month \times Monthly working days).

^{**}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.

About Mercuries

& Associates



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 2024, the number of trainees of subsidiaries participating in OSH training is as follows. The total amount of training expenses incurred reached approximately NT\$ 807,220.

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	67	169	6 hours every 2 years
First-aid staff	55	158	3 hours every 3 years

Number of Person-times of	of Personnel of the Centra	l Kitchen Attending OSH	License Training in 2024
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 2024, the subsidiaries held a total of 996 internal workplace safety and health education and training activities, and 9,104 person-times participated in the physical courses.

In addition, for workers who are not employes 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	908	7,005	49,321
	Online courses	118	1,538	2,544
Safety and health advocacy and guidance meetings for regional supervisors/directors		26	26	50
Safety and health advocacy and guidance meetings for store managers and deputy store managers		12	355	355
Fire prevention and response		29	1,256	2,038.5
Workplace health promotion course		21	462	495

Date	Lectured content	Number of participants	Company	Handling unit
March 18, 2024	Prevention of Human Musculoskeletal Injuries	34	Mercuries & Associates, Ltd.	Country Hospital
March 26, 2024	Stress Relief and Health Care- Aromatherapy	24	Mercuries F&B Co., Ltd.	336 International Essence Oil Communication Association
March 27, 2024	Stress Relief and Health Care- Aromatherapy	22	Mercuries F&B Co., Ltd.	337 International Essence Oil Communication Association
April 12, 2024	Stress Relief and Health Care- Aromatherapy	31	Mercuries F&B Co., Ltd.	338 International Essence Oil Communication Association
April 16, 2024	Stress Relief and Health Care- Aromatherapy	10	Mercuries F&B Co., Ltd.	339 International Essence Oil Communication Association
April 17, 2024	Stress Relief and Health Care- Aromatherapy	14	Mercuries F&B Co., Ltd.	340 International Essence Oil Communication Association
April 19, 2024	Stress Relief and Health Care- Aromatherapy	17	Mercuries F&B Co., Ltd.	341 International Essence Oil Communication Association
April 24, 2024	Stress Relief and Health Care- Aromatherapy	22	Mercuries F&B Co., Ltd.	342 International Essence Oil Communication Association
April 26, 2024	Stress Relief and Health Care- Aromatherapy	20	Mercuries F&B Co., Ltd.	343 International Essence Oil Communication Association
May 3, 2024	Stress Relief and Health Care- Aromatherapy	36	Mercuries F&B Co., Ltd.	344 International Essence Oil Communication Association
May 15, 2024	Stress Relief and Health Care- Aromatherapy	11	Mercuries F&B Co., Ltd.	345 International Essence Oil Communication Association
May 16, 2024	Stress Relief and Health Care- Aromatherapy	17	Mercuries F&B Co., Ltd.	346 International Essence Oil Communication Association
May 17, 2024	Stress Relief and Health Care- Aromatherapy	18	Mercuries F&B Co., Ltd.	347 International Essence Oil Communication Association
May 22, 2024	Stress Relief and Health Care- Aromatherapy	14	Mercuries F&B Co., Ltd.	348 International Essence Oil Communication Association
May 23, 2024	Lecture on Publicity of Knowledge on Earthquake and First Aid	31	Mercuries & Associates, Ltd.	Fire Bureau, Chiayi City Government
June 25, 2024	Stress Relief and Health Care- Aromatherapy	32	Mercuries F&B Co., Ltd.	349 International Essence Oil Communication Association
August 22, 2024	Psychological Stress Relief for Customers	31	Mercuries & Associates, Ltd.	Southern Taiwan Workplace Health Promotion Center
August 28, 2024	Easily Escaping Metabolic Syndrome	14	Mercuries & Associates, Ltd.	Chi Hsin Clinic
October 24, 2024	Lecture on Stress Relief	31	Mercuries & Associates, Ltd.	Metamorphosis Counseling Center
October 24, 2024	Lecture on Publicity of Knowledge on Earthquake and First Aid	32	Mercuries & Associates, Ltd.	Kaohsiung City Fire Department
October 28, 2024	Prevention of Hidden Diseases	17	Simple Mart Retail Co., Ltd.	Kang-Ning General Hospital



Workplace Health Promotion Activities

To encourage colleagues to emphasize their health, Mercuries F&B Co., Ltd. has organized free after-work exercise courses since 2023. These courses have been opened to colleagues from different subsidiaries. The contents of the courses are colorful, including muscle strength training, aerobic or interval training, equipment-assisted fitness, etc. Approximately 24 exercise classes will be conducted every quarter, with 20 participants available for each class. The quarterly expenditure is approximately NT\$ 60,000.





Exercise Courses of Mercuries F&B Co., Ltd. in 2024

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 correctly understand and master the concept of escape and emergency response skills. Also, field drills are conducted to ensure that employees can quickly and effectively take actions in case of emergencies. Relying on such training activities, we aim to improve all employees' strain capacity, so as to guarantee the safety of the Company and its employees in case of disasters.



Mercuries F&B Co., Ltd. held emergency response drills for its head office and stores in 2024.



A fire drill was held at the central kitchen of Mercuries F&B Co., Ltd. on May 30, 2024.

About Mercuries

& Associates

Excellent Performance of Mercuries F&B Co., Ltd. in Enterprise Disaster **Prevention in New Taipei City**

Mercuries F&B Co., Ltd. has always attached great importance to workplace safety and employees' wellbeing, and adhered to social responsibility. In 2023, it signed a memorandum of understanding of enterprise disaster prevention with Zhonghe District Bureau, and further signed a memorandum of understanding of enterprise disaster prevention with New Taipei City Government. This cooperation aims to further enhance the enterprise's capabilities in terms of disaster response, emergency disposal and post-disaster restoration. In the future, Mercuries F&B Co., Ltd. hopes to improve its disaster prevention capability and make contributions to society through this cooperation, thereby laying a firm foundation for creating a safer and more stable work environment.





Memorandum of Understanding of Enterprise Disaster Prevention Signed between Mercuries F&B Co., Ltd. and New Taipei City Government in 2024

Mercuries F&B Co., Ltd. and New Taipei City Government Sign MOU on Enterprise Disaster Prevention (2024)

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.





1.Corporate Governance

2.Retail Business and Food Management Service Protection 3.Environmental

4.Employee Care

5.Social Welfare

Appendix

	Results of Workplace	Healthcare of Subsidiaries in 2	2024
ltem	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 49 person-times (11 interviews; 38 telephone interviews)	1-2 times/month and 22 on-site services in total Consulting of 514 person-times (4 interviews; 90 telephone interviews)	1 time/quarter, and 4 on-site services in total 1 time/2 months from physician; 1 time/month from nurse practitioners. A total of 18 sessions with consulting from 47 person-times.
Use of infirmary and consulting	A total of 59 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 31 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.	3 person-times received consultation and health guidance from full-time nurse practitioners; 7 person-times received wound healthcare.
Measures for tracking and management of abnormalities in health examinations	 Classification of health examination: 1 person with class 3 and class 4. 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. 	 Classification of health examination: 13 persons with class 4 and 67 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. 	Classification of health examination: 222 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	O 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.	 85 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. 	 Interviews were required for 3 persons, and suggested for 71 persons 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	18 employees were under the maternal health protection period this year, and all of them already completed health examination at level-1 management. 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.	• 27 employees were under the maternal health protection period this year, among whom 25 already completed health self-evaluation and environmental evaluation at level-1 management, while the remaining 2 employees declined consultation. 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.	 Interviews were required for 3 persons, and suggested for 71 persons The nurse practitioners used an overload questionnaire and selected overtime list each month. Those who work overtime would be reminded immediately, and physicians were arranged to provide overload consulting and health education and guidance.
Prevention of musculoskeletal diseases due to repetitive work	Musculoskeletal symptom questionnaire was used for statistics gathering. There were 1 person with musculoskeletal pain reaching 3 points this year. The reason for musculoskeletal discomfort included the followings based on investigation: Poor posture during use of mobile phones. Appropriate health education was provided.	There were 26 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.	134 persons with serious repetitive musculoskeletal discomfort were identified according to the musculoskeletal symptom questionnaire. Health education and advocacy were mainly conducted by telephone to implement continuous care and tracking.
Annual health examination	 A total of 10 persons participated in the health examination with total investment of approximately NT\$ 5,000. 	 A total of 2,355 persons participated in health examination with a total investment of approximately NT\$ 1.91 million. 	 A total of 877 persons participated in health examination with a total investment of approximately NT\$ 550,000.





