

2022

ESG

SUSTAINABILITY REPORT



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About This Report

The Basis of Preparation

Dear Readers, welcome to the Sustainability Report of MERIDA INDUSTRY CO., LTD. (hereinafter called "MERIDA Industry, MERIDA and/or this Company"). This Report has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB). It adheres to the eight fundamental reporting principles prescribed by the GRI 2021, i.e., Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. On top of that, this Report aligns with the Sustainability Accounting Standards Board (SASB) standard for the Toys & Sporting Goods Industry, and corresponds to the United Nations SDGs and the Disclosure of Climate-related Information by TWSE and TPEx Listed Companies to address as many significant topics of concern to the stakeholders as possible. Welcome on board to read more about MERIDA's determination on practicing sustainable business.

Scope and Principles

This is the very first report released by MERIDA, which will disclose the information provided by all departments of MERIDA's headquarters from January 1, 2022 to December 31, 2022. Except for information on the aspects of economic, environmental, and population (including human rights), which only covers the information of the headquarter in Taiwan, the scope of the financial data disclosed in this Report is consistent with the consolidated financial statements or publicly available financial information. Although this Report has not been externally verified by a third-party entity, the Company ensures the accuracy of all disclosures through rigorous internal controls and auditing mechanisms. In the future, MERIDA will continue to communicate with our stakeholders about our corporate social responsibility and the results of our sustainable business achievement through the publication of reports on an annual basis.

Publication Overview

This is the first sustainability report issued by MERIDA INDUSTRY CO., LTD. and the Company will regularly publish "Sustainability Report" on an annual basis.

- Previous publication: This is the first issue and there is no previous publication.
- Current publication: Published in September 2023.

According to Article 5 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the issue date shall be September 30, 2023, and the issue date for the reports after 2023 shall be June 30 of the following year.

Contact Us:

Should you have any queries, advice, or suggestions about this Report, please feel free to contact us.

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MERIDA Official Website

Message from the President

Over the past few years, the extreme weather around the world has become more and more devastating to human, for instance, in 2021, Zhengzhou, the capital of Henan Province, China saw a year's worth of rain in just three days; in August 2022, heavy rain battered South Korea's capital. Climate change is an issue that the world must face without delay. To mitigate the impact, the international community is actively promoting the "Net Zero Emissions by 2050" target.

As a part of the earth village, MERIDA definitely will not stay out of this. In order to mitigate the risks caused by climate change, the Company has responded to Product Carbon Footprint Demonstration Project initiated by the Environmental Protection Administration Executive Yuan as early as in 2011, sparing no effort in promoting Carbon Footprint Labelling. In addition, the Company has implemented a number of energy-saving facilities, e.g., the lighting fixtures were replaced with energy-saving LED lights, as well as set up a parking lot and shower room for bicycles in factories to encourage employees to ride their bicycles to and from work instead of driving automobile and motorcycle to reduce carbon emissions. The Company also adopted a 1.62-hectare air quality purification zone in Changhua County. Moreover, in the hope of contributing to the mitigation of climate risks caused by greenhouse gases, MERIDA has in 2023 introduced Greenhouse Gas Emission Inventory and Carbon Footprint.

With ESG receiving global attention, investors hope to assess the value of a company not only from financial data such as gross margin and EPS, but also from non-financial information such as the ESG Sustainability Report, which exhibit the company's competitiveness for sustainable development. In view of this, the Company also established the "MERIDA ESG Promotion Committee" in 2022, led by the President, who will lead the heads of each department to implement sustainable development issues and prepare the company's sustainability reports in accordance with international GRI standards to regularly disclose relevant information to stakeholders.

Our expectations for ESG are as follows:

Environmental(E):Adoption of green packaging materials, optimization of manufacturing processes, introduction of electronic administrative systems, reduction of paper use, etc., to reduce carbon emissions; **Social(S):**To continuously protect labor rights and interests, such as year-end bonus payments, labor/management meetings, strengthening labor/management relations, and participating in community welfare activities, etc., and **Governance(G):**To attach importance to the governance of the Board of Directors, the improvement of operational performance to protect shareholders' rights and interests, compliance with laws and regulations, and to promote ethical corporate management. During this upsurge of concern on sustainability, MERIDA is willing to join forces with everyone to contribute to a sustainable environment!



President

Vansen Tseng

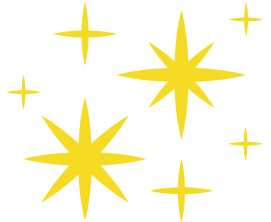
Implementation of the United Nations Sustainable Development Goals (SDGs)

SDGs consist of 17 Goals and 169 Targets, which will be the central axis of the worldwide development agenda from 2016 to 2030. MERIDA echoes the six goals of the SDGs with sustainable practices.



SDGs	Implementation Actions in 2022
<p>Ensure healthy lives and promote well-being for all at all ages.</p>	<p>The health condition of employees was regularly tracked and special operation health check-ups were arranged to monitor the health condition of employees in special operation environments and health management reports were provided. The health check-ups results were reviewed by two labor health service nurses who then arranged follow-up referrals and occupational health education according to the risk level to achieve the goal of 'prevention over treatment' and create a safe and secure working environment.</p>
<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<p>Compared to 2021, the total number of training hours in 2022 has been increased by 500 hours, which is in line with the Company's short-term goal, and MERIDA will continue to refine the professional abilities of our employees in the future.</p>
<p>Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> • Among thirteen directors who were elected, there were three female directors, accounting for 23% of the seats in the Board of Director. • The actual number of applicants for unpaid parental leave for raising children in 2022 is 6, of which 2 were men and 4 were women.
<p>Ensure access to affordable, reliable, sustainable, and modern energy for all.</p>	<p>The electricity saving rate of 1.8% in 2022 is higher than the statutory target.</p>
<p>Reduce inequality within and among countries.</p>	<p>100% of the management level are local residents.</p>
<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.</p>	<ul style="list-style-type: none"> • MERIDA continuously communicates and discusses significant topics with various stakeholders through multiple communication channels in an open and transparent manner, and responds to stakeholders with concrete operational results. • MERIDA provides complaint mechanisms and channels, whereby complaints can be filed through the Company's online platform.

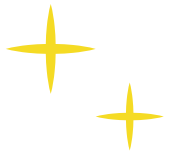
ESG Performance Highlights



TAIPEI CYCLE d & i awards 2022 Gold Award



Air Quality Purification Area Adoption 2022_Award of Excellence



Ranked 10th in the 2022 Top 25 Best Taiwan Global Brands



List of The Best Taiwan Global Brands 2022



Patent Certificate issued by R.O.C.



Won Taiwan Excellence Silver Award 2022

Environmental Aspect

The electricity saving rate of **1.8%** in 2022 has exceeded the statutory standard

Total electricity savings of **66,547 kWh** in 2022, resulting in reduction of CO₂e emissions by **33.87 metric tons**

Compared to 2021, the greenhouse gas (GHG) emission intensity has decreased by **13%**

Compared to 2021, the Energy Intensity in 2022 is reduced by **22.53%**

Social Aspect

The total employee education and training hours has **increased by 500 hours** in 2022 compared to 2021

100% of the management level are local residents

Corporate Governance Aspect

7 types of stakeholders

8 material topics

Among the 13 directors on the Board of Directors, **3** are female Directors, accounting for **23%** of all directors

The total number of continuing educations for the Board of Director has reached **78 hours**

Annual revenue for 2022 is **NT\$37 billion**

2022 Annual Earnings Per Share was **NT\$11.34**

Achieved **82%** customer satisfaction in 2022



01

Sustainable Development · Winning Every Step of the Way

- 1.1 Sustainability Policies and Promises
- 1.2 Communication with Stakeholders
- 1.3 Determining Material Topics
- 1.4 Value Chain Boundaries of the Material Topics

- 7 types of Stakeholders
- 8 Material Topics



1.1 Sustainability Policies and Promises

With regard to responsible business practices, MERIDA not only maintains smooth communication channels with its creditors, employees, consumers, suppliers, communities, or other stakeholders of the Company, but also respects and protects their legitimate rights and interests, and also set up a dedicated “Stakeholders” section on the Company website. In the event of infringement of the stakeholders’ legitimate rights and interests, the Company will uphold the principle of integrity and handle them appropriately. In addition, to implement human rights protection, the Company meticulously abides by the Labor Standards Act, the Act of Gender Equality in Employment and other employment-related laws and regulations. For instances, MERIDA does not hire children under the age of 15 as employees. In the case of childbirth, MERIDA provides paid maternity leaves. MERIDA also establishes or discloses preventive measures, complaints, and disciplinary measures against sexual harassment besides prohibiting restrictions on the basis of gender, religion, age, race during recruitment and interview, etc. MERIDA has yet to adopt the Responsible Business Alliance (RBA) Code of Conduct and the relevant human rights policies, hence has not implemented the Human Rights Due Diligence (HRDD). Nevertheless, MERIDA intends to introduce the relevant policies in the future and is now progressively planning for the preparation to adopt HRDD.

Furthermore, MERIDA has also joined forces with suppliers to implement the sustainable development policies including environmental protection, human rights protection, and resources recycling. During suppliers’ selection, MERIDA gives priority to suppliers who implement human rights requirements and policies. To state MERIDA’s position on this, the Company will revise the “Third-party Vendors Application Form” in 2023, whereby preparation of the ESG Report will be one of the criteria for the suppliers’ selection, as well as to include ethical corporate management principles and anti-corruption clauses in the procurement contracts. In the future, MERIDA will gradually make planning for the relevant policies to extend the concept of ESG to all third-party vendors and fulfill our corporate social responsibility.

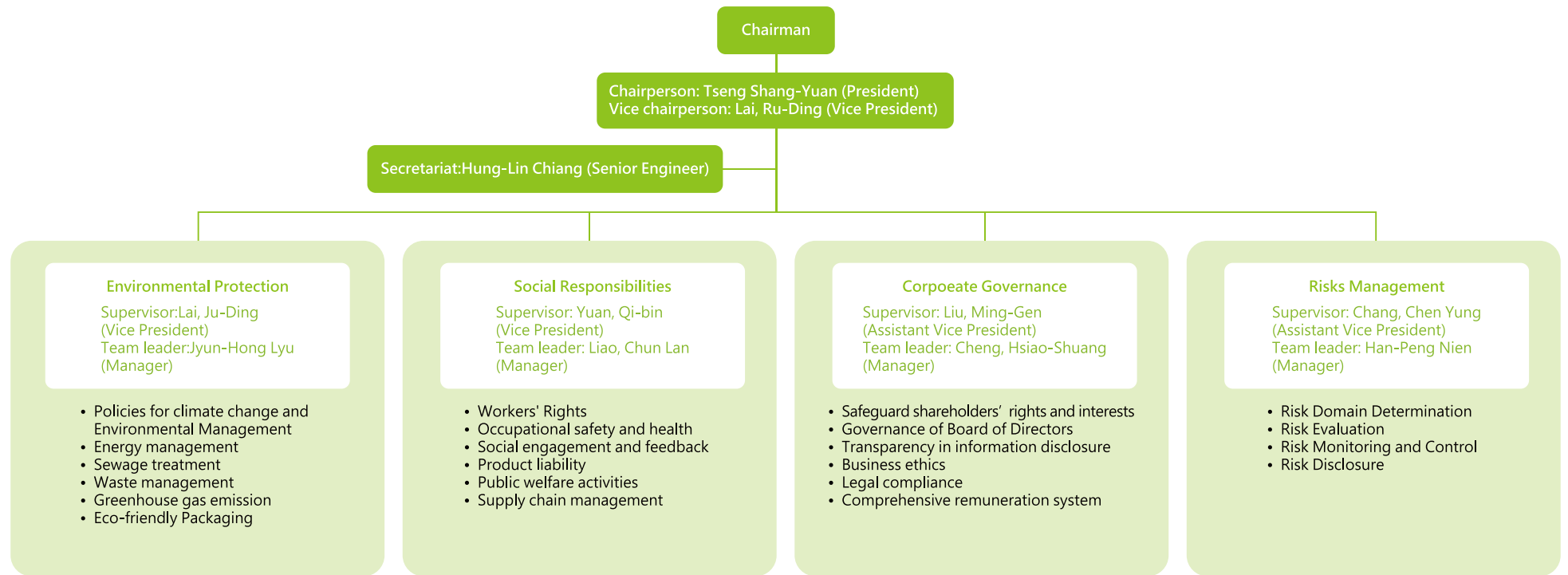
The Company has worked out the Regulations on Prevention, Complaint and Punishment of Sexual Harassment at Workplace in accordance with the Act of Gender Equality in Employment and the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace, so as to provide a work environment free of sexual harassment and to protect the rights and privacy of the persons involved. If any of the employees is proven to be guilty of sexual harassment, the Company would decide the punishment in accordance with the Company’s rules and relevant regulations, subject to the seriousness of the situation.