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



1.Corporate Governance

2.Retail Business and Food Management Services Protection Food Management Protection 4.Employee Care

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	 Family Shoemart has sponsored public agencies to send shoe exchange coupons to children from vulnerable families for many years. In 2024, the sponsorship amount reached NT\$ 3.42 million. Furthermore, it has sponsored Single-shoes Bank for many years. In 2024, the company donated 1,078 single shoes to consumers with foot disability. Mercuries F&B Co., Ltd. responds to multiple public welfare activities. In 2024, it joined hands with EasyCard Company to donate NT\$ 300,000 to Sunshine Social Welfare Foundation, and invited a total of 223 person-times from Taiwan Fund for Children and Families, Sunshine Social Welfare Foundation, Eden Social Welfare Foundation and Andrew Charity Association to appreciate the theater performance of [Ifkids] by providing them with theater tickets worth NT\$ 100,000 and exchange coupons for 200 small pizzas (worth NT\$ 53,800). Mercuries F&B Co., Ltd. has sponsored Suspended Meals with Love. From 2022 to the end of 2024, it donated nearly 62,000 meals. Mercuries F&B Co., Ltd. has cooperated with social service agencies to hold friendly restaurant charity cooking activity for many years. In 2024, the charity cooking team of Mercuries F&B Co., Ltd. held a total of 11 charity cooking activities, serving more than one thousand school children and teachers in total. Mercuries & Associates Holding supports the promotion of sports, and has sponsored sports activities like "Taiwan Masters and Mercuries Golf Invitational Tournament", and "Mercuries Cup Charity Road Running" for many years, as well as multiple public welfare sports events. In 2023, the investment exceeded NT\$ 28.76 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 35 years. Mercuries Life Insurance Co
Appeal mechanism	Corporate sustainable development email: jay.lin@mercuries.com.tw
Major incidents in 2024	 Mercuries Life Insurance Co., Ltd. won the Gold Prize of "Sports Activist Awards" for 16 consecutive years. In 2024, it supported "Taiwan S-P Softball Father Memorial Cup" and "President Cup Slow Pitch Softball Championships" as always, and won "Long-term Sponsorship Award" and "Bronze Award for Promotion" respectively. 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.

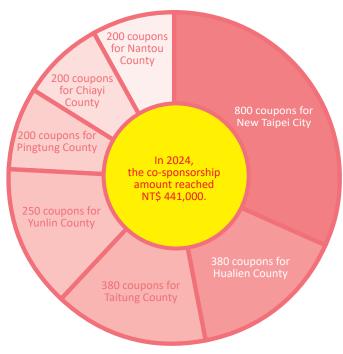
5.1 Care for Children and Vulnerable Groups

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.

In 2024, Family Shoemart responded again to the coupon issuance action of New Taipei City Happy Heart Care Association and issued a total of 2,410 exchange coupons (with face value of NT\$ 1.000 and NT\$ 800), so children are able to pick suitable shoes they like at the Family Shoemart stores around Taiwan. Family Shoemart synchronously provided 20% of sponsorship ratio. The accumulated sponsorship amount reached NT\$ 441,600 this year, which demonstrated the enterprise's practicing of its commitment to local care and education equality. 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 cosponsorship amount reached as high as NT\$ 2 million.



• Family Shoemart Sponsoring Shoe Exchange Coupons of "TFCF Changhua Branch

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 shares to children in the TFCF Changhua Branch Office. In 2024, a total of 1,000 coupons with each worth NT\$ 1,200 were given away, with the co-sponsorship amount approaching NT\$ 1.2 million. It is expected that these children will become brave and face the adversity and challenges directly when wearing these new shoes.

• 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.





Family Shoemart Stores Cooperating with MIT Smile to Sell Quality MIT Smile **Products**

Family Shoemart of Mercuries & Associates, Ltd. actively promotes MIT Smile products by highlighting MIT Smile Logo of "Safe, Healthy and Trustworthy Quality" and setting up a MIT product dedication section for customers to purchase. Through verbal recommendation and promotion by the store service staff, consumers have developed confidence in product quality and use.







Besides, on the occasion of the 42nd major production of Hyper Space Adventure 2: Time: Flash God Racing Against Time of [Ifkids Theater] performed by Chao, Tzu-Chiang as organized by TCFA and Ifkids Theater, Family Shoemart set up a MIT booth to vigorously promote MIT Smile products. During the cross-industry collaboration between TCFA and Ifkids Theater, relevant personnel conducted in-depth interviews with the founders and second-generation entrepreneurs from 12 renowned Taiwanese brands that impact Taiwanese' daily lives. On the date of this event, more than one thousand people enter the venue to watch the show. The MIT booth of Family Shoemart also attracted a considerable number of people, thus successfully promoting MIT Smile Logo of "Safe, Healthy and Trustworthy Quality" and enabling more Taiwanese consumers to use more MIT Smile products.



 Family Shoemart Sponsoring the 1919 Emergency Relief for Families in Need of "Chinese Christian Relief Association" and "1919 Love to Travel-Happy Bus" Donating Materials in 2024

In 2024, Family Shoemart of Mercuries & Associates, Ltd. cooperated with "Chinese Christian Relief Association" for the first time, and they joined hands to participate in the 1919 Emergency Relief for Families in Need. In 2024, "1919 Love to Travel-Happy Bus" donated materials and sent warmth to families in need. A total of 303 pairs of shoes were donated.





About Mercuries

Holding

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 21 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; for two consecutive years, this competition was partnered with "Taiwan Toy Library Association", and people were invited to experience the disassembly of second-hand toys on the site. They were encouraged to share toys rather than discarding them, thereby promoting the correct concept of recycling and sustainability. A total of 543.3KG of toys were recycled to reduce carbon emissions of 1,119.2KG for the earth, equivalent to the carbon absorption capacity of 93 trees in a year. Additionally, the activity also focused on the care for the disadvantaged. For each person registered, NT\$ 5 was donated to "Taiwan Foundation for Rare Disorders". In 2024, a total of 8,301 persons registered for this activity, and NT\$ 41,505 was donated, thus leveraging this activity's positive social influence with concrete actions.







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 13 consecutive years. 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.

In 2024, the company further sponsored TFCF Northern Kaohsiung Branch to hold the "37th Yearend Winter Chairty Event for Children" at Gushan Elementary School in Cishan District on December 8. During this activity, a recognition session for "Self-reliant Children" and "Self-reliant and Hardworking Families" was held, allowing the efforts and diligence of disadvantaged families to be acknowledged. At the same time, through their stories, more parents and children would be encouraged to raise social attention to the acts of kindness.



Mercuries Data Systems Ltd. Cooperating with Remote Rural Schools in Taiwan and TFCF to Complete the Little Beavers Sustainable Scholarship Program

Mercuries Data Systems Ltd. actively participates in social welfare activities. In 2023 and 2024, the company focused on the social emotional learning abilities of disadvantaged children and those from remote rural areas for two consecutive years, responding to social welfare through action. In 2023, the company assisted TFCF in placing 853 mistreated children from remote rural areas of Taiwan and donating SEL professional teaching materials. Thanks to the support from our



colleagues and the assistance from the volunteers of the foundation in 21 counties and cities, 586 families experienced ingenious chemical changes. In 2024, the company cooperated with remote rural schools in Taiwan and TFCF to complete the Little Beavers Sustainable Scholarship Program and organize public welfare activities regarding issues of children from remote rural areas.



• Mercuries Data Systems Ltd. Building a Bridge to Connect Remote Rural Schools in Taiwan through A Plus Love Music Festival Held on "Ruro" Platform

Relying on a remote education cooperation platform called "Ruro" promoted through the cooperation between the Ministry of Education and National Chengchi University, Mercuries Data Systems Ltd. built a bridge to connect remote rural schools in Taiwan. The company and its employees donated NT\$ 600,000 to purchase SEL emotional exploration boxes for 864 children. Specifically, these boxes were distributed to 700 children from 17 remote rural schools in 10 counties and cities like Keelung, Hsinchu, Miaoli, Changhua, Chiayi, Kaohsiung, Pingtung, Hualien, Taitung and the outlying islands of Kinmen as teaching materials for the semesters' curriculum, as well as 164 children from foster families of TFCF as Christmas gifts. We hope that these children can learn self-awareness, understand and accept who they really are, start from within, connect with their lives, and explore the outside world.





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.





Protection

Corporate

Sustainable

Management

1.Corporate

Governance

Food Management

Episode 543 of "Advancing Taiwan": Love without Barriers Happy Single Shoes

One pair of shoes can be sold one by one, which is unique in the whole world. "Single-shoes Bank-Family Shoemart Benefiting People in Need". The "Single-shoes Bank" was established by "Cheng Feng Hsi Cultural Education Foundation" and "Family Shoemart of Mercuries & Associates, Ltd." in 1991. This program enables people in need to apply for shoes and buy different sizes for one foot to create a pair, without having to pay for two pairs of shoes. Currently, Taiwan is the only place in the world that single-shoes welfare can be enjoyed. Since the founding of the Single-shoes Bank, we continue to promote it, for the purposes of filling society with barrier-free love and benefiting more people. On October 9, 2024, "Love without Barriers Happy Single Shoes" was aired in episode 543 of "Advancing Taiwan".



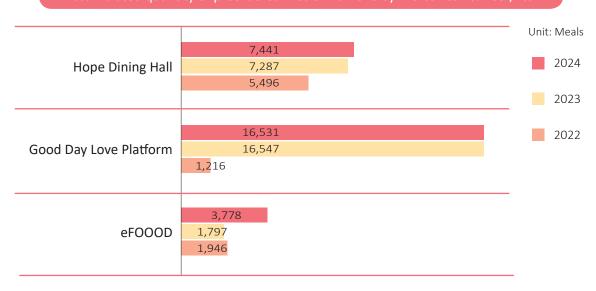






Sponsoring Suspended Meals with Love

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



• 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 20,224 love meals by the end of 2024, to care about and support for the vulnerable groups in need by providing them with warm and fulfilling meals.

Website of New Taipei Good Day Love Platform

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, 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 16,531 person-times were benefited as of the end of 2024.









• "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 "eFOOOD 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 eFOOOD sharing map in 2022, and integrated 258 stores in Taiwan to provide local non-profiting organizations with abundant meal resources and share warmth to vulnerable groups in need. By the end of 2024, Mercuries F&B Co., Ltd. already provided more than 3,788 meals, and we hoped that people we supported would be able to help others in the future, thus realizing a love cycle.

Mercuries F&B × EasyCard × Sunshine Social Welfare Foundation

During the graduation and job-seeking season, fresh graduates are eagerly preparing to enter the workplace and showcase their skills. However, individuals with facial disfigurements face challenges due to their appearance at this stage. According to the latest "Job-seeking Experience Survey for People with Facial Disfigurements" conducted by the Sunshine Social Welfare Foundation, more than half of people with burns and facial disfigurements encountered with unfriendly interview experiences during their job search, with some interviewers even asking them to reveal their scars or birthmarks. To this end, Mercuries F&B Co., Ltd. has launched a "Workplace Facial Equality Service Program" at approximately 354 stores across Taiwan. This



program not only provides job internship opportunities for individuals with facial disfigurements to help them better integrate into society, but it also aims to offer them a chance to secure formal positions and stand out in the workplace. At the same time, people are invited to participate in a public welfare donation activity by using EasyCard to make purchases above a certain amount at the stores of Mercuries F&B Co., Ltd., thereby promoting a more inclusive and friendly workplace environment. After the activity, a donation of NT\$ 300,000 was made to the Sunshine Social Welfare Foundation in collaboration with EasyCard Company.

Public Welfare Tickets for Ifkids Theater

A cross-industry collaboration between [Ifkids Theater] by Chao, Tzu-Chiang and TCFA: Doing one key small thing with the happiest belief will create the gentlest influence. A brand-new original story was refined from real-life events in Taiwan to take everyone on a journey through image and humor to explore the golden era where everyone is fully of hope and strives for the moments of happiness. After ten years' accumulation and three years' preparations, relevant personnel visited the founders and second-generation entrepreneurs from 12 renowned Taiwanese brands that impact Taiwanese' daily lives. It aims to find value in reality, convey the belief of pursuing dreams and working hard. Through an interesting time-travel experience, students will learn to leverage their talents and create unique successful codes.

In such a high-quality theater performance, people from organizations including Taiwan Fund for Children and Families, Sunshine Social Welfare Foundation, and Andrew Charity Association were invited to appreciate it. The purpose of this performance was to lead everyone on a journey of joy and fantasy. During this event, Mercuries F&B Co., Ltd. donated theater tickets worth NT\$ 100,000 and exchange coupons for 200 small pizzas (worth NT\$ 53,800) and invited 223 person-times from Taiwan Fund for Children and Families, Sunshine Social Welfare Foundation, Eden Social Welfare Foundation and Andrew Charity Association to appreciate this performance.





ECOCO

ECOCO is committed to the development of circular economy industries and focuses on resource classification and recycling as well as regeneration planning with the mission of "Zero Waste, Full Cycle", for the purpose of recycling the waste resources. Brands under Mercuries F&B Co., Ltd., including "Sanshang Qiaofu, Napoli Pizza and Fried Chicken, Tonkatsu, Sanshang Don Mono and Pin Chuan Lan" leveraged their channel advantages with 404 stores to encourage the people to collect and recycle resources while collecting points for exchange. As a result, the waste resource economy could be circulated, and a sustainable, beautiful life for zero resources waste could be realized. Together, let's take action for the earth.

Points exchanged: 516 points from Sanshang Qiaofu, 128 points from Napoli Pizza and Fried Chicken, 326 points from Tonkatsu, 75 points from Sanshang Don Mono and 1 piece from Pin Chuan Lan.

• Make-A-Wish Taiwan × Napoli Pizza and Fried Chicken: Pizza DIY Fulfilling the Dreams of Children with Critical Illnesses

Napoli Pizza and Fried Chicken joined hands with Make-A-Wish Taiwan to hold three little chef pizza DIY activities for fulfilling the dreams of children with critical illnesses. The activities were held at Shilin store in the northern region (Thursday, August 22), Fengyuan store in the central region (Tuesday, August 13) and Zuoying store in the southern region (Tuesday, August 20), respectively.

Our store colleagues showed abundant energy in these activities, not only creating a lively atmosphere through fun explanations and interactive singing, but also bringing endless joy and touch moments to the children with their sincerity and love. These activities were not just pizza DIY, but the concrete action adopted by the Napoli team for social public welfare, thereby continually spreading the power of love.

• Tonkatsu × Fisheries Agency, Ministry of Agriculture × Taiwan Ocean Conservation and Fisheries Sustainability Foundation - Heart of the Ocean Ecolabel

Since 2019, the Fisheries Agency, Ministry of Agriculture has joined hands with Taiwan Ocean Conservation and Fisheries Sustainability Foundation to promote the use of sustainable fishing methods by domestic fishing vessels. Certified fishing vessels will be provided with the Heart of the Ocean Ecolabel, and catering practitioners will be encouraged extensively to purchase aquatic products captured using such fishing method.

With reference to "Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries" published by the Food and Agriculture Organization of the United Nations, the evaluation of "Heart of the Ocean Ecolabel" has been promoted, focusing on four major aspects, i.e., "ensuring sustainable fish population", "guarding the marine environment", "implementing fisheries management" and "fulfilling social responsibility", and fisheries management has also been implemented. Currently, 6 fleets and 233 fishing vessels have been certified. However, after sustainable fishing methods are adopted for capturing, support from the market consumers shall be further obtained. Tonkatsu has specifically launched a Common Dolphinfish set meal to show its recognition and practical support for sustainable fisheries.

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 2024, the charity cooking team of Mercuries F&B





Co., Ltd. held a total of 11 charity cooking activities, serving more than one thousand school children and teachers in total.

• Mercuries Furniture Co., Ltd. Joining Hands with Eden Social Welfare Foundation to **Practice Disability Equality Movement**

Mercuries Furniture Co., Ltd. spares no effort in participating in public welfare activities. In April 2024, it cooperated with "Eden Dandelion Community Day-time Operation Facility" of Eden Social Welfare Foundation to organize a teeball event for people with disability. By showing love, care and a spirit of dedication, Mercuries Furniture Co., Ltd. aimed to inspire





more people to actively public in public welfare activities and jointly create a harmonious and stable social atmosphere.