The abovementioned Regulations has been published on the Company’s online platforms for the employees’ reference. To prevent sexual harassment, the Company organizes education and training from time to time and posts the latest information on bulletin boards. Each department also strengthens the promotion of prevention of sexual

harassment and complaint channels through departmental meetings and internal documents, so that all employees are able to comprehend how the Company value and protect the employee’s rights and interest, so as to implement gender equality and to maintain an egalitarian and safe workplace. MERIDA conducts pre-employment education and training for the newcomers, which includes training on the awareness against sexual harassment prevention. However, the education and training were suspended in 2022 due to the COVID-19 pandemic and is to resume in 2023. In the event of causing negative impacts on the economy, environment, and people (including human rights), the Company has the following measures for improvement in place:

1. Pursue sustainable development and proactively implement corporate social responsibilities, so as to build transparent and effective communication with the stakeholders, continuously review the effectiveness of the Company’s implementation of corporate social responsibilities through understanding and responding to the stakeholders’ concerns in a timely manner, and promptly refining the relevant policies and systems.
2. In addition to maintaining interaction with stakeholders through various channels in daily business activities, MERIDA has set up a “Investor Info” section on the Company’s website, as well as a dedicated “Stakeholders” section on the Company website, to offer yet another channel of communication between the stakeholders and the Company, and has the dedicated department responding appropriately to the comments and feedback from stakeholders.

In order to implement and promote sustainable development, MERIDA has in 2022 established the “MERIDA ESG Promotion Committee” to work on corporate governance, risk management, corporate social responsibilities, climate change policies, and environmental protection. The Committee is also dedicated to grasping the global sustainable development trends and concentrating on sustainability issues such as corporate governance, environmental protection, corporate social responsibilities, etc., and integrating the operation targets to form a strategic sustainable direction to execute relevant programs. Our Chairman being the highest management representative of the Committee is the person who oversee the formulation of sustainable development policies and concrete implementation plans and leads the teams to boost the implementation efficiency of all departments so that every sustainable management work can be implemented efficiently, which will enhance the overall effectiveness of implementing corporate sustainability and social responsibility across departments, allowing sustainable business practices to be more effectively implemented. Our President, Tseng Shang-Yuan is the chairperson of the “MERIDA ESG Promotion Committee” while our Chairman acts as the advisory member and supervisor of the implementation progress. The organization chart of the Committee is as follows:



1.2 Communications with Stakeholders

1.2.1 Stakeholders Engagement

To implement the goals and visions of sustainable management, MERIDA focused on three pillars of ESG, i.e., Environmental, Social, and Governance following the GRI Standards 2021, along with the evaluation by external experts on the actual or potential impact and positive or negative impact of economy, environment, and people (including human rights) on the Company, and referred to types of stakeholders of our peer group, and after the discussion and review between the coworkers on the relationship between various types of stakeholders and MERIDA, the following groups have been identified as the Company's stakeholders for 2022, namely Customers, Consumers, Shareholders and other Investors, Suppliers, Employees and Other Workers, Government Agencies, Local Communities, and Financial Institutions.

1.2.2 Stakeholders' Communication Channels

MERIDA values the opinions of the various stakeholders. To ensure that we can fully understand the needs of various stakeholders and their expectations against MERIDA and their concern on sustainable development topics, we provide them with several communication channels and interaction mechanisms. Moreover, we also incorporate the suggestions provided by the stakeholders and results into the reference for corporate social responsibilities and sustainable development, to drive a better sustainable future. The communication channels with various stakeholders are as follows:



Stakeholders	Significance	Communication channels	Frequency	Communication Performance in 2022
Customers/Consumers	MERIDA adheres to the spirit of honesty and prudence, provides customers with products of stable quality and establishes good communication channels. We will gradually implement measures related to environmental sustainability and work together with our customers to enhance the green environmental protection and create a win-win situation for both parties.	<ul style="list-style-type: none"> e-mail Video conferences Customer satisfaction survey Annual distributor meeting Customer careline Taiwan distributor education training Client visit Exhibition (Taipei Cycle, Eurobike) 	<ul style="list-style-type: none"> Immediately Average of about 8-9 times per week Annually Three times per year (1 time for Domestic Sale Department and 2 times for Export Sales Department) Instantaneous About 5 times per year Average of about 6-8 times per week Twice a year 	<ul style="list-style-type: none"> Only 1 distributor meeting for Export Sales Dept. was conducted in 2022 due to COVID-19 pandemic. In 2022, Domestic Sales Department has conducted 5 education trainings on electric assisted bicycle.

Stakeholders	Significance	Communication channels	Frequency	Communication Performance in 2022
Shareholders and other investors	As the backbone of the Company, shareholders are at the helm of the Company.	<ul style="list-style-type: none"> e-mail Phone Shareholders meeting Investor Conference Company website, Market Observation Post System 	<ul style="list-style-type: none"> Immediately Immediately Regularly Non-periodic Immediately 	<ul style="list-style-type: none"> Conducted on shareholders' meeting in 2022. Conducted 3 Investors Conference in 2022.
Suppliers	MERIDA and our suppliers are in a partnership of co-existence and co-prosperity. While the excellent supply chain contributed to the Company's continuous growth in the past 50 years, MERIDA upholds the spirit of mutual learning and mutual improvement with the suppliers, and that has enabled MERIDA to meet the end-users' product delivery expectation and quality requirements, hence providing products with excellent quality as well as outstanding services. This mutual trust between us and the supplier has strengthened our relationship.	<ul style="list-style-type: none"> e-mail Phone Facsimile Product Defect Tracking Supplier Evaluation Supplier visit Visit from European R&D team 	<ul style="list-style-type: none"> Instantaneous Non-periodic Non-periodic Monthly During first collaboration Non-regular Annually 	<ul style="list-style-type: none"> Continuously assist the suppliers in promoting the idea of ESG sustainable management, and request the main suppliers to complete Voluntary Carbon Footprint Verification. Completed evaluation for 7 suppliers in 2022.
Employees and other workers	Our employees are the mainstay of MERIDA's sustainable management and the driving force behind our continuous growth.	<ul style="list-style-type: none"> e-mail Phone Labor/Management Conference Labor Union Company website 	<ul style="list-style-type: none"> Real-time Immediate Once per quarter Non-periodic Instantaneous 	<ul style="list-style-type: none"> Four Labour-Management Conference were conducted in 2022. Labor Union Member Representatives' Meeting was conducted once in 2022. Conducted Employee Welfare Committee meeting twice in 2022. Two dietary committee meeting were conducted in 2022. Held four Safety and Health Committee meetings in 2022.
Government Agencies	Government is the maker of the law for sustainability. MERIDA shall continue to comply with government policies, laws, and regulations to achieve the goals for sustainable management.	<ul style="list-style-type: none"> e-mail Phone Formal correspondence Seminar 	<ul style="list-style-type: none"> Immediate Immediate Regularly Non-periodic 	In 2022, the Company was able to have good interaction and smooth communication with the government agencies, e.g., National Taxation Bureau of the Central Area, County Government, Department of Environmental Protection etc.
Local communities	Ceaselessly maintain the local environment and enhance community development, maintain a friendly and good neighborly relationship with the community.	<ul style="list-style-type: none"> Letter correspondence Phone 	<ul style="list-style-type: none"> Regularly Non-regularly 	In 2022, MERIDA had sponsored approximately NT\$180,000 for the local communities-related events.

Stakeholders	Significance	Communication channels	Frequency	Communication Performance in 2022
Financial institutions	Financial institutions are the strongest support of the business operation.	<ul style="list-style-type: none"> e-mail Phone Visit to banks 	<ul style="list-style-type: none"> Instant Instant Non-periodic 	The financial institutions that entered into Facility Agreement with MERIDA are as follows: Mega International Commercial Bank, JihSun International Commercial Bank Co., Ltd., Taiwan Business Bank, Taiwan Cooperative Bank, E.SUN Commercial Bank, Mizuho Bank, Taipei Fubon Bank, Bangkok Bank, HSBC Bank (Taiwan), Shanghai Commercial Bank, Chang Hwa Bank, Cathay United Bank, Taishin International Bank, CTBC Bank, and Bank SinoPac.
Remarks : 1. Provide real-time communication channels to understand customer needs promptly and seek further solutions. 2. Conduct annual customer satisfaction survey to review non-conformance items and provide improvement plans. 3. Provide our clients with new product info through the annual distributor meetings, enabling them to make follow-up plans in advance based on market conditions. 4. Annual distributor education and training helps the clients to understand the products better, and improve the efficiency in handling clients' complaints. 5. In 2022, we conducted a Carbon Footprint Verification Orientation that involved 20 of our main suppliers and focused on the topics of supply chain management, the ethical practice of the suppliers' senior executives, and the comprehensiveness of financial statements.				

Stakeholders Contact

Categories	Contact Person	Contact Number	Email
Supplier	Production Management Centre	(04) 8526171	ethan@merida.com.tw
Client	Customer Service Centre	0800-296-188	merida-service@dimpr.com.tw
Employees	Tseng Ching-Cheng (Vice President)	(04) 8526171	IR@merida.com.tw
Financial Institution	Tseng Ching-Cheng (Vice President)	(04) 8526171	IR@merida.com.tw
Government agencies	Tseng Ching-Cheng (Vice President)	(04) 8526171	IR@merida.com.tw
Shareholders	Tseng Ching-Cheng (Vice President)	(04) 8526171	IR@merida.com.tw
Community, Resident	Tseng Ching-Cheng (Vice President)	(04) 8526171	IR@merida.com.tw

Remarks:

In addition to maintaining interaction with stakeholders through a range of channels in everyday business activities, MERIDA has set up a "Investor Info" section on the Company's website, and the "Stakeholders" section is set up under the responsibility of our Vice President, Mr. Tseng Ching-Cheng to coordinate the allocation of specialized departments to appropriately respond to the opinions of stakeholders.

1.3 Determining Material Topics

In preparing this Sustainability Report, MERIDA has incorporated the Materiality Assessment, followed GRI Standards 2021, considered the sustainable practices by our peer group, and eventually selected fourteen types of Concerned Topics. The third-party experts have assessed the actual/potential impacts and positive/negative impacts of these 14 topics on the economy, environment, and people (people and human rights), besides taking into consideration the requirement and concerns on corporate sustainability topics by the sustainability initiative related international institutions and potential investors. The third-party experts also rated each topic in terms of their actual/negative impact, potential/negative impact, actual/positive contribution, and potential/positive contribution to the economy, environment, and people (human and human rights), and discussed with attendees about the economic, environmental, and social topics that will have huge impacts on MERIDA's sustainable management, which formed the basis of Material Topics and Data disclosure of this 2022 report. The details for the process of determination are as follows:

Procedures of ESG Materiality Assessment				
1. Identify Stakeholders	2. Prioritization of ESG Topics	3. Survey on Concerned Topics	4. Determine Material Topics	5. Review and Discuss
<ul style="list-style-type: none"> Stakeholder Inclusiveness <p>Through discussion between third-party experts and department heads together with the employees and the subsequent feedback, alongside with reference to types of stakeholders identified by our peer group, we have determined inclusive stakeholders as target of materiality communication.</p> <p>The following 7 groups have been identified as the Company's stakeholders for 2022, namely Customers/Consumers, Shareholders and other Investors, Suppliers, Employees and Other Workers, Government Agencies, Local Communities, and Financial Institutions.</p>	<ul style="list-style-type: none"> Sustainability Context <p>Sustainability context is taken into consideration when conducting topic gathering. The database for prioritization of materiality determination is mainly based on the topics of the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) and the topics considered by the peer group. As a result, 14 concerned topics have been identified, including corporate governance, economy, and environment-related content, and they are rated according to their respective positive/negative impact on economy, environment, and people.</p>	<ul style="list-style-type: none"> Materiality <p>In 2022, a questionnaire was distributed to learn the Company's concern on the topics, and a survey was conducted to determine their significant impact on the Company's sustainable management, as a reference for topics ranking.</p> <p>A total of 22 internal questionnaires were analyzed in 2022, which were filled out by the department head and deputy head as well as colleagues who are mainly responsible for the department.</p>	<ul style="list-style-type: none"> Materiality <p>Through questionnaire analysis and rating by external experts, the scores of each topic are analyzed in a matrix and the materiality of each topic is ranked according to the analysis results. The material topics are then identified via internal discussions with the executives and coworkers.</p> <p>In 2022, 8 material topics were identified and effective management disclosures were developed for each topic.</p>	<ul style="list-style-type: none"> Completeness <p>After identifying the boundaries of the material topics, the prioritized topics are incorporated into MERIDA's annual jobs or target, and in future, MERIDA will continue to strengthen the management and review whether adjustment is needed for the types of material topics, and the relevant information will be disclosed in the sustainability report.</p>

1.3.1 Results of the Material Topics Determination

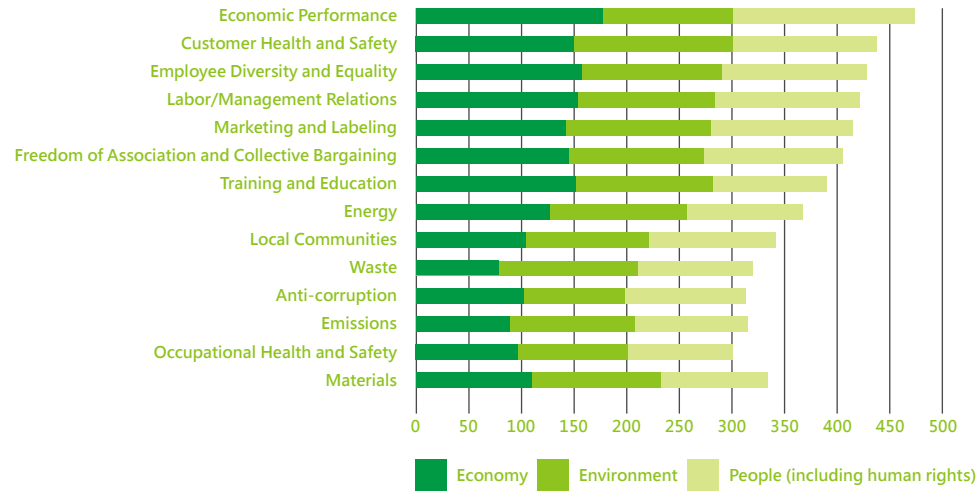
Through questionnaire and third-party experts' ratings, 9 topics were selected, namely Economic Performance, Customer Health and Safety, Labor/Management Relations, Training and Education, Employee Diversity and Equality, Marketing and Labeling, Freedom of Association and Collective Bargaining, Energy, and Emissions. After discussion with the Company's coworkers, the following 8 material topics were determined: Economic Performance, Customer Health and Safety, Labor/Management Relations, Training and Education, Employee Diversity and Equality, Freedom of Association and Collective Bargaining, Energy, and Emissions. These 8 topics will stay as the Company's concern which the Company will continue to foster, and they will form the basis of disclosures in upcoming sustainability reports. The content of the 2022 material topics has been submitted to the Board of Directors and was approved for publication.

Material Topics Impact Boundaries

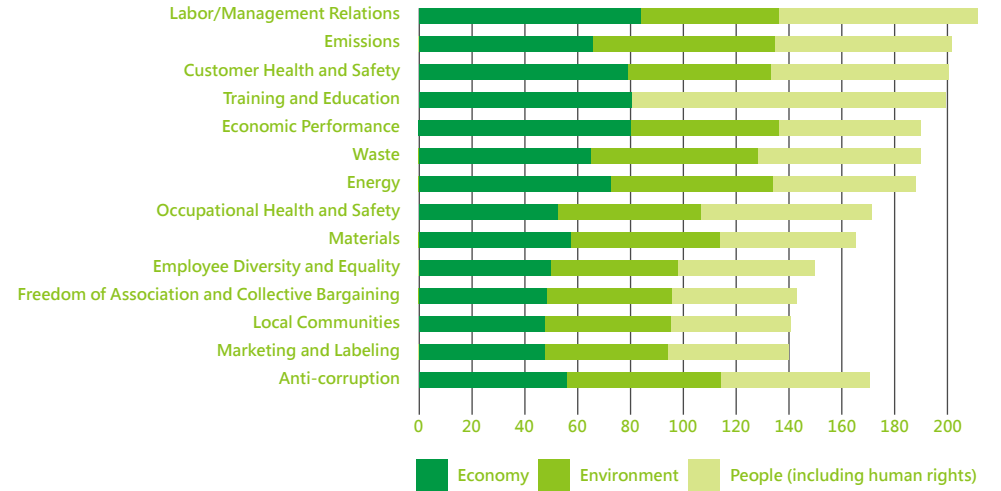
	Economy				Environment				People (including human rights)			
	Actual		Potential		Actual		Potential		Actual		Potential	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Economic Performance	✓	✓	✓	✓					✓		✓	
Customer Health and Safety		✓	✓	✓	✓		✓					✓
Labor/Management Relations	✓	✓	✓	✓						✓	✓	✓
Training and Education		✓	✓	✓								✓
Employee Diversity and Equality	✓		✓									
Freedom of Association and Collective Bargaining	✓		✓									
Energy			✓	✓			✓	✓				
Emissions				✓		✓	✓	✓				✓



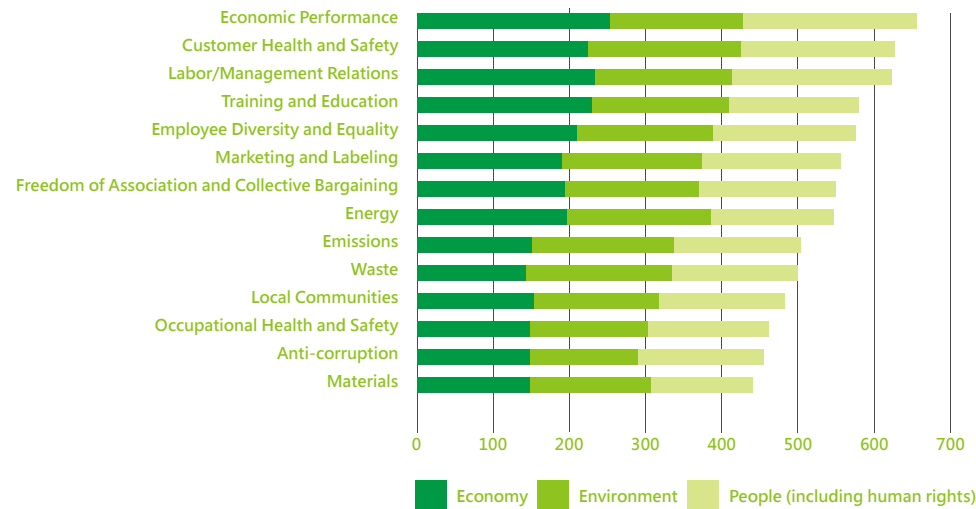
Positive Impact Ranking of Material Topics



Negative Impact Ranking of Material Topics



Integrated Impact Ranking of Material Topics



1.4 Value Chain Boundaries of the Material Topics

Material Topics	Corresponding GRI Standards	Chapter	Our Material Issues Across the Value Chain							
			Internal		External					
			MERIDA	Employee and other workers	Customer/Consumer	Shareholders and other investors	Suppliers	Government Agencies	Local community	Financial Institutions
Economic Performance	GRI 201	Chapter 2: Ethical Governance Orderliness	■		▲	□	▲			□
Customer health and safety	GRI 416	Chapter 5: LOHAS Workplace Happiness Without Borders	■		▲			□		
Labor/Management Relations	GRI 401	Chapter 5: LOHAS Workplace Happiness Without Borders	■	■					□	
Training and Education	GRI 404	Chapter 5: LOHAS Workplace Happiness Without Borders	■	■						
Employee Diversity and Equality	GRI 405	Chapter 5: LOHAS Workplace Happiness Without Borders	■	■						□
Freedom of Association and Collective Bargaining	GRI 407	Chapter 5: LOHAS Workplace Happiness Without Borders	■	■				□	□	
Energy	GRI 302	Chapter 4: Environmental Friendliness Unending Growth	■					□	□	
Emissions	GRI 305	Chapter 4: Environmental Friendliness Unending Growth	■					□	□	□

■ Direct Impact

□ Indirect Impact

▲ Business conduct-related impact



02

Integrity Governance | Orderliness

Disclosure on Integrity Governance

2.1 About MERIDA

2.2 Corporate Governance

2.3 Operating Results

2.4 Risk Management

2.5 Integrity and Compliance with laws and regulation

- Among thirteen directors who were elected, there were three female directors, accounting for 23% of the seats in the Board of Director.
- The total duration of training courses for the Board of Director has reached 78 hours.
- Annual revenue for 2022 is NT\$37 billion.
- 2022 Annual Earnings Per Share was NT\$11.34.





Disclosure on Integrity Governance

Economic Performance	
Reason	Just as MERIDA's business philosophy of creating unlimited competitiveness and giving back to the corporates and the community through business core of honesty and prudence, and the enthusiasm of mutual assistance, only through prudent business management and revenue can we continue to create our competitiveness in the market and achieve our goals of sustainable management.
Policies/Strategies	<ul style="list-style-type: none"> • Continue to develop new products to fulfil the global market demand. • Effective management over product development, specification confirmation, and pre-production to ensure order delivery and payment recovery, and consolidate the sale channels. • Additional automation equipment to improve productivity. • Supplement and setting of reasonable manpower and utilization of external OEM production capacity as means to increase production capacity and meet sales channels demand. • Continuously promote marketing campaign to enhance MERIDA's market positioning and market share.
Goals and Targets	<p>COVID-19 brought about a dramatic improvement in sales and results for the bike industry in response to the pandemic, but during the post-pandemic era, there has been a rapid change in the bike industry. As customers continue to destock in a short period, causing market demand to decrease, hence a recession is expected in 2023. In facing the rapid changes in the market, the Company has set relevant targets to meet the market recovery.</p> <p>Short term goals/targets:</p> <ul style="list-style-type: none"> • Reduce the inventory by 25%. • Negotiate with suppliers to shorten the lead time to 90 days. • When there is a surplus in production, the production line should be modified to improve the completeness of bike assembly, and to prepare for the possible sales activities of direct supply to end-consumers through E-commerce. • Continue the sponsorship for Team BAHRAIN VICTORIOUS and professional bikers from other countries, to enhance the brand marketing and the exposure of MERIDA. • Increase sponsorship marketing for Taiwanese YouTubers in order to improve market share in Taiwan. • Enhance production management and manpower's education and training. <p>Mid-Long term Goals/Targets :</p> <ul style="list-style-type: none"> • Continue to develop innovative electric-assisted bicycles and high-end bikes. • Create brand value and achieve global marketing, to increase sales volume of the Company's brand (including own brand and investment brand). • MERIDA was ranked 10th in the 2022 Top 25 Best Taiwan Global Brand with a brand value of US\$467 million, it is our expectation that the brand value to continue to flourish every year.
Management Evaluation Mechanism	Hold regular meetings with decision makers, as well as production and sales meetings to review the achievement rate and adopt relevant improvement measures in order to achieve the annual operating performance target.
Performance and Adjustment	The revenue target for 2022 was NT\$31 billion, the actual revenue is NT\$37 billion, with the achievement percentage of 119%. MERIDA shall continue to pursue prudence and the goals of sustainable management.
Grievance Mechanism	As the market changes, there may be changes in the demand as well. When the orders increase, we increase the manpower and production capacity allocation or utilize external OEM resources to meet the market demand, and when the orders decrease, we decrease the manpower and working hours accordingly to save the cost.