• Mercuries Furniture Co., Ltd. Joining Hands with Eden Social Welfare Foundation to Provide a Caring and Inclusive Dragon Boat Festival for Developmentally Delayed Children

Mercuries Furniture Co., Ltd. held "Parent-Child Activity for Families with Developmentally Delayed Children on the Dragon Boat Festival" in May 2024 through cooperation with Eden Social Welfare Foundation. In addition to the donation of materials needed for this activity, Mercuries Furniture Co., Ltd. also called upon colleagues from "Hsinchu Store" and "Zhubei Guangming Store" to serve as volunteers and accompany the developmentally delayed children to experience a traditional and warm festival.

Mercuries Furniture Co., Ltd. has joined hands with Eden Social Welfare Foundation to hold multiple public welfare activities for a long term. It has not only passed on love to every corner of society, but also encouraged employees to actively participate in such activities. This "Parent-Child Activity for Families with Developmentally Delayed Children on the Dragon Boat Festival"





enabled the developmentally delayed children to recognize and develop their interests and skills, and also improved employees' cohesion and sense of happiness. From now into the future, Mercuries Furniture Co., Ltd. will continue to accompany and guard the developmentally delayed children with its caring and cooperative corporate culture, to create a more friendly, loving and warm environment for them.

Mercuries Furniture Co., Ltd. spares no effort in participating in public welfare activities. It held this parentchild activity on the Dragon Boat Festival through cooperation with Eden Social Welfare Foundation, aiming to inspire more people to actively public in public welfare activities and jointly create a harmonious and stable social atmosphere by showing love, care and a spirit of dedication.

Mercuries Furniture Co., Ltd. Supporting Public Welfare Activities and Accompanying Disabled Students on a Fun Trip

In September 2024, Mercuries Furniture Co., Ltd. and Eden Social Welfare Foundation led about 20 disabled students to visit Konig Cake Tourism Factory where they had the opportunity to observe the cake-making process, participate in a guided tour, and engage in a DIY activity to create decorated cookies. Volunteers not only took care of the safety of disabled students, but also encouraged them heartfeltly and helped create a lively and warm atmosphere. They accompanied the students all the way, enabling the students to achieve self-satisfaction through



handcrafting and feel warmth and happiness from this activity. It not only added diversity to the contents of the activity, but also enabled the students to face future challenges more confidently and bravely.



Concern and Promotion of Social Issues

 Simple Mart Retail Co., Ltd. Joining Hands with Taiwan Women's Development Association to Promote "Preparing a Hopeful Future for the World" and Care for Women and Children in Vulnerable Situations

In 2024, Simple Mart Retail Co., Ltd. joined hands with Taiwan Women's Development Association to promote "Preparing a Hopeful Future for the World" and care for women and children in vulnerable situations and conducted several sharing and publicity activities, including a consumption points collection activity named "Collecting Points and Sharing Love" as launched by Simple Mart. In this activity, a total of NT\$ 350,000 was raised and then donated; besides, 2 employee publicity lectures were held to provide deeper insights into issues like vulnerable families, gender equality, and the current status of human health and rights.



5.2 SSports 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. Focusing on the prevention of "health risks" faced by the people, Mercuries Life Insurance Co., Ltd. aims to foster physical strength, promote national health, and improve the awareness of health risk management by supporting sports activities for a long term. Specifically, the company has supported multiple sports events for more than ten years, showing its tireless efforts in promoting sports atmosphere. In 2024, we spent NT\$ 28.76 million, benefiting approximately 89,000 people. We hope that people can develop their awareness of health risks and improve their health by participating in such sports events.

As of 2024, Mercuries Life Insurance Co., Ltd. won "Sponsorship Gold Award" of "Sports Activist Awards" issued by the Sports Administration, Ministry of Education for 16 consecutive years, which recognized its identity as an important pushing force for the sports of Taiwan. In 2024, it supported "Taiwan S-P Softball Father Memorial Cup" and "President Cup Slow Pitch Softball Championships" as always, and won "Long-term Sponsorship Award" and "Bronze Award for Promotion" respectively.



Taiwan Masters and the 38th Mercuries Golf Invitational **Tournament**

With the passion for public welfare, Mercuries & Associates Holding has actively promoted golf sports activities. It was already the 38th 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 2024, 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 2024, we also held "Taiwan Masters Golf Fitness Walking" activity two days after Taiwan Masters and the 38th Mercuries Golf Invitational Tournament. The activity started at the Tamsui

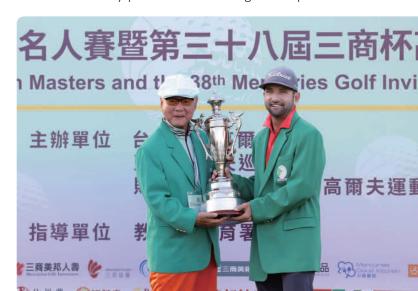
MRT station and the participants passed by the old Tamsui street and Fort Santo Domingo and finally arrived the venue of the competition, i.e., old Tamsui Golf Court (Taiwan Golf Club). The whole journey was approximately 2km long. We hoped that the participants people became both "watchers" and "participants". Mercuries Life Insurance Co., Ltd. also specifically set up a financial anti-fraud booth at the starting point, not only encouraging exercise but also enhancing the public awareness of risk management and anti-fraud.

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 5,655 bowels of noodles and Donburi were sold accumulatively, resulting a total amount of charity sale of NT\$ 333,645. All the charity donated obtained from the charity sale were donated to "Tamsui Culture Foundation".









2024 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 November 30, 2024, the road running activity was held at Dajia Riverside Park with the theme of "EYE CLOUD". Participants were invited to feel the beauty of the world from cloud-level heights and perspectives and with tender hearts and care about all friends in need.

This event attracted 2,538 road runners, including 10km group and 3.6km group. Besides, for the purpose of public welfare, a visually impaired group was arranged. Besides, a 3.6km creative costume group was introduced. At the event, children dressed up as little heroes and princesses, adding many eye-catching highlights to the race course.

After the event, a post-rase market and party were arranged for families, including bubble football and fun air cushion. These activities enabled both children and adults to have fun. The scene was lively and joyful.

Many brands under Mercuries Group set up interactive game booths together with their public welfare partners and sent many gifts like discount coupons, joining hands to sponsor and support the cause with great dedication. The 35th Mercuries Cup Charity Road Running was successfully completed, and the value of social responsibility was delivered at this event. Children and adults added warmth and meaning to their weekend holiday by running with love in the transition of autumn and winter.

In 2024, 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 "Association for Road Running of the Visually Impaired" 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.



Family Shoemart Participating in 2024 Mercuries Cup Charity Road Running-EYE CLOUD+1

Family Shoemart of Mercuries & Associates, Ltd. actively participates in the sports promotion activities. Specifically, Family Shoemart and En Route have coordinate Mercuries Cup Charity Road Running for a long term. On the day of the event, they set up booths on the site, so that those who completed the running could have the time to rest and engage in fun games, thereby improving people's willingness to participate in and jointly promote the road running.





20th Taiwan S-P Softball Father Memorial Cup

Mercuries Life Insurance Co., Ltd. has sponsored "Taiwan S-P Softball Father Memorial Cup" for 20 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 second 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 2024, teams from South Korea also attended the competition. A total of 126 teams and 3,000 players signed up for competition. Each team's players made every effort to show their passion for the competition.



15th 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 2024, it was the 15th consecutive year for the company to host the Teeball sport suitable for elementary school students. Also, the company fully sponsored the national champion team to participate in "Asian Cup Teeball International Tournament" and communicate with teams from South Korea, Japan, etc., thereby not only providing children with a diversified development stage but also expanding children's international prospective. In 2024, 110 teams participated in the event with 1,650 person-times. For the past 15 years, 1,131 teams and more than 18,463 person-times accumulatively participated in this competition.





Sponsoring the 22nd "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 22 years, more than 28,000 teams and 830,000 participants accumulatively participated in this event. It was 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 receiving praise from the president.



Sponsoring Sports Activities of Secondary Schools for 16 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), football games, Women's Softball League, cheerleading championships, Hot Dance Competition, HBL International Basketball Invitational Tournament, HVL International Volleyball Invitational Tournament, etc. Mercuries Life Insurance Co., Ltd. has sponsored sports activities of secondary schools for 16 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.





5.3 Academic Culture

Promotion of Chinese Dietary Culture

The Foundation of Chinese Dietary Culture was established in 1989by Mr. George C.S. Wong, 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 35 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 2024, Chinese Dietary Culture Library collected 32,025 books, 80 types of periodicals, 2,450 types of audio-visual materials, and 3,823 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 2024, the library added a "Diet Academy". 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., Liz Kao Special Menu Sharing Lecture of "Self-taught Journey of a Foodie", Bestselling Food Book Fat-Fat Tree Sharing Session, GABEE. Hand-drip Coffee Master Class, Meigetsudo Wagashi Master Demonstration Lecture, Baker's Sharing of Experience in Mondial Du Pain, 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 2024, Chinese Dietary Culture Library hosted five group visits from Graduate Institute of European Cultures and Tourism of National Taiwan Normal University, Southern Fujian Dialect Teacher Class of National Taiwan Normal University, Dali Senior High School, Department of Geography of National Taiwan Normal University, and Department of Library and Information Science of Fu Jen Catholic University with a total of 95 visitors. In addition to guided library tours and promotion of the business of the foundation, special collections like rare antique books and state banquet menus were introduced. Furthermore, several catering professionals, famous chefs, authors and other KOLs were invited to visit the library, and share photos of these visits to social medial platforms, to attract more catering professional to utilize the library's resources and enhance the library's visibility.





Through the cooperation with National Taiwan Normal University Library and Fu Jen Catholic University Library, the Chinese Dietary Culture Library held book exhibitions with the theme of "Taste of Books". The presidential banquet menu used on the day of inaugural of president Lai Ching-te on May 20 was exhibited for the first time, together with six presidential banquet menus collected by the Foundation over the years. Furthermore, three representative ancient books and diet-related books and several hundreds of diet-related books were exhibited, covering the world dietary culture and issues concerned by readers in recent years such as sustainable diet, plants and ecology, and food and agriculture education. To fit the features of the departments of each university, catering education, design aesthetics and classic recipes were also the highlights of the book exhibitions.

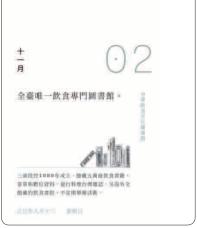




Chinese Dietary Culture Library participated in "[B:Kalendar 2025]" promoted by NEWSVEG. The unique "Libraries" and "Independent Bookstores" in Taiwan were collected in the page of the calendar. The Chinese Dietary Culture Library provided a slogan of "The Only Diet-Specific Library" along with a 60-word introduction highlighting its unique features, with the objective to attract more readers to feel the reading charm of physical books at libraries.

In the beginning of 2024, the library held a "Diet Library Book Selector" campaign on social media. Three faithful subscribers of Ryori. Taiwan B joined the librarians to select and purchase books at the annual "Taipei International Book Exhibition", and pick foreign books on catering books at the nearby EC Link Bookstore. Therefore, readers were able to experience the daily purchasing of new books of the library, and their interaction with the library could be enhanced.







Holding

Ryori. Taiwan Bimonthly (Established for 13 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 78 issues were published over nearly 13 years.

In 2024, Ryori. Taiwan Bimonthly won the lifestyle magazine award at the 48th Golden Tripod Awards granted by the Ministry of Culture, symbolizing the high recognition of the magazine in terms of culture and content innovation. At the award-granting ceremony, Li Yuan (the minister of the Ministry of Culture) and Cho Jung-tai

(the head of Executive Yuan) attended and delivered speeches. Ryori. Taiwan was praised by the professional judges for its in-depth reporting, innovative perspective and profound exploration of the dietary culture. Besides, the long-lasting efforts made by the Foundation in the field of dietary culture were also recognized, indicating the important role played by this magazine





in Taiwan's dietary culture stories.

In December 2024, Ryori. Taiwan held a "The Power of Literature in Diet" forum activity during which chef Lin Yi-Hua from Sur-, a Michelin 1-star restaurant and famous writer Yuchun Hung were invited to share their experience and guide the audiences to rediscover the power of reading and writing and learn how to integrate these skills in daily life and professional culinary workplace and explore more diversified promotional possibilities. These two keynote speakers showed the endless charm of reading and literature to the audiences through their personal experiences and based on the touching stories behind literature creation and cooking. At the same time, the resources of the diet libraries were combined and publicized to promote reading and writing, thereby offering brand-new options, new inspirations and practicing directions for catering practitioners. About 64 people participated in this forum.

Academic Periodical of Chinese Dietary Culture First Published 20 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 20, Issue 1 published in 2024 was Flavor Creation and Identity in Tea Consumption; the theme of Volume 20, Issue 2 was Chinese Dietary Practices: Food and Health Preservation.

Sponsoring International Conference on Chinese Food Culture Held for 18 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 18 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 18 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 498 papers on relevant themes were collected, thereby effectively preserving the research on Chinese dietary culture and disseminating the research achievements.

In 2024, the International Conference on Chinese Food Culture was held at Kyoto University with the theme of "Comparative Study of Sustainable Food Culture", involving 1 keynote speech and the publication of 25 papers from domestic and foreign scholars. This conference not only deepened the influence of Chinese food culture in the sustainability studies, but also showcased the active contributions of the academic circles to the global sustainability issues. The next conference will be jointly held with Yonsei University, Seoul, Korea in 2026 with the theme of "Ritual and Food Culture".



• Sponsoring Scholarships and Grants for Doctorate and Master's Dissertations and Subsidies for Taiwanese Chiefs 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 57 master students have been awarded scholarships, amounting to NT\$ 3.99 million.

In 2024, applications for 25 dissertations were submitted. The master's paper that won the award was Following the Frozen Tuna: Fishing Technology, Ocean Governance and Fishing Enterprise-State Complex in Taiwan's Distant Water Fisheries written by Lin, Yu-Chia from Department of Geography, National Taiwan

University, and the scholarship granted amounted to NT\$ 70,000.

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 Chiefs 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

Art and culture are not only important cultural heritage of Taiwan, but also the foundation for building national soft power. Mercuries Life Insurance Co., Ltd. has supported various kinds of art and cultural performance activities for a long term., including sponsoring "iLook Film Obsession Party Campus Activity" for 16 consecutive years, for the purpose of cultivating young students' aesthetic quality through the promotion of literary and artistic films. Besides, it also sponsored "Taiwan Lantern Festival in Tainan, 2024" to support the development of cultural and creative industries. By sponsoring the decorative lighting works designed by contemporary artists, the company aimed to cultivate people's artistic perception.

Promotion of Art and Culture on Campus

Subsidiary Mercuries Life Insurance Co., Ltd. has continually sponsored "iLook Film Obsession Party Campus Activity" for 16 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 2024, the company specifically cooperated with Crime Prevention Section, Criminal Investigation Bureau, National Policy Agency, Ministry of the Interior to plan an activity with the theme of "Five Steps for Fraud Prevention: Protecting Your Money". Also, a video titled "Smart Community Life" was played, and QA interaction was conducted to deliver a correct concept on fraud prevention. In 2024, a total of 32 activities were held, and about 4,084 students were attracted. Also, a total of 219 person-times of colleagues participated in these activities.





Promotion of Cultural and Creative Industries

In the activity of "Taiwan Lantern Festival in Tainan, 2024" sponsored by Mercuries Life Insurance Co., Ltd., two decorative lighting works, i.e., "Endless Circle" at Anping Lantern Zone and "Forest of Life" at THSR Display Zone, were exhibited. Based on the Lantern Festival tradition of carrying lanterns, we launched an interactive Q&A giveaway on our official LINE account, creating an immersive festive atmosphere that brought cultural artistry into people's daily lives.