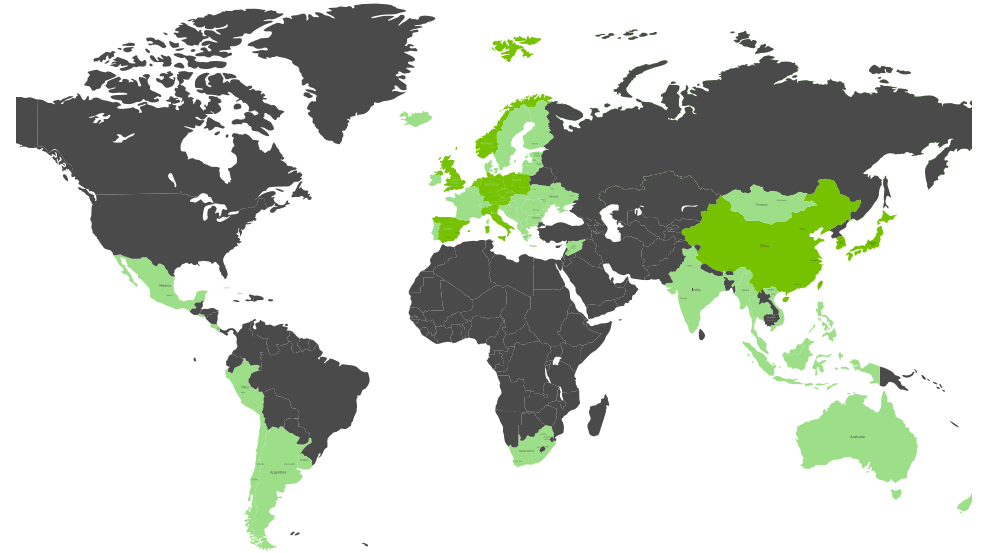
2.1 About MERIDA

MERIDA Industry Co., Ltd is a Taiwanese bicycle manufacturer that was founded in 1972, with headquarter based in Yuanlin, Changhua. The Company mainly manufactures bicycles and electric-assisted bicycles, including Mountain bikes, Road bikes, City & Trekking bikes, Race bike and etc. Renowned for its innovative, high-quality products and excellent customer service, MERIDA is one of the leading brands in the global bicycle market.

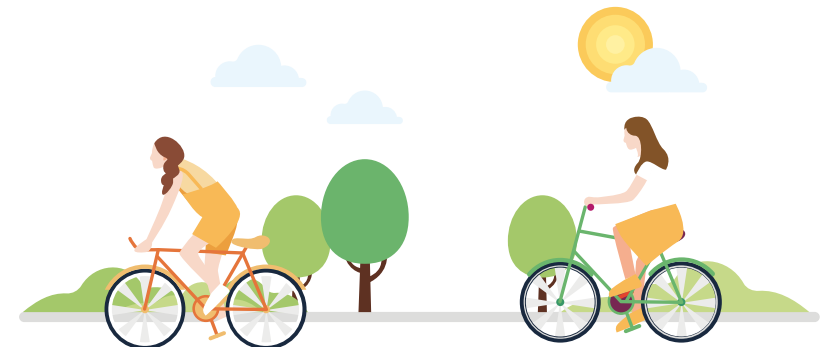
The founder, Mr. Ike Tseng set up the MERIDA's first production plant in 1972. The birth of a MERIDA bike embodies the founder's life motto: "Life should be full of passion and courage". Therefore, MERIDA has refined each product to give it a unique character and, ultimately, to become the consumer's first choice for a bike. Bearing such a core idea, the Research & Design engineers in German and the production management experts in Taiwan are able to work closely with each other from the initial concept of each product. Not only that there is no need for double confirmation of the computer-aided design drawings, but the specifications of each bike are clearly communicated, hence producing high-quality MERIDA bicycles quickly and accurately, keep optimizing and improving our products to maintain their competitive edge.

The Bahrain Victorious Team who are riding the top MERIDA bikes in the world's major professional races, allows more people to understand MERIDA's bicycle craftsmanship. Through continuous innovation, our focus is not only on the technology R&D of the bike frame but also on the bike production flow as well the production technology. The R&D engineers are as enthusiastic as the production management personnel, and both sides meet from time to time to ensure that every step is executed correctly, make sure that each MERIDA's innovation can be truly passed on to the consumers.

Having 38 distribution locations in 64 countries around the world, MERIDA is always keeping an eye on the market trends and able to quickly create products that meet the needs of the times. Combining the passion for bikes from all aspects, we proudly embody MERIDA's spirit in each of our products. After 51 years, MERIDA bikes bear the image of "Made in Taiwan; Designed in Germany", which represent the world's top technology and high-quality bicycle manufacturing capability, and also the valuable products created by a group of passionate bikers.



■ Subsidiary ■ Distributor



Company Basic Information

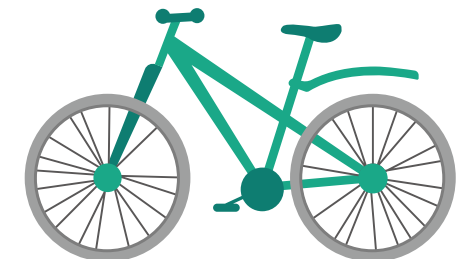
Name	MERIDA Industry Co. Ltd.	Stock Symbol TPE:	9914
Address	NO. 116 MEGAN ROAD, DACUN TOWNSHIP, CHANGHUA COUNTY, TAIWAN	Industry	Production and Distribution of Bikes and Related Accessories
Telephone No.	04-8526171	Amount of Capital	NT\$2.99 billion
Type	Listed Company	Chairman	Mr. Michael Tseng Song-Zhu
Date of Incorporation	29 th September 1972	Vision	Brilliant green conveys sustainable life, environmental protection, and hope
IPO Date	30 th September 1992	Main products	Mountain bikes, Road bikes, City & Trekking bikes, Race bike, electric assisted bikes and bike accessories



History of Company

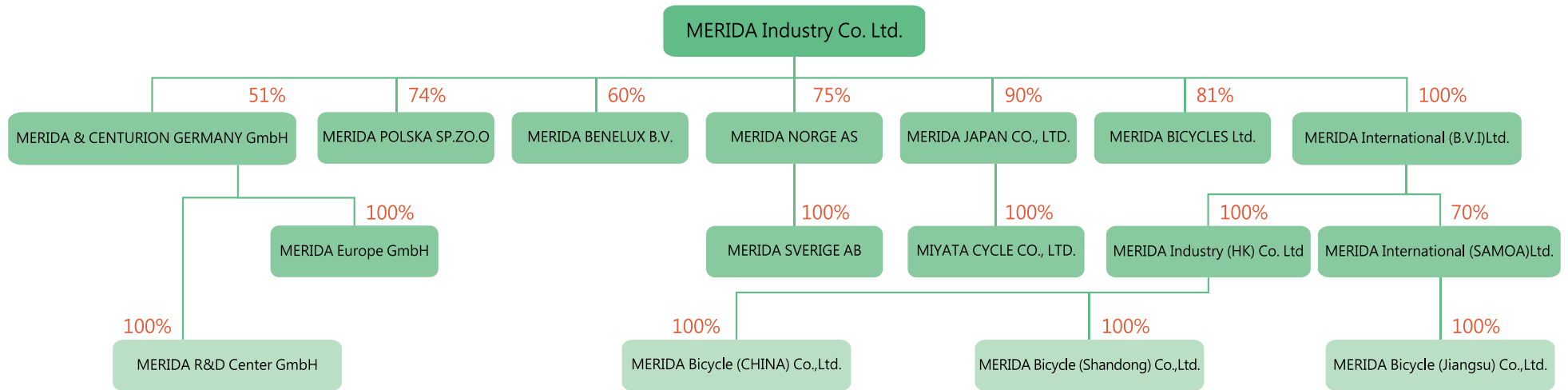
Date	History
2018	<ul style="list-style-type: none"> • Silex CF : Winner of 26th Taiwan Excellence Silver Award 2018. • Reacto Team Disc-E: Winner of 26th Taiwan Excellence Silver Award 2018. • ONE-Twenty: Winner of 7th TAIPEI CYCLE d&i awards (Gold Award) 2018. • Ranked 11th, with a brand value of USD 328 million in 2018 Branding Taiwan organized by Industrial Development Bureau, Ministry of Economic Affairs and appraised by Interbrand, an authoritative global brand value research institution commissioned by Taiwan Institute of Economic Research. • Vincenzo Nibali, star athlete of the MERIDA-sponsored Bahrain MERIDA Team, won the Milano-San Remo championship, one of the top five classics in 2018. • Organized the Changhua Classic 100 and MERIDA Cup & Bike Ride series events to continue to encourage cycling. • In 2018, the Company' s Sanhua Park air quality purification zone was awarded by the Changhua County Government as Air Quality Purification Area Excellent Adoption Unit.

Date	History
2019	<ul style="list-style-type: none"> • ONE-Twenty, a 120 full suspension mountain bike, won the 27th Taiwan Excellence Gold Award 2019. • Time Warp TT won the 27th Taiwan Excellence Silver Award 2019. • Ranked 11th, with a brand value of USD 354 million in 2019 Branding Taiwan organized by Industrial Development Bureau, Ministry of Economic Affairs and appraised by Interbrand, an authoritative global brand value research institution commissioned by Taiwan Institute of Economic Research. • The star racer of the MERIDA-sponsored Bahrain MERIDA Team, Vincenzo Nibali, finished 2nd overall in the Giro d'Italia, one of the three Grand Tour races in 2019. • The SILEX 700 was awarded the BIKE OF THE YEAR by ROAD.CC, and the off-road sports car MISSION CX and full-suspension bike ONE-TWENTY were both awarded the DESIGN & INNOVATION AWARDS 2019 in Germany. • Organized the Changhua Classic 100 and MERIDA Cup & Bike Ride series events to continue to encourage cycling. • In 2019, the Yuanlin Agro-Industrial Ecological Park and Sanhua Park air quality purification area adopted by MERIDA were awarded by the Changhua County Government as Air Quality Purification Area High Distinction Adoption Unit and Excellent Adoption Unit respectively. • MERIDA was awarded National Air Quality Purification Area Excellent Adoption Unit by the Environmental Protection Administration.
2020	<ul style="list-style-type: none"> • eONE-SIXTY won the 28th Taiwan Excellence Silver Award 2020. • MISSION CX won the 28th Taiwan Excellence 2020. • eONE-SIXTY won the 8th TAIPEI CYCLE d&i awards (Gold Award) 2020. • Ranked 10th, with a brand value of USD 402 million in 2020 Branding Taiwan organized by Industrial Development Bureau, Ministry of Economic Affairs and appraised by Interbrand, an authoritative global brand value research institution commissioned by Taiwan Institute of Economic Research. • The fourth generation of MERIDA's REACTO Team, the all-round aerodynamic road bike, has been selected as the Gear of the Year 2020 product by Cyclingnews and a 10/10+ Editor's Choice by Cycling Weekly, the UK's leading specialist media. • BIG.NINE XT awarded 1st place by the professional media UK MBUK. • Organized the Changhua 100K events to continue to encourage cycling. • In 2020, the Yuanlin Agro-Industrial Ecological Park air quality purification area adopted by MERIDA were awarded by the Changhua County Government as Air Quality Purification Area Excellent Adoption Unit.



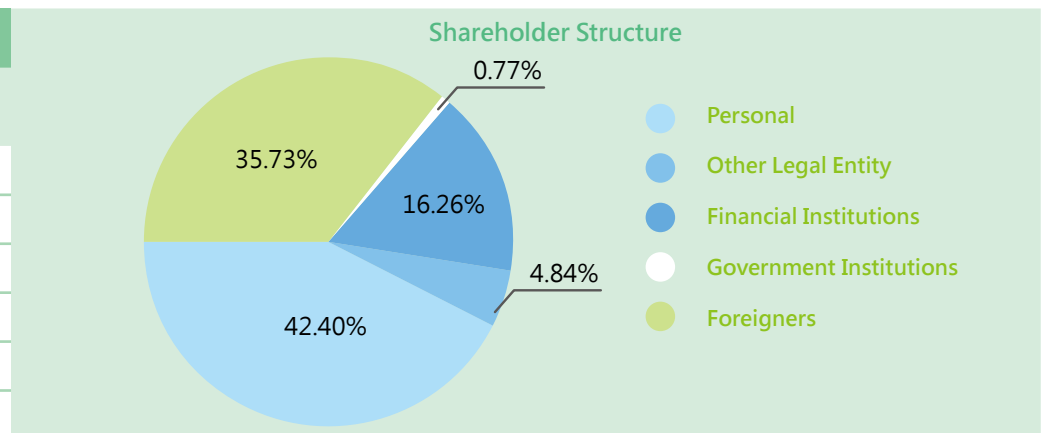
Date	History
2021	<ul style="list-style-type: none"> • REACTO Team-E won the 2021 TAIPEI CYCLE d&i Gold Award. • REACTO won the 29th Taiwan Excellence Silver Award 2021. • NINETY-SIX won the 29th Taiwan Excellence Award 2021. • SCULTURA 5 TEAM won the 2021 TAIPEI CYCLE d&i Gold Award. • Our sponsorship of Bahrain's Sonny Colbrelli, who won the 118th edition of the historic Paris-Roubaix race, has given MERIDA's bikes international prominence. • Ranked 10th, with a brand value of USD 448 million in 2021 Branding Taiwan organized by Industrial Development Bureau, Ministry of Economic Affairs and appraised by Interbrand, an authoritative global brand value research institution commissioned by Taiwan Institute of Economic Research. • Organized the Changhua Classic 100 series events to continue to encourage cycling. • Continued sponsorship of the 1919 Walk for Love charity fundraising cycling event. • In 2021, the Yuanlin Agro-Industrial Ecological Park air quality purification area adopted by MERIDA were awarded by the Changhua County Government as Air Quality Purification Area Excellent Adoption Unit.
2022	<ul style="list-style-type: none"> • SCULTURA 5 TEAM won the 2022 TAIPEI CYCLE d&i Gold Award. • ONE-SIXTY has been awarded 2023 TAIPEI CYCLE d&i Award and Pinkbike's Gear of the Year 2022. • SCULTURA TEAM was awarded the BIKE OF THE YEAR 2022 and the 31st Taiwan Excellence (Silver Award) 2023. • BIG TRAIL 600 was voted the Best mountain bike of 2022 by the international media MBR. • The eONE-SIXTY 975 has been awarded the BEST IN TEST by the professional media E-Mountainbike Magazine in their annual 2022 electrically power assisted mountain bike test. • Ranked 10th, with a brand value of USD 467 million in 2022 Branding Taiwan organized by Industrial Development Bureau, Ministry of Economic Affairs and appraised by Interbrand, an authoritative global brand value research institution commissioned by Taiwan Institute of Economic Research. • Organized the Changhua Classic 100 series events to continue to encourage cycling. • Continued sponsorship of the 1919 Walk for Love charity fundraising cycling event. • In 2022, the Yuanlin Agro-Industrial Ecological Park air quality purification area adopted by MERIDA were awarded by the Changhua County Government as Air Quality Purification Area High Distinction Adoption Unit.





MERIDA Shareholder Structure

Shareholder Structure		
Shareholders	Shareholdings (Unit: Share)	Shareholding ratio (Unit: Share)
Government	2,308,450	0.77
Financial Institutions	48,627,005	16.26
Other Legal Entity	14,467,252	4.84
Personal	126,753,860	42.40
Foreign Institutions and Foreigners	106,827,233	35.73
Cut-off date : 2023-04-30		



Main Products and Services

MERIDA builds each of its products with the aim of creating bikes with unique design and innovative features. The bikes from Taiwan's second largest bicycle manufacturer have their own style without the slightest hint of vulgarity, which is why the technical features of our bikes have grown and continue to grow. The Company has pioneered the use of Hydraulic Forming System (HFS) technology, which allows us to break away from the traditional aluminium tube shape and move away from just round tubes to a variety of shapes that are both aesthetically pleasing and functional. The Company's technological innovations are not only external but also internal, such as the Dual Channel Technology, the Biofibre Anti-Vibration Formula and the Flexible Rear Fork rear triangle, which enable the R&D team to create the world's best racing bikes.

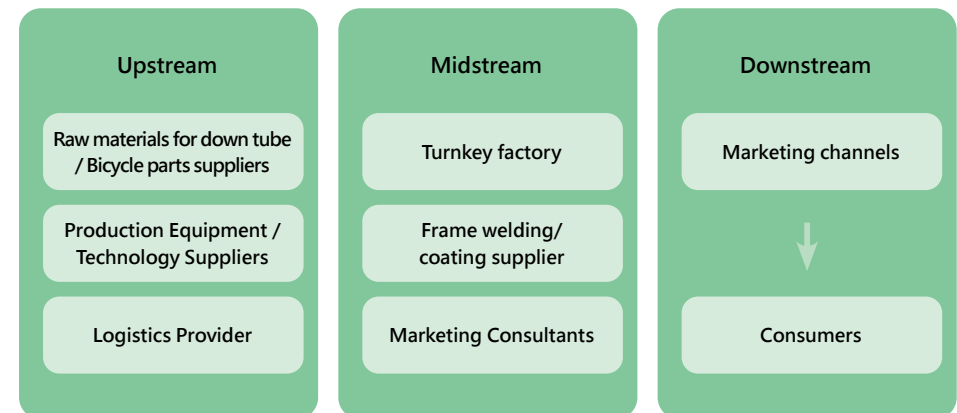
Our products are mainly divided into two categories: bicycles and electrically power assisted bicycles(e-bikes). Our bicycle products include mountain bikes, road bikes, city bikes and speed bikes, etc. Our electric-assisted bicycles include e-mountain bikes and e-bikes for sports, leisure and mobility.

The mountain bikes have excellent performance and durability to adapt to different terrains and environments, also are available in a wide range of styles and sizes to meet the needs of different consumers. Road bikes are known for their efficiency, speed, and stability, making it easy for consumers to experience the joy of road cycling. City bikes are designed for urban cycling, with a focus on lightness, convenience and comfort, making cycling in the city more comfortable and effortless. Racing bikes are designed for competition riding and are highly rigid and lightweight to provide the best riding experience for consumers. In addition, MERIDA also produces and sells other bicycle products to meet different needs and preferences. The Company's main sales targets are bicycle brand OEMs, overseas branches of MERIDA, regional distributors of its own brands and domestic bicycle dealerships.



MERIDA has produced 288,728 bicycles and 332,007 e-bikes in 2022, and the number of on-site unit manufacturing facilities and the percentage of outsourcing are as follows:

Frame Dept.	<ul style="list-style-type: none"> Laser Cutting Machine - 1 unit CNC Machine - 25 units Automatic Welding Machine - 16 units Argon Welding Machine – 85 units
Painting Dept	<ul style="list-style-type: none"> Electrostatic Powder Coating Machine - 20units Adsorption Combined Dryer - 6 units Freeze Dryer - 6 units
Assembly and Electric Dept	<ul style="list-style-type: none"> Effort-saving Handling Equipment – 4 units Four Head Nipple Tightning M/C – 10 units knitting machine - 16 units Screw Air Compressor – 6 units
Outsourced Assembly	<ul style="list-style-type: none"> 1,269 units
Outsourced welding	<ul style="list-style-type: none"> rear triangle 86,201 units, Rear fork 198,682 pcs
Outsourced Bar Tape Wrapping	<ul style="list-style-type: none"> 53,833 pcs





Frame welding



Assembly of bikes

Company Products or Services			
Products or Services	Sales Region	Customer Type	Sales (Unit: bike)
Bicycles	Global	Bicycle brand OEMs, overseas branches of MERIDA, regional distributors of its own brands and domestic bicycle dealerships	427,377
E-bikes	Global	Bicycle brand OEMs, overseas branches of MERIDA, regional distributors of its own brands and domestic bicycle dealerships	341,795



Road Bikes



E-Bikes



E-Mountain bikes



Hardtails mountain bikes



Time trial bikes



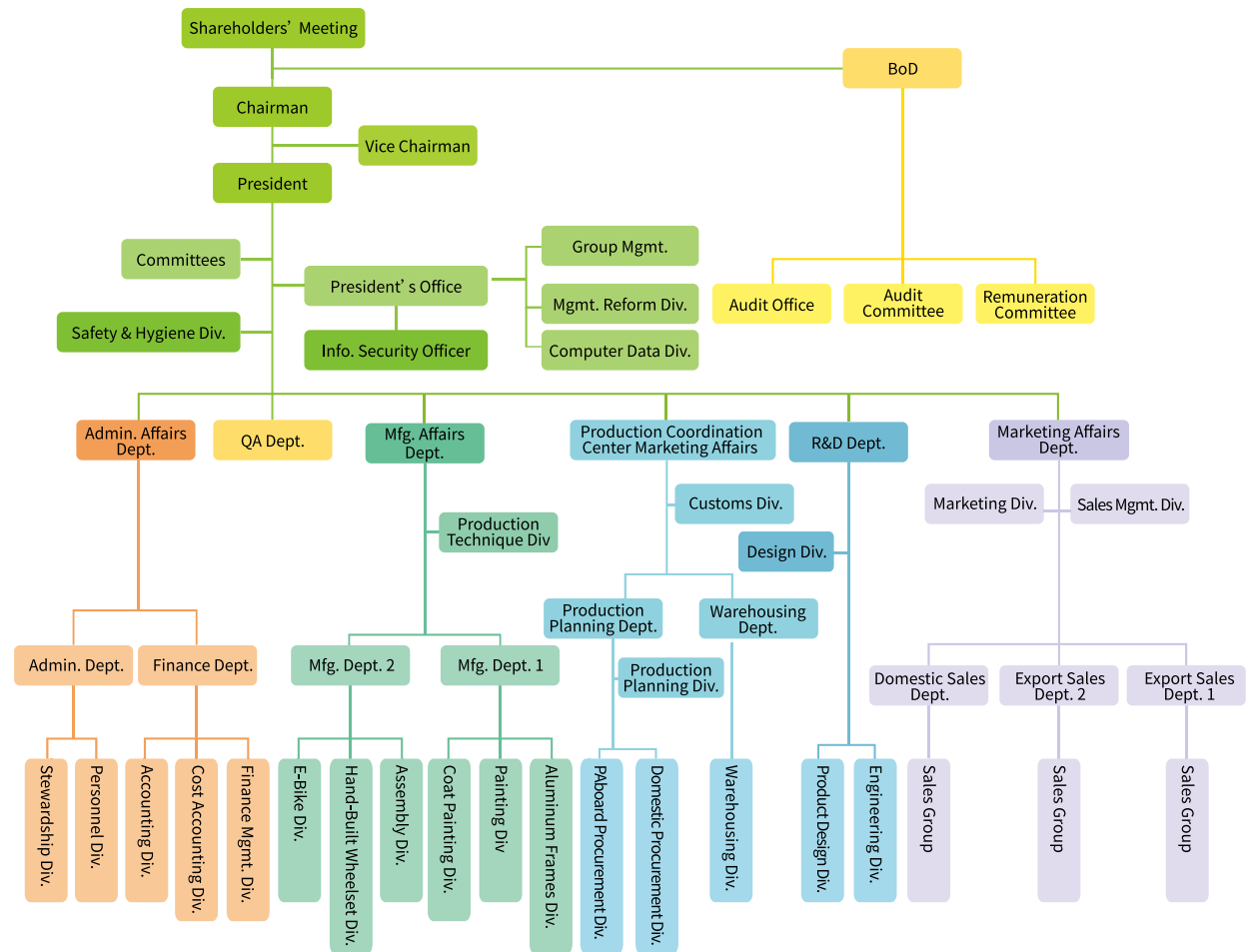
Qualification of Association

In order to pursue product development and quality improvement, the Company actively participates in bike-related industry associations and holds positions such as director and supervisor to help formulate and promote industry standards.