Promotion of Financial Insurance Education

Sponsoring Academic Development

As an insurance company, Mercuries Life Insurance Co., Ltd. has been committed to financial insurance education, cultivation of outstanding campus talents and supporting for publicity of financial fraud prevention. The company has sponsored the academic development of insurance for National Chengchi University Risk and Insurance Research Center for 11 consecutive years, and sponsored the FinTech innovation and international research exchanges of Industry-Academia Research Commercialization Platform (formerly known as FinTech Industry-Academia Cooperation Alliance) of National Chengchi University for 7 consecutive years. Also, Mercuries Life Insurance Co., Ltd. has sponsored the Taiwan Criminal Investigation and Prevention Association for 17 consecutive years, and cooperated with the Foundation of Modern Insurance Education and made donations to Modern Insurance Health and Wealth Management Magazine for 10 consecutive years. Additionally, it sponsored large financial forums like 2024 East Asia Pacific Insurance Forum and 2025 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 conducted 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, public welfare activities to care about the elderly, public lectures on fraud prevention at colleges and universities, financial fraud prevention checkpoint activities, etc. The company is committed to providing school children, policyholders, senior citizens and the general public with a correct concept of wealth management and improving their awareness of fraud prevention. In 2024, the company held a total of 60 activities and benefited 5,991 people.





Providing Campus Internship

By providing internship programs for college students, the company conducted academic and practical exchanges through cooperation with related departments from relevant universities to reduce the gap between theory and practice, help students smoothly adapt to the workplace, and cultivate and retain excellent talents. This program covered 20 departments from 14 universities, and 110 students were provided with the opportunity to take internships at the field units of the company, so that they could get familiar with the operations of an insurance company in advance. After the end of the internship, a total of 31 students successfully became the regular employees of the company.

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 2024, the accumulated number of volunteers reached 2,792 person-times. If estimated as 3 service hours per person, the total service duration was approximately 8,376 hours.

Volunteering for Publicity of Finance Education

In 2024, 60 volunteering activities were launched, and 503 person-times participated in the activities; our colleagues leveraged their expertise in finance to conduct various activities, including finance courses for remote rural areas, wealth management summer camp for policyholders' children, care about the elderly, public lectures on fraud prevention at colleges and universities, financial fraud prevention checkpoint activities, etc. They served as leaders of course teams and checkpoint supervisors to help school children, policyholders, college and university students, senior citizens and the general



public establish a correct concept of wealth management and improve their awareness of fraud prevention.

Volunteering for Conservation of Ecological Environment

In 2024, the company called upon the colleagues and policyholders to engage in the conservation of ecological environment, and organized 10 activities with participation of 468 person-times; specifically, Mercuries Life Insurance Co., Ltd. held 4 large ecological conservation volunteering activities, focusing on three aspects, i.e., "Waste Reduction", "Plastics Reduction" and "Carbon Reduction". These activities included: Assisting the removal of weeds in paddy fields at Guandu Wetland in Taipei City; planting trees at Qieding Wetland in Kaohsiung City; clearing a total of 1,018kg of ocean waste from Shengang Wetland in Changhua and Kejian Coast in Xinwu, and planting 100 native coastal samplings; additionally, we called upon our colleagues to serve as resource recycling volunteers at Tzu Chi environmental protection education stations in each place, or form volunteer teams to engage in public welfare services including mountain and beach cleaning, contributing to the protection of environmental sustainability.



• "Love from Mercuries with Warm Blood": Volunteering for Blood Donation

In 2024, volunteers participated in blood donation activities for 311 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 2024, it also donated to Taiwan Foundation for Rare Disorders and invited those with rare diseases to carry out charitable sales at the head office and the activity scenes in Taichung and Kaohsiung. Therefore, the company not only encouraged the public to donate blood and contribute to public welfare, but also helped patients with rare diseases. In 2024, a total of 93 blood donation activities were held in Taiwan, with 5,233 blood bags donated. The accumulated number of blood bags donated over the years already exceeded 55,000.





Old Shoe Collection Volunteering Activity of "Mercuries Life Insurance Co., Ltd. Sending Love to Africa with Shoes"

The activity lasted for 1 month in 2024, attended by 842 person-times in Taiwan; to care about the African people and deliver the environmental concepts of waste reduction, carbon reduction and resource reutilization, Mercuries Life Insurance Co., Ltd. cooperated with "Step30 International Ministries" and invited colleagues to donate their unused shoes, with the objective to help the African people get away from Tungiasis. A total of 3,908 pairs of second-hand shoes were collected, and the company donated NT\$ 50,000 to "Step30 International Ministries", demonstrating its warm care with concrete action.





• Animal Protection Volunteering Activity of "Mercuries Life Insurance Co., Ltd."

The company held 2 activities, attended by 31 person-times. For the first time, through the volunteer service promotion centers of New Taipei City Government Social Affairs Bureau and Social Affairs Bureau of Kaohsiung City Government, colleagues were invited to visit Banqiao Animal Shelter where they accompanied and cared for the stray animals. Also, the company joined hands with Association for Coexistence with Macaca Cyclopis and carried out education and publicity of "Do Not Show the Food" to tourists of Shoushan Zoo, Kaohsiung City. Also, we advocated for the rental service of monkey-proof bags, aiming to deliver the correct concept on conservation and promote the peaceful coexistence between mankind and wildlife.







Appendix 1: GRI Index

	Disclosure	Corresponding Chapter	Page No.
	rsal Standards]		
	eneral Disclosures 2021		
. Organi	zation and reporting practice		
2-1	Organizational details	About This Report About Mercuries & Associates Holding	2 6-7
2-2	Entities included in the organization's sustainability reporting	About This Report	2-3
2-3	Reporting period, frequency and contact point	About This Report	2-3
2-4	Restatements of information	About This Report	3
2-5	External assurance	About This Report Appendix 5 Appendix 6	3 149-151 152-155
Δctiviti	es and workers	Арреник о	132-133
2-6	Activities, value chain, and other business relationships	About Mercuries & Associates Holding Chapter 2 Retail Business and Food	6-11 36-61
		Management	
2-7	Employees	4.1 Employee Profile	90-93
2-8	Workers who are not employees	4.1 Employee Profile	91
. Govern			
2-9	Governance structure and composition	1.1 Governance Mechanism	26-30
2-10	Nomination and selection of the highest governance body	1.1 Governance Mechanism	26-30
2-11	Chair of the highest governance body	1.1 Governance Mechanism	26-30
2-12	Role of the highest governance body in overseeing the management of impacts	Message from the Chairman Corporate Corporate Sustainable Management	4-5 12-15
2-13	Delegation of responsibility for managing impacts	Corporate Sustainable Management	12-17
2-14	Role of the highest governance body in sustainability reporting	About This Report	3
2-15	Conflicts of interest	1.1 Governance Mechanism	29
2-16	Communication of critical concerns	1.1 Governance Mechanism	29
2-17	Collective knowledge of the highest governance body	1.1 Governance Mechanism	28
2-18	Evaluation of the performance of the highest governance body	1.1 Governance Mechanism	29
2-19	Remuneration policies	1.2 Functional Committees	31
2-20	Process to determine remuneration	1.2 Functional Committees	31
2-21	Annual total compensation ratio	1.2 Functional Committees	32
. Strateg	y, polices and practices		
2-22	Statement on sustainable development strategy	Message from the Chairman	4-5
2-23	Policy commitments	1.1 Governance Mechanism	30
2-24	Embedding policy commitments	Management policies in each chapter	25, 37, 63, 8 115
2-25	Processes to remediate negative impacts	1.1 Governance Mechanism 1.4 Risk Management	26-30 34-35
2-26	Mechanisms for seeking advice and raising concerns	1.1 Governance Mechanism	26-30
2-27	Compliance with laws and regulations	1.4 Risk Management2.2 Quality Management of Retail Goods3.1 Response to Climate Change4.2 Labor Relations and Employee Benefits	35 56 76 95
2-28	Membership associations	1.1 Governance Mechanism	28
	older engagement		20
2-29	Approach to stakeholder engagement	Corporate Sustainable Management	16-17
2-30	Collective bargaining agreements	The Company hasn't established a trade union yet.	-
iRI 3: Ma	aterials Topics 2021	··· y =	
3-1	Process to determine material topics	Corporate Sustainable Management	18-19
3-2	List of material topics	Corporate Sustainable Management	19
3-3	Management of material topics	Corporate Sustainable Management	20-23
	tandards]	po.aco oacomianto management	20 20
	publication date of this report, GRI hasn't published sector stan	ndards that apply to the Company and its su	hsidiaries
	andards]	15 that apply to the Company and Its Su	5.0.01105.
	Economic Performance 2016		
	Economic Performance 2016 Direct economic value generated and distributed	1.3 Operating Performance	33