Industry associations, other member associations and national or international advocacy organizations	Membership
Taiwan Bicycle Association	Executive Supervisor
Bicycle Alliance for Sustainability (BAS)	Director
Taiwan Transportation Vehicle Manufacturers Association (TTVMA)	Executive Supervisor
Cycling & Health Tech Industry R&D Center	Managing Director
The Institute of Internal Auditors-Chinese Taiwan	Member
Accounting Research and Development Foundation	Member
Changhua County Industrial Association	Member
Changhua Labor Relations Association	Member
Taiwan Association of Occupational Health Nurses	Member

2.2 Company Structure

The organization chart of MERIDA is as follows:



Main Department Functions

Departments	Duties
Auditing Div.	Responsible for internal control, general business and financial business audit and suggestion
Management Reforming Div.	Responsible for the planning of major investments and the review of regulations and rules
Computer Data Div.	Responsible for the integration of enterprise information systems. Assist in the establishment of query and decision-making resource systems, etc
Safety & Hygiene Div.	Responsible for environmental protection and labor safety and health
R&D Dept.	<ul style="list-style-type: none"> Responsible for the research and development of new product design, production, and process Responsible for the annual new car frame design and mold fixture design and production Responsible for product specification development and research
Quality Assurance Dept.	Responsible for quality control of raw materials and finished products
Finance Dept.	Responsible for fund scheduling, accounting treatment and management information provision
Administration Dept.	<ul style="list-style-type: none"> Responsible for HR planning, implementation, and operation of human resource policies Responsible for property management and integration of the company's general affairs
Export Sales Dept.1 and 2	Responsible for overseas customer affairs and business information collection and analysis
Domestic Sales Dept.	Responsible for raw material negotiation, purchasing, tracking and production scheduling control
Production Planning Dept	Responsible for raw material negotiation, purchasing, tracking and production scheduling control
Warehousing Dept.	Responsible for raw material and finished product management in warehouse area
Manufacture Affair Dept.	Responsible for the production of bicycle products and maintenance of production equipment

2.2.1 Board of Directors

The Board of Directors of the Company adopts the nomination system, and the acceptance of candidate nominations, announcements, and other matters to be followed is in accordance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations. The candidates for the Board of Directors are put through a rigorous selection process that considers not only their diversified backgrounds but also their professional skills, experience, and personal ethics. The diversified backgrounds include work experience in various fields, academic and professional knowledge, etc. MERIDA's Board of Directors was re-elected in August 2021 with 13 directors, including five juristic person's representative directors, four individual directors, and four independent directors which accounting for 31% of the board's overall membership. There were also three female directors who made up 23% of the board's total.

The Chairman of the Board of Directors and the President of the Company are the same person or a relative of the same person. According to the "Directions for the Establishment of the Board of Directors", the number of independent directors should not be less than four, and a majority of the directors should not be employees or managers. MERIDA has complied with the relevant direction, whereby only four out of thirteen directors are the managers of the Company, and this has strengthened the supervisory function of the Board of Directors to avoid conflicts of interest.



Title	Name	First elected date	Education background	Concurrent Roles in the Company and Other Companies
Chairman	Tseng Song-Zhu	1994 / 06 / 06	13th MBA Program for Entrepreneur, d National Chengchi University	<ul style="list-style-type: none"> President of the Company (Retired on 1st February 2023) Concurrently taking roles at affiliates of the Company. Refer MERIDA Shareholders Meeting Annual Report for more details
Vice Chairman	Tseng Song-Ling	2000 / 06 / 24	MBA Program of Long Island University, New York, USA	<ul style="list-style-type: none"> Chairman, Ding-Sheng Investment Co., Ltd. Director, Cheng Shin Rubber Industry Co.
Director	Tseng-Lu Min-Hua	2012 / 06 / 28	Graduated from Department of Accounting and Statistics, Taipei High School	Chairman, Ding-Hung Investment Co., Ltd.
Director	Luo Tsai-Jen	2021 / 08 / 04	Department of Marketing and Materials Management Newark College of Engineering	Chairman, Zhengxin Rubber (China) Limited
Director	Ding-Sheng Investment Co., Ltd. Rep: Tseng Hui-Juan	2012 / 06 / 28	Graduated from Accounting & Statistics Department of Holy Savior High School	Head of Finance Management Division of the Company (Retired on 31 st December 2022)
Director	Ding-Sheng Investment Co., Ltd. Rep: Zhen Wen-Xiang	2012 / 06 / 28	Graduated from Institute MBA, Dayeh University	<ul style="list-style-type: none"> Vice President of Marketing Affairs Department and Spokesperson of the Company Concurrently taking roles at affiliates of the Company. Refer MERIDA Shareholders Meeting Annual Report for more details
Director	Ding-Hung Investment Co., Ltd. Rep: Yuan Qi-Bin	2012 / 06 / 28	Graduated from Institute MBA, Dayeh University	<ul style="list-style-type: none"> Vice President of Production Management Centre of the Company
Director	Ding-Hung Investment Co., Ltd. Rep: Lai Ru-Ding	2018 / 06 / 26	Graduated from Institute MBA, Dayeh University	<ul style="list-style-type: none"> Vice President of Manufacturing Affairs Department of the Company Concurrently taking roles at affiliates of the Company. Refer MERIDA Shareholders Meeting Annual Report for more details
Director	Ding-Hung Investment Co., Ltd. Rep: L Tseng Ching-Cheng	2021 / 08 / 04	Graduated from Power Div., Mechanical Engineering Dept. 1-Year Program, Nanya Institute of Technology	<ul style="list-style-type: none"> Vice President of Domestic Sales Department of the Company
Independent Director	Chen Shui-Jin	2015 / 06 / 22	Master, Graduate School of Business Administration, National Chung Cheng University	Chief Accountant, Yuan-Sheng CPA Firm
Independent Director	Chen Jian-Nan	2015 / 06 / 22	Master of Design, UCLA, University of California, Los Angeles	Associate Professor, Department of Industrial Design, Chaoyang University of Technology

Title	Name	First elected date	Education background	Concurrent Roles in the Company and Other Companies
Independent Director	Tsai Wu-Ying	2003 / 06 / 26	Graduated from Department of Computer Science, Feng Chia University	Chairman, Fu-Chian Tire Co., Ltd.
Independent Director	Lei Shin-Jung	2021 / 08 / 04	Graduated from Department of Information Management 5-Year Program, Tatung Institute of Commerce	Supervisor of Engineering Department, E-Tech Ltd.

Diversity and Independence of Board of Directors

Each of our independent directors is able to work their magic for the Company. Through their diverse backgrounds including work experience, academic and professional knowledge in different fields and their active participation in the operation as the functional committee, along with their respective expertise, they are able to fully perform their function as the functional committee in providing guidance and supervision. In addition, if a director has a personal interest or the legal entity he/she represents has interest in the matter under discussion at a board meeting, he/she shall explain to the board meeting the important aspects of such interest. In the event that such interest is detrimental to the Company, he/she shall not join the discussion and voting, and shall recuse himself/herself from any discussion and voting, and shall not authorize other directors to exercise their voting rights. On 13th January 2023, a Board of Directors' Resolution has been passed to promote Mr. Vansen Tseng Shang-Yuan as the President of the Company, and Mr. Michael Tseng Song-Zhu is retired from the position of President. The resolution for the aforesaid promotion of Mr. Tseng Shang-Yuan is effective from February 1, 2023.

MERIDA's Board of Directors members have knowledge and experience in business management, finance and accounting, marketing, production, logistics, product design and information security, and their professional backgrounds align with the needs of the company's current operational development requirements. They also have extensive industrial knowledge and experience. During board meetings, they offer insightful opinions that can be discussed, and the independent directors' viewpoints are also taken into consideration while discussing each issue. These serve as crucial resources for the board of directors before they formulate strategies and reach conclusions regarding key topics.

The Company will aim to increase the number of independent directors from the original four to five. For circumstances of spousal relationship or relationship within 2nd degree of kinship among directors, nine out of thirteen directors and independent directors do not have spousal relationship or relationship within 2nd degree of kinship with other directors, indicating the sufficient independence of the Company's Board of Directors. At the Company's 2022 annual Board of Directors meeting, there was no motion for directors' interest recusal.



Title	Name	Gender	Age	Industrial Experience				Professional Capabilities		
				Banking /Finance	Operation Management	Sales and Marketing	R&D	Accounting and Financial Analysis Ability	IT	Crisis Management Ability
Chairman	Tseng Song-Zhu	M	51 years old and above	√	√	√	√	√		√
Vice Chairman	Tseng Song-Ling	M	51 years old and above	√	√	√	√	√		√
Director	Tseng-Lu Min-Hua	F	51 years old and above	√	√	√		√		√
Director	Luo Tsai-Jen	M	51 years old and above	√	√	√	√	√		√
Director	Ding-Sheng Investment Co., Ltd. Rep.: Tseng Hui-Juan	F	51 years old and above	√	√	√		√		√
Director	Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen-Xiang	M	51 years old and above	√	√	√	√	√		√
Director	Ding-Hung Investment Co. Ltd. Rep.: Yuan Qi-Bin	M	51 years old and above		√	√	√			√
Director	Ding-Hung Investment Co. Ltd. Rep.: Lai Ru-Ding	M	51 years old and above		√	√	√			√
Director	Ding-Hung Investment Co. Ltd. Rep.: Tseng Ching-Cheng	M	51 years old and above		√	√	√			√
Independent Director	Chen Shui-Jin	M	51 years old and above	√	√	√		√		√
Independent Director	Chen Jian-Nan	M	51 years old and above		√	√	√			√
Independent Director	Tsai Wu-Ying	M	51 years old and above	√	√	√	√	√		√
Independent Director	Lei Shin-Jung	F	30-50 years old		√	√			√	√

Operation of Board of Directors

The Company starts preparing a sustainability report in 2023 in accordance with the regulations of the competent authorities. In response to corporate sustainability management, the Company has since 2022 taken a proactive approach to tapping into ESG, along with the guidance of consultants, so that the management can have an in-depth understanding of the risks and opportunities of the Company. We expect to report to the Board of Directors regularly on our key plans for sustainability and performance results in conjunction with our operational development goals and to track the achievement of our plans regularly in order to adjust our business strategies and business operation. Based on the principle that the Board of Directors shall conduct no less than one meeting per quarter, the Board of Directors met seven times in 2022, with an average attendance rate of 98.9%.

MERIDA ESG Promotion Committee is composed of senior management, including the Chairman, President, Vice President, and Head of Corporate Governance, and is responsible for coordinating the development of environmental protection, social responsibility, and corporate governance objectives. The Committee's subcommittee members regularly analyze and review performance and progress towards goals achievement, and hold ad-hoc discussions on significant topics. Each relevant subcommittee of the ESG Promotion Committee reports to the Board of Directors at least once a year on a regular basis on the sustainability promotion plan and performance achievement, with the Board of Directors supervising the implementation of each plan. The management of the Company shall exercise due care and diligence to ensure the quality of the sustainability report. After the completion of the Sustainability Report, it is submitted to the Board of Directors for review before being published.

The Company holds monthly management meetings to discuss the current operating conditions and corresponding strategies, and reports to the Board of Directors on significant issues. The communication methods and frequency for 2022 Board of Directors are as follows. There were no critical concerns related to the economy in this year's Board of Directors' report.

Components	Critical Concerns	Communication Methods and Frequency	Results
Environment	Green House Gas Inventory	Report to the board of directors quarterly to continuously control the completion of greenhouse gas inventory and verification.	The highest governance body of MERIDA upholds the philosophy of sustainable management and continues to be concerned about global climate change and international environmental trends in order to fulfill corporate social responsibility. Systematic greenhouse gas emissions inventory and verification have been conducted following the standard requirements of the competent authorities, to monitor the status of the Company's greenhouse gas emissions as a reference for future greenhouse gas reduction efforts and to fulfill the responsibility of mitigating global warming.
Social	Year-end Bonus	Report to the Board of Directors once a year.	<p>The highest governance body of MERIDA recognizes the importance of employee welfare and rights protection and takes good care of its employees. The measures to protect the rights and interests of employees and employee benefits included in the annual reports to the Board of Directors are as follows:</p> <ul style="list-style-type: none"> The year-end bonus is paid before the Spring Festival/ Chinese New Year every year, with a basic number of 60 days, and the actual amount paid depends on the operating performance of the year. To reward employees' hard work, motivate them, and take care of them, the company discusses and sets up a reasonable salary and compensation policy in accordance with the current year's operating performance. If the Company makes profit in a year, an amount not less than 5% of the profit shall be allocated as employees' remuneration of employees and an amount not exceeding 5% shall be allocated as directors' remuneration.
	Annual salary adjustment for employees	Report to the Board of Directors once a year.	
	Remuneration of employees and directors	Report to the Board of Directors once a year.	