	Disclosure	Corresponding Chapter	Page N
RI 302:	Energy 2016		
302-1	Energy consumption within the organization	3.2 Greenhouse Gas Inventory 3.3 Energy Management and Action Plans	77 78-80
302-3	Energy intensity	3.2 Greenhouse Gas Inventory 3.3 Energy Management and Action Plans	77 78-80
302-4	Reduction of energy consumption	3.3 Energy Management and Action Plans	78-80
RI 303: \	Water and effluents 2018		
303-1	Interactions with water as a shared resource	3.4 Water Resource Management	81
303-2	Management of water discharge related Impacts	3.4 Water Resource Management	81
303-3	Water withdrawal	3.4 Water Resource Management	81
303-4	Water discharge	3.4 Water Resource Management	81
303-5	Water consumption	3.4 Water Resource Management	81
	Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	3.2 Greenhouse Gas Inventory	77
305-2	Energy indirect (Scope 2) GHG emissions	3.2 Greenhouse Gas Inventory	77
305-3 305-4	Other indirect (Scope 3) GHG emissions GHG emissions intensity	3.2 Greenhouse Gas Inventory	77 77
305-4	GHG emissions intensity	3.2 Greenhouse Gas Inventory3.3 Energy Management and Action	
305-5	Reduction of GHG emissions	Plans	78-80
RI 306: \ 306-1	Waste 2020 Waste generation and significant waste-related impacts	3.5 Waste Management	82-83
306-2	Management of significant waste related impacts	3.5 Waste Management	82-83
306-3	Waste generated	3.5 Waste Management	82-83
	Employment 2016		
401-1	New employee hires and employee turnover	4.1 Employee Profile	92-93
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Labor Relations and Employee Benefits	94-97
401-3	Parental leave	4.1 Employee Profile	93
RI 402: I	_abor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes Occupational health and safety 2018	4.2 Labor Relations and Employee Benefits	95
403-1	Occupational health and safety management system	4.4 Workplace Safety and Health	104
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Workplace Safety and Health	106-10
403-3	Occupational health services	4.4 Workplace Safety and Health	109-11
403-4	Worker participation, consultation, and communication on	4.4 Workplace Safety and Health	104
403-5	Worker training on occupational health and safety	4.4 Workplace Safety and Health	107-10
403-6	Promotion of worker health	4.4 Workplace Safety and Health	107-11
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.1 Sustainable Management	38-43
403-8	Workers covered by an occupational	4.4 Workplace Safety and Health	104
403-9	Work-related injuries	4.4 Workplace Safety and Health	106-10
103-10	Work-related ill health	4.4 Workplace Safety and Health	106-10
NI 404:	Training and Education 2016	2.3 Food Safety and Quality Management	54-55
		4.3 Professional Talent Cultivation 4.4 Workplace Safety and Health	98-99 104-10
404-1	Average hours of training per year per employee	1. I Workplace Surety and Health	
404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Professional Talent Cultivation	98-103
404-2	Programs for upgrading employee skills and transition assistance programs Customer Health and Safety 2016	4.3 Professional Talent Cultivation	
404-2 RI 416: (Programs for upgrading employee skills and transition assistance programs Customer Health and Safety 2016 Assessment of the health and safety impacts of product and service categories	4.3 Professional Talent Cultivation 2.3 Food Safety and Quality Management	47-54
404-2 RI 416: 0 416-1 416-2	Programs for upgrading employee skills and transition assistance programs Customer Health and Safety 2016 Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services	4.3 Professional Talent Cultivation	47-54
416-1 416-2	Programs for upgrading employee skills and transition assistance programs Customer Health and Safety 2016 Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and	 4.3 Professional Talent Cultivation 2.3 Food Safety and Quality Management 2.2 Quality Management of Retail Goods 2.3 Food Safety and Quality Management 	98-103 47-54 44-46 56

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

Topic disclosed	Indicator code	Indicator disclosed	Corresponding information
Transparent Information &	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 2024.
Fair Advice for Customers	FN-IN-270a.2	Complaints-to-claims ratio	See Chapter 3 of 2024 Sustainability Report of Mercuries Life Insurance for details.
	FN-IN-270a.3	Customer retention rate	In 2024, 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 2024 Sustainability Report of Mercuries Life Insurance for details.
Incorporation of Environmental,	FN-IN-410a.1	Total invested assets, by industry and asset class	See Chapter 2 of 2024 Sustainability Report of Mercuries Life Insurance for details.
Social, and Governance Factors in Investment Management	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 2024 Sustainability Report of Mercuries Life Insurance for details.
Policies Designed	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.
to Incentivize Responsible Behavior	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 and Chapter 6 of 2024 Sustainability Report of Mercuries Life Insurance for details.
	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.
Environmental Risk Exposure	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 2024 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	No securities lending collateral assets were involved in 2024.
	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

Evaluation and improvement of sanitation management of employees, workplaces, and facilities as well as quality assurance system standards and percentages of main products and services and percentage of products and percentage of percentage of products percentage of products and percentage of products percentage of percentage of percentage of percentage of percentage of percentage of p	(Mer	Mercuries F&B Co., Ltd.)			
management of employees, workplaces, and facilities are well as qualify vasionaries systems and facilities are well as qualify vasionaries systems and facilities are well as qualify variance systems and the strength of the products and percentages of main products and services of the products and percentages of main products and services of the products and percentages of main products and services of the products and percentages of main products and services of the products and percentages of main products and services of the products and the strength of the products are products and services of the products and the strength of the products and services of the products and services, number of times of products and services of the products and services of the products and services of the serv	No.	Indicator	Disclosures in 2023	Corresponding Section	
violation of health and safety regulations on products 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 and gross weight of products removed from shelf and gross weight of products removed from shelf and gross weight of products and services, number of times of products removed from shelf and gross weight of products and services. Journal of the products and produ	I	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	 raw materials of 19 product items for inspection, with yield of 100%. Independent health monitoring: a total of 287 sampling points inspected with 2,556 sample-times in total and yield of 100%. Third-party impartial unit testing: The third-party impartial unit testing was conducted for 33 raw material items (accounting for 21% of total raw material), 128 types of finished products (accounting for 76% of total finished products), and water quality for 5 times respectively, with 190 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, grade A+ and A stores accounted for 32.84% of the total number of stores; grade B stores accounted for 67.1% of the total number of stores. Stores rated as grade C or D were required to submit relevant improvement plans to continually 	and Quality '	
complying with internationally recognized product liability standards in the overall procurement, and differentiation per standard procurement, and differentiation per standard of the overall procurement, and differentiation per standard of the overall procurement, and differentiation per standard of the overall procurement. (For detailed classification of standards, please refer to relevant section of the report). Percentage of products manufactured by a plant verified by an independent third party as complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated food safety management system standards are considered as a complying with the internationally certificated in the process of the internationally certificated in the process of the consideration of the report). The certal kitchen of Mercuries RBC Co., Ltd. accounting for 35%; there were no grade D substantial part of the substantial p	II	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	No incidents that did not comply with the regulations occurred.	and Quality '	
Number and percentage of suppliers audited, and audit items and results	III	complying with internationally recognized product liability standards in the overall	manufacturers, and purchased from 64 manufacturers that have established internationally recognized product liability standards, accounting for 64% of the overall procurement. (For detailed classification of standards, please	Sustainable	
and audit items and results 4	IV	plant verified by an independent third party as complying with the internationally certificated	22000:2018 and HACCP certificates in July 2019. After completing renewal review in 2022, it passed the follow-up inspection in September 2024. Additionally, the flour factory of the central kitchen passed TQF renewal review and obtained a verification certificate in September 2024, with the	Sustainable	
tracking management conducted according to regulatory requirements, or voluntarily as well as percentage of relevant products in all products 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. VIII Total energy consumption, percentage of purchased electric power, and utilization rate of renewable energy; or renewable energy; of non-food ingredients and 98% of 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 and 98% of non-food ingredients. Tracking and traceability management was implemented for 100% of food ingredients and 98% of non-food ingredients. Tracking and traceability management was implemented for 100% of food ingredients. Tracking and traceability management was implemented for 100% of food ingredients. Tracking and traceability management was implemented for 100% of food ingredients. Tracking and traceability management was implemented for 100% of food ingredients. Tracking and traceability management was implemented for 100% of food ingredients. Tracking and traceability management was 100%. The laboratory acquired ISO/IEC 17025 Laboratory quality management system certification in December 2020, and completed renewal carrier and 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 991.14)", "Escherichia coli group (AOAC 991.14)", "Escherichia coli g	V		 Evaluation items: Supply quality (weight: 55%); delivery period (weight: 30%); degree of coordination (weight: 15%) Evaluation results: 27 grade A excellent suppliers (accounting for 25%); 78 grade B eligible suppliers (accounting for 72%); 4 grade C suppliers who required improvement (accounting for 3%); there were no grade D 	Sustainable	
according to regulatory requirements, or voluntarily, test items, test results, relevant expenditure, and the percentage of such expenditure in the operating revenue. VII VII Total energy consumption, percentage of purchased electric power, and utilization rate of renewable energy; or renewable energy; Head office: 383,587kWh (1,380.91GJ) system certification in December 2020, and completed rénewal certification until 2026 in December 2023. In October and November 2024, the inspection personnel of the Quality Management Nanagement 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)", "Escherichia coli group (AOAC 991	VI	tracking management conducted according to regulatory requirements, or voluntarily as well as percentage of relevant products in all	food regulations of Taiwan included 318 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%	and Quality	
purchased electric power, and utilization rate renewable energy: Management and of renewable energy sources • Head office: 383,587kWh (1,380.91GJ) Action Plans	VII	according to regulatory requirements, or voluntarily, test items, test results, relevant expenditure, and the percentage of such	system certification in December 2020, and completed renewal certification until 2026 in December 2023. In October and November 2024, 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)", "Escherichia coli (AOAC 991.14)", "Salmonella" and "Staphylococcus aureus" 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	and Quality '	
	VIII	purchased electric power, and utilization rate	renewable energy: • Head office: 383,587kWh (1,380.91GJ)	Management and	
Total water withdrawal and total water consumption • Total water withdrawal: 86,213m³; total water consumption: 3.4 Water Resournment 17,243m³	IX		• Total water withdrawal: 86,213m³; total water consumption: 17,243m³	3.4 Water Resource Management	
	Χ	Weight of products sold and number of production facilities and places	Operating sites of Mercuries F&B Co., Ltd.: 1 central kitchen and 426 stores (statistics gathered as of December 31, 2024)	About Mercuries & Associates Holding	

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

No.	Indicator	Disclosures in 2024
ı	Number of information leakage incidents, ratio of information leakage incidents related to personal information, and number of customers affected due to information leakage incidents	There were no information leakage incidents in 2024, and the ratio of information leakage incidents related to personal information was 0%. The number of customers affected was 0.
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 2024 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 2024 Sustainability Report of Mercuries Life Insurance for details.

The sustainability report of Mercuries Life Insurance can be downloaded at



& Associates

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.	ltem	Implementation status		
1	Describe the Board of Directors' and the management's supervision and governance of climate-related risks and opportunities.			
2	Describe how the climate risks and opportunities identified impact an enterprise's business, strategies, and finance (short-term, medium-term, and long-term).	See 3.1 Response to Climate Change for details.		
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.	 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.	 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)	 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
- 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
- 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 (tCO₂e)	Intensity Note 3 (tCO ₂ e)/NT\$ 1 million)	Assurance agency	
Parent company	1.0909	0.000005		
Subsidiaries	551.3102	0.004029	Reasonable assurance of carbon emission data of the year 2024 has already been conducted per GHG Protocol.	
(Mercuries Life Insurance)	552.4011	0.001628		
Scope 2	Total emissions (tCO₂e)	Intensity (tCO₂e)/NT\$ 1 million)	Assurance agency	
Parent company	97.2879	0.000480		
Subsidiaries	6886.0653	0.050319	Reasonable assurance of carbon emission dat of the year 2024 has already been conducted per GHG Protocol.	
(Mercuries Life Insurance)	6983.3532	0.020578		
Scope 3	Total emissions (tCO₂e)	Intensity (tCO₂e)/NT\$ 1 million)	Assurance agency	
Parent company	19.7508	0.000098	Not assurance has been obtained.	

Note 1: The base year of greenhouse gas inventory of subsidiaries is the year 2024. Currently, Mercuries Life Insurance has completed inventory assurance, while the other subsidiaries will disclose the inventory data of 2026 in 2027.

Note 3: The consolidated operating revenue reached NT\$ 202,518,000,000 in 2024.

Note 4: The operating revenue of Mercuries Life Insurance reached NT\$ 136,847,000,000 in 2024.

Note 2: The inventory sources of Scope 3 included "water resources purchased", "upstream of energy", and "disposal and transport of domestic waste".

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

GHGEV 803805 Holds Statement No:

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:

- Greenhouse Gas Emissions with Mercuries & Associates Holding, Ltd. for the period from 2024-01-01 to 2024-12-31 was verified, including direct greenhouse gas emissions 1.0909 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 97.2829 tonnes of CO2 equivalent.
- No material misstatements for the period from 2024-01-01 to 2024-12-31 Greenhouse Gas Emissions
- 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 2024 is not published by Taiwan authority so far, the emission factor used for electricity is 0.494 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

Latest Issue: 2025-04-24 Originally Issue: 2025-04-24

Page: 1 of 3

...making excellence a habit."

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.

BSI Taiwan is a subsidiary of British Standards Institution.

Statement No: **GHGEV 803805**

The greenhouse gas emissions information reported by the organization for the period from 2024-01-01 to 2024-12-31 is as follows:

	EMISSIONS	Notes	tonnes CO2e	
Scop	Scope 1: Direct GHG emissions and removals			
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)		1.0909	
1.5	Land use, land use change and forestry	N/A		
Direc	Direct emissions in tonnes of CO₂e from biomass			
Scop	97.2879			
2.1	Indirect emissions from imported electricity	location-based approach	97.2879	
2.2	Indirect emissions from imported energy (steam, heating, cooling and compressed air)	N/A		

^{*} NS: Non significant; N/A: Non available.

Originally Issue: 2025-04-24 Latest Issue: 2025-04-24

Page: 2 of 3

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 to have addressed to the above name client only.

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.
BSI Taiwan is a subsidiary of British Standards Institution.

GHGEV 803805 Statement No:

The total emissions were verified in the following:

Locations

中山區

建國北路2段145號104476

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

Verification Information

The Greenhouse Gas Emissions with Mercuries & Associates Holding, Ltd. for the period from 2024-01-01 to 2024-12-31 was verified, including direct greenhouse gas emissions 1.0909 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 97.2879 tonnes of CO₂ equivalent.



Originally Issue: 2025-04-24 Latest Issue: 2025-04-24

Page: 3 of 3

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 its hould be addressed to the above name client only. 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.

BSI Taiwan is a subsidiary of British Standards Institution.

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 2024 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 2024 年永續報告書進行評估和查證外,與三商投控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 2024 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 2024 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 2024 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 15 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。

Welfare



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:

2024 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

回應性

三商投控執行來自利害關係人的期待與看法之回應。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循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。

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



...making excellence a habit."

Statement No: SRA-TW-803852

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.







INDEPENDENT ASSURANCE OPINION STATEMENT

Mercuries & Associates Holding, Ltd. 2024 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:

- The assurance scope is consistent with the description of Mercuries & Associates Holding, Ltd. 2024 Sustainability Report.
- The evaluation of the nature and extent of the MERCURIES's 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. 2024 Sustainability Report provides a fair view of the MERCURIES sustainability programmes and performances during 2024. 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's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors 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's 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 review of issues raised by external parties that could be relevant to MERCURIES's 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.
- 15 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:

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 targetsetting can be supported. In our professional opinion the report covers the MERCURIES's 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's management and performance. professional opinion the report covers the MERCURIES's 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's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the MERCURIES's 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. professional opinion the report covers the MERCURIES's 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's 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's 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

...making excellence a habit."

AA1000 Licensed Report 000-4/V3-1XHGS

Statement No: SRA-TW-803852

2025-05-14

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.





MERCURIES & ASSOCIATES HOLDING, LTD.

Add: No. 145, Section 2, Jianguo North Road, Zhongshan District, Taipei City Tel: +886 2 2503-1111