Continuing education of directors and independent directors

In order to enhance the professional knowledge and legal awareness of our directors, we regularly arrange refresher courses every year to help the directors to enrich their knowledge. Educational training programs have been planned for the Board of Directors in 2021 and 2022. The courses provided are "A Risk-Based Perspective on Corporate Sustainability Governance – From Corporate Governance to ESG", "The challenge of cyber incident response from the perspective of ransomware", "Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment" and "Analysis of recent cases of the Securities and Futures Investors Protection Center and Director's and Supervisor's Civil Liabilities". The average number of training hours per year for each director is at least 6 hours, which is in accordance with the regulations for continuing education.

Further, we will continue to arrange diversified external training courses (e.g., climate governance, digital transformation, etc.) to enhance the directors' professionalism, fully implement the culture of ethical corporate management and ensure comprehensive development. The Board of Directors should uphold the philosophy of clean, transparent, and responsible business management, establish policies based on honesty and integrity and establish good corporate governance and risk control mechanisms to create a business environment for sustainable development, in order to fully perform the functions of management decision-making and leadership. For detailed information on the professional qualifications and experience of the directors, their independence, continuing education, and shareholdings, please refer to the Company's website and the disclosure in the annual report of the shareholders' meeting.



MERIDA's Annual Report
(Annual Meeting of Shareholders)

Title	Name	Date	Organizer	Training	Duration	Total duration
Chairman	Tseng Song-Zhu	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director's and Supervisor's Civil Liabilities	3	
Vice Chairman	Tseng Song-Ling	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director's and Supervisor's Civil Liabilities	3	
Director	Tseng-Lu Min-Hua	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director's and Supervisor's Civil Liabilities	3	
Director	Luo Tsai-Jen	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director's and Supervisor's Civil Liabilities	3	

Title	Name	Date	Organizer	Training	Duration	Total duration
Representative of Juristic-Person Director	Tseng Hui-Juan	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Representative of Juristic-Person Director	Zheng Wen-Xiang	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Representative of Juristic-Person Director	Yuan Qi-Bin	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Representative of Juristic-Person Director	Lai Ru-Ding	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Representative of Juristic-Person Director	Tseng Ching-Cheng	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Independent Director	Chen Shui-Jin	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Independent Director	Chen Jian-Nan	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Independent Director	Tsai Wu-Ying	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Independent Director	Lei Shin-Jung	2022 / 11 / 11	Taiwan Corporate Governance Association	Taiwanese Companies' Coherent Plan for Managing the Risks Derived from The Changes of World Economy and China's Political Economic Environment	3	6
				Analysis of recent cases of the Securities and Futures Investors Protection Center and Director' s and Supervisor' s Civil Liabilities	3	
Total						78

Board of Directors' Performance Evaluation

To implement corporate governance, enhance the functions of the Board of Directors, and establish performance targets to strengthen the efficiency of the Board of Directors operations, the Company has, in 2020, formulated the "Performance Evaluation Method for Board of Directors" and conducted performance evaluations following the relevant regulations. Performance evaluations of the Board of Directors and functional committees will be conducted regularly on an annual basis, whereas external performance evaluations will be conducted at least once every three years. The scope of evaluations includes performance evaluations of the Board of Directors, individual board members, and functional committees. The methods of evaluation include internal self-evaluation of the Board of Directors, self-evaluation of board members, internal self-evaluation of functional committees, the appointment of external professional institutions or experts, or any other appropriate methods.

The performance evaluation on Board of Directors, Board Members, and Functional Committee will be conducted regularly every year. As per the "Performance Evaluation Method for Board of Directors", the results will be submitted to the Board of Directors in the following year, to be the reference for review and performance, and as a reference for the nomination of directors or compensation and remuneration. The remuneration of the directors, president, and vice president is computed by considering their professional competence, participation in the Company's operations, and other special contributions to the Company, as well as the Company's profitability and their personal performance. Even though ESG performance is yet to be incorporated in the remuneration framework, the Company keeps reviewing the future operational risks and timely reviews the remuneration framework to achieve a balance between sustainable management and risk management in order to achieve the ESG sustainable development targets.

The Board of Directors Secretariat is in charge of the internal performance evaluation, and the performance evaluation on Board of Directors, Board Members, and Functional Committee are conducted by means of internal self-assessment questionnaire. After the self-evaluation questionnaires are collected by the Secretariat in January 2023, the evaluation results have been recorded according to the scoring standards of each evaluation item. Each sub-item under each evaluation item is presented in a 5-level rating scale, with the following explanations for the evaluation levels:

1	Very Poor (Strongly Disagree)
2	Poor (Disagree)
3	Moderate (Normal)
4	Good (Agree)
5	Excellent (Strongly Agree)

The evaluation results for the year 2022 are as follows:

Scope of Evaluation	Evaluation Items	Scores
Board of Directors Performance Evaluation	Degree of Participation in Company Operations	57
	Enhancement of Decision-making Quality by the Board of Directors	58
	Composition and Structure of the Board of Directors	33
	Election and Continuing Education of the Directors	31
	Internal Control	33
Weighted Average Score		4.71
Directors Performance Evaluation	Grasp over Company Goals and Tasks	187
	Awareness of Duties and Responsibilities of Directors	189
	Degree of Participation in Company Operations	488
	Management and Communications of Internal Relations	194
	Professionalism and Continuing Education of Directors	183
	Internal Control	183
Weighted Average Score		4.76
Remuneration Committee Performance Evaluation	Degree of Participation in Company Operations	20
	Awareness of Duties and Responsibilities of Remuneration Committee	23
	Enhancement of Decision-making Quality by the Remuneration Committee	34
	Composition and Election of Members of the Remuneration Committee	15
	Internal Control	5
Weighted Average Score		4.85
Audit Committee Performance Evaluation	Degree of Participation in Company Operations	20
	Awareness of Duties and Responsibilities of Audit Committee	23
	Enhancement of Decision-making Quality by the Audit Committee	34
	Composition and Election of Members of the Audit Committee	14
	Internal Control	13
Weighted Average Score		4.73

The overall performance of the Board of Directors, individual board members, and functional committees are all rated as "Excellent". The comprehensive results indicate that the Board of Directors and its functional committees are operating well. The above performance evaluation results submitted to the Board of Directors on 30th March 2023.

In July 2022, the Company appointed the "Taiwan Corporate Governance Association" to conduct a performance evaluation of the Board of Directors. The details are as follows:

- Evaluation Period: October 1, 2021 to September 30, 2022.
- Evaluation Method: The External Performance Evaluation was conducted through the perusal of relevant documents provided by the Company, and also video interviews of the Chairman, Audit Committee convenor (Independent Director), Remuneration Committee convenor (Independent Director), Representative of Juristic-Person Director (Vice President of Marketing Affairs Department and Spokesperson of the Company), Head of Corporate Governance, Chief Auditor, etc by the Evaluation Committee of the Taiwan Corporate Governance Association as well as the specialists.
- Evaluation Items: The External Performance Evaluation was based on eight aspects including Composition of the Board of Directors, guidance provided by the Board of Directors, authorization granted by the Board of Directors, supervision of the Board of Directors, communication within the Board of Directors, internal control and risk management, self-discipline of the Board of Directors, and other factors such as Board of Directors meetings and support systems, to examine the operation of the Company's Board of Directors.

An Evaluation Report was issued by the Taiwan Corporate Governance Association on November 24, 2022. The report is summarized below:

1 · General Rating of Evaluation Report:

- The Chairman of the Company values the expertise necessary for the Company's development and respects the opinions of the Board of Directors members. There is smooth communication between the Chairman and Directors, often through phone calls, to build consensus. Among the 13 directors on the Board of Directors, 3 are female Directors, demonstrating a focus on gender diversification, which is commendable.
- The election of independent directors in the Company is based on the expertise required during the operational development phase. Experts in relevant fields are selected to serve as Independent Directors. All independent directors contribute their strengths and actively participate in the operation of functional committees. The Company leverages the expertise of Independent Directors to fully fulfil the guidance and supervision functions of the functional committees.
- The Company's Board of Directors places emphasis on the long term cultivation of talent. Senior managers are required to plan succession in advance, and the Chairman leads by example, declaring a ten-year transition plan for the President position. Specific actions include on-the-job training and experience

transfer, tailored to the industry's characteristics, to comprehensively cultivate talent echelons for the Company's succession planning and sustainable development.

- The Board of Directors and the Remuneration Committee of the Company attach great importance to human capital. They have established the "Regulations governing Payment of Remunerations to Directors" and "Salary Management Regulations". The remuneration structure is transparent, publicly disclosed, and superior to industry standards. This effectively motivates middle and senior-level managers, laying the foundation for the Company's competitiveness and talent retention, which is commendable.

2 · Suggestion given in the Evaluation Report:

- In the Board of Directors, although there are already 4 independent directors, it has not yet reached the quorum of one-third of all directors, and the proportion of 6 internal directors is relatively high. It is suggested that the Company consider reducing the number of director seats or the number of internal directors to achieve a more balanced separation of supervisory and management powers, and strengthen the supervisory function of the Board of Directors.
- The Company has begun planning for sustainable development and aims to deepen and institutionalize the promotion of sustainability. It is suggested that the Company consider establishing a functional committee under the Board of Directors to oversee the formulation of sustainable development policies and concrete implementation plans, which will enhance the overall effectiveness of implementing corporate sustainability and social responsibility across departments, allowing sustainable business practices to be more effectively implemented.
- While the Company values the management of business risks, there is a need to further establish the organization and strengthen related standard operating procedures. It is recommended that the Company establish a risk management organization and develop institutionalized regulations for risk management policies and procedures. This should include procedures for reporting significant ad-hoc information, and regularly report the results of risk control reviews to the Board of Directors, which will help Board of Directors members have a better understanding of overall risk management and strategic directions of the Company.
- The Company values communication with stakeholders and provides channels for stakeholder contact and whistleblowing. It is recommended that the Company further enhance its whistleblower mechanism and strengthen its direct connection with independent directors (e.g. dedicated communication channels for Independent Directors on the official website or adjusting current communication channels to allow independent directors to directly receive whistleblower reports). In addition, it is suggested that the Company's corporate governance department regularly compile stakeholder opinions and report them to the Board of Directors.

2.2.2 Audit Committee

The Company has established a four-member independent audit committee, including one female independent director, with the aim of overseeing the proper expression of the Company's financial statements, the selection (appointment) and independence and performance of the auditors, the effective implementation of the Company's internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks. Please refer to the Company's website and the Company's Annual Report information disclosure for the professional qualifications and experience of the audit committee members. The key areas of focus for the Audit Committee include: Annual standalone and consolidated financial statements, annual earnings distribution, annual audit plan formulation, internal control system, loan of funds by the Company and its subsidiaries, endorsements and guarantees by the Company for its subsidiaries, evaluation of the independence and suitability of the auditors, internal audit supervisor changes, self-assessment questionnaire for the performance evaluation of the Audit Committee, and compliance with laws and regulations.

The powers of the Audit Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual and semi-annual financial reports.
11. Any other material matter so required by the company or the Competent Authority.

The abovementioned matters shall be subject to the approval of one half or more of the entire membership of the Audit Committee and shall be submitted to the Board of Directors for a resolution. Any matter, with the exception of Item 10, that has not been approved by one half or more of the entire membership of the Audit Committee may be undertaken upon the consent of two thirds or more of the entire Board of Directors. "The entire membership," as used herein, shall mean the actual number of persons currently holding those positions. The convener of the Audit Committee shall represent the Committee to the public.

Audit Committee Operation Information					
Title	Name	Actual Attendances	Frequency of Proxy Attendance	Actual Attendance Rate (%)	Remarks
Convener	Chen Shui-Jin	5	0	100%	Independent Director
Member	Chen Jian-Nan	5	0	100%	Independent Director
Member	Tsai Wu-Ying	5	0	100%	Independent Director
Member	Lei Shin-Jung	5	0	100%	Female Independent Director

Date of Meeting	Proposals	Resolutions by the Audit Committee	Opinion of the Board of Directors on the Audit Committee
2022 / 01 / 25	<ul style="list-style-type: none"> To review Loaning of Funds by the Company and its Subsidiaries. To review changes to internal audit supervisor of the Company. 	Approved by all attending members.	Approved with no objection.
2022 / 03 / 23	<ul style="list-style-type: none"> To review the Company's 2021 Business Report. To review the Company's 2021 Standalone and Consolidated Financial Reports. To review the Company's 2021 Earnings Distribution. To review the Company's 2021 "Statement on Internal Control" . To review Loaning of Funds by the Company and its Subsidiaries. To review Evaluations on Independence and Suitability of the Attesting CPAs for the Company. To review Amendment to the Company's Handling Procedure for Acquisition or Disposal of Assets. To review 2022 Audit Fee of the Company. 	Approved by all attending members.	Approved with no objection.
2022 / 05 / 10	<ul style="list-style-type: none"> To review Q1 2022 Consolidated Financial Statements of the Company. To review the Company's Proposal of Endorsement and Guarantee to MERIDA Bicycle (CHINA) Co., Ltd. To review the Approval of Funds Loan by the Company. 	Approved by all attending members.	Approved with no objection.
2022 / 08 / 11	<ul style="list-style-type: none"> To review the Company's Q2 2022 Consolidated Financial Statements of the Company. To review the Approval of Funds Loan by the Company. 	Approved by all attending members.	Approved with no objection.
2022 / 11 / 11	<ul style="list-style-type: none"> To review the Company's Q3 2022 Consolidated Financial Statements of the Company. To review Loaning of Funds by the Company and its Subsidiaries. To review the Company's Promulgation of 2023 Audit Plan. To review the Company's Amendment to the Operational Procedure for Management over Prevention of Insider Trading. To review the Company's Promulgation of Sustainability Report Preparation and Filing Procedure. To review the loans of MERIDA Bicycle (CHINA) Co., Ltd. Under commission to MERIDA Bicycle (Jiangsu) Co., Ltd.. 	Approved by all attending members.	Approved with no objection.

2.2.3 Remuneration Committee

To ensure sound corporate governance and strengthen the remuneration management function of the Board of Directors to protect the rights and interests of the investors, the Company has set up the Remuneration Committee pursuant to Article 14-6, paragraph 1 of the Securities and Exchange Act and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" published by the Financial Supervisory Commission and adopted the Remuneration Committee Charter.

The payment of remuneration to directors of the Company shall be handled in accordance with Article 32 and 34 of the Company's Articles of Incorporation. Regardless of the Company's operating profits or losses, the Company may provide remuneration to directors. The amount of remuneration shall be determined by the Board of Directors based on the director's level of participation in the Company's operations, contribution value, and the general level in the industry. In the case of company profits, apart from Independent Directors, an amount not exceeding 5% shall be allocated as director's compensation, with the actual allocation ratio being 2.6% per year.

Independent Directors of the Company receive a fixed remuneration on a monthly basis, and all Independent Directors do not receive variable remuneration, only reimbursement for actual attendance at meetings. The remuneration for the Company's supervisors mainly includes salaries, bonuses, and employee dividends, as well as allocations for retirement benefits and welfare benefits. The payment shall be handled in accordance with the Company's salary management regulations and related rules and regulations, taking into account the Company's operational performance, individual performance, achievement of strategic goals, and industry standards. Review by the Remuneration Committee and approval by the Board of Directors is also necessary to ensure that remuneration granted is reasonable, in order to motivate and retain talent and enhance the Company's competitiveness. In the event of significant risk events that could affect the Company's reputation, improper internal management, or misconduct by personnel, bonuses may be reduced or withheld. The payment of remuneration to directors of the Company shall be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval, and reasonable remuneration shall be granted.

The Company's Remuneration Committee consists of three committee members, and their duties encompass, with their professional and impartial status, evaluations on policies of remunerations paid to the Company's directors, managers, etc., as well as proposal to the Board of Directors as reference in the decision-making process. The operations of the Company's Remuneration Committee are performed pursuant to provisions in MERIDA's "Remuneration Committee Charter" and at least two regular meetings must be conducted per year. The Committee's duties are as follows:

1. Review on the charter and proposal of amendment suggestions thereof on a regular basis.
2. Promulgation and regular review on the policy, system, standard and structure of remunerations to the Company's directors and managers.
3. Evaluation of the attainment of performance goals for directors and managers of the Company on a regular basis, with re-examinations on the contents and amounts of remunerations received by respective role.

Remuneration Committee Operation Information					
Title	Name	Actual Attendance	Frequency of Proxy Attendance	Actual Attendance Rate (%)	Remarks
Convenor	Chen Jian-Nan	3	0	100%	Independent Director
Member	Chen Shui-Jin	3	0	100%	Independent Director
Member	Lin Fu-Xing	3	0	100%	Member

Date	Proposals	Remuneration Committee	Opinion of the Board of Directors on the Remuneration Committee
2022 / 01 / 25	<ul style="list-style-type: none"> To review the Company's Distribution of 2021 Year-end Bonus for Employees. To review the Company's Proposal of Employee Salary Adjustment. 	Adopted by all attending members.	Approved with no objection.
2022 / 03 / 23	<ul style="list-style-type: none"> To review the Company's 2021 Performance Evaluation Results for the Board of Directors and Individual Directors Evaluation Result. To review the Company's Distribution of 2021 Employees and Directors' Remunerations. To review the Company's 2022 Proposal of Employee Salary Adjustment. 	Adopted by all attending members.	Approved with no objection.
2022 / 09 / 01	<ul style="list-style-type: none"> To review the Company's Distribution of 2021 Directors' Remunerations. To review the Company's Distribution of 2021 Employees' Remunerations. 	Adopted by all attending members.	Approved with no objection.

2.3 Operating Outcome

MERIDA's Operating Revenue for the year 2022 was NT\$37 billion, an increase of NT\$7.6 billion over the previous year, mainly due to a change in product assortment and increase in demand for electric-assisted bicycles. There was neither political donation nor governmental subsidy in 2022.

Unit: NT\$ thousand

Items / Year	2020	2021	2022
Net Operating Revenue	27,072,342	29,391,183	37,003,082
Operating Cost	23,285,132	25,304,229	30,611,767
Gross Profit	3,787,210	4,086,954	6,391,315
Net Operating Profit	1,884,222	1,589,376	3,437,465
Total Non-operating income and expenses	3,356,595	4,615,377	1,060,381
Profit before income tax	5,240,817	6,204,753	4,497,846
Net Profit for the Year	4,112,147	4,788,170	3,454,418
Total Comprehensive Income for the Year	3,650,943	3,884,024	5,317,914
Earnings Per Share (Basic) (NT\$)	13.36	15.55	11.34
Employees Welfare	7,996	18,195	11,132
Dividends	2,092,887	2,391,870	2,092,887
Employees' Remuneration (including Welfare)	1,954,125	2,257,068	2,343,549
Economic value retained	3,066,637	3,936,368	3,343,954
Payment to Investors	2,144,893	2,439,292	2,170,322
Payments to Government	1,287,135	1,494,781	1,166,874
Community Investment	1,561	1,509	768

2.4 Risk Management

As technology continues to advance and information become more widely available, businesses are facing opportunities, risks, and threats. To protect and improve the overall interest, the Company has established an internal control system focusing on domestic and international developments. It reviews and improves the Company's risk management processes to enhance the effectiveness of risk management. Only by immediately identifying the risks factors and taking appropriate responsive measures and improvement actions can the Company adapt to the constantly changing market environment and achieve the goals of sustainable management.

The Statement regarding the results of self-inspection on the Company's internal control system made in 2022 is as follows:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinbelow referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment, 2. risk assessment, 3. control activities, 4. Information, and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of 31st December 2022, its internal control system (including its supervision and management of subsidiaries and its overall implementation of information security), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on 30th March 2023, where none of the 12 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Scopes of Risk Control

Type	Potential Risks	Countermeasures
Information Security Risks Management	<ul style="list-style-type: none"> • Equipment affected by force majeure disasters such as earthquakes, fires, etc. • Data infected by viruses • Data or information theft • Hacker attacks 	<ul style="list-style-type: none"> • The Company establishes its Information Security Management System (ISMS) to reduce enterprise security threats from system, technical, and procedural perspectives, and to create confidential information protection services that meet customer requirements. • The Company establishes environmental control and disaster prevention measures, as well as off-site data backup for equipment rooms. • The Company installs antivirus software to applicable devices and regularly update versions and virus definitions. • The Company implements access control devices and personnel management for equipment rooms and manage user data permissions to ensure data confidentiality. • Timely update and regular inventory of software, hardware, and user devices for auditing purposes are made. • The Company enhances awareness of malicious attacks on emails, software, files, etc. of its employees, and improves their awareness of information security.
Financial Risks	<ul style="list-style-type: none"> • Exchange rate and interest rate risks • Credit risk • Liquidity risk 	<ul style="list-style-type: none"> • Mitigating risks through timely application of derivative financial instruments, such as forward foreign exchange contracts to hedge against exchange rate risks arising from imports and exports. • Signing fixed-rate loan agreements with banks to reduce interest rate fluctuations over the loan period, or opt for short-term loans that can be renegotiated quickly in case of interest rate changes. • Monitoring financial status of customers and conducting aging analysis to avoid financial losses caused by customer defaults on contractual obligations. • Maintaining sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations; the Company's management supervises the utilization of bank financing facilities and ensures compliance with contract terms.
Risks from Management of Intellectual Property Rights	Infringement of intellectual properties (e.g., trademarks, patents, or copyrights)	<ul style="list-style-type: none"> • Signing of licensing agreement is required when granting others the rights of intellectual property. • When intellectual property rights are unlawfully infringed, legal personnel of the Company shall proactively work with relevant departments and attorneys at law to take effective protective measures.



2.5 Integrity and Compliance with laws and regulations

Pursuant to Chapter II, Article 4, Item 26(C) of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, "Material information of TWSE listed companies" means occurrence of a disaster, group protest, strike, environmental pollution, information and communication security event, or any other material event, resulting in where the administrative fines for one single event have accumulated to NT\$1 million or more. The Company has been fined three times in 2022, and the total amount of fines is NT\$90,000, which does not amount to material information.

The Company's tax operations are in accordance with the provisions of the tax laws. Certified public accountants are appointed to audit and certify the profit-seeking income tax and are declared within the prescribed period to fulfill the social responsibility of a taxpayer. The tax information is disclosed in the financial statements following the regulations to ensure the transparency of information.

MERIDA believes that employees are an important asset to the Company, and the Company must eliminate unlawful discrimination and treat all employees fairly to prevent discrimination. To care for the rights and interests of employees, the Company has established a Corporate Labor Union to maintain two-way communication and management with the employees. With the labor side leading the operation of the Union and holding regular Labor/Management conferences with employers to confirm the overtime method, discuss the issue of variable working hours, and strive for various employee welfare from employers through good communication. Five improvement proposals raised during the 2022 Corporate Labor Union general meeting were given positive responses and improvements by the Company. In 2022, there were no illegal events of competition, trust, monopoly and discrimination, child labor, violations of rights of the indigenous peoples, etc.

Type of Disposition	Aspects	Fine	Contents of Violated Laws and Regulations	Response Measures
Penalties	Social	NT\$20,000	The workers' working hours were extended to 12 hours per day, and the working hour per week exceeded 46 hours.	Flexible working hours are exercised and appropriate manpower is allocated or supplemented to maintain regular working hours.
	Environmental Protection	NT\$10,000	Failure to appoint the Dedicated Wastewater and Sewage Treatment Specialists to also fulfill the role of designated personnel for other regulations, apart from environmental regulations, as required.	The Company has on July 22, 2022 applied for changes in staffing of Dedicated Wastewater and Sewage Treatment Specialists (Class B).
	Occupational Safety and Health	NT\$60,000	Engaged workers in painting operations involving flammable liquid coatings, which poses a risk of explosion and fire, yet electrical equipment with explosion-proof structures such as sockets is not installed.	Industrial safety technicians have been appointed to visit the plant to delineate and evaluate the explosion-proof hazardous areas and take necessary measures based on the results of their overall evaluation report.
Total	Total incidents: Three; Total fines: NT\$90,000			

Anti-corruption Policy

MERIDA attaches great importance to corporate governance and corporate social responsibilities, which can be seen from the business philosophy of "creating unlimited competitiveness and giving back to the corporates and the community through business core of honesty and prudence, and the enthusiasm of mutual assistance". Therefore, the Company's internal control system has established the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, Information Disclosure, and Operational Procedures for Management over Prevention of Insider Trading for compliance by all employees and has disclosed such adoption on the Company's website. In addition, for the employees understand the emphasis of the Company on ethical corporate management, we also promote the requirements prescribed by the provisions of Ethical Corporate Management Best Practice Principles through the education and training mechanism.

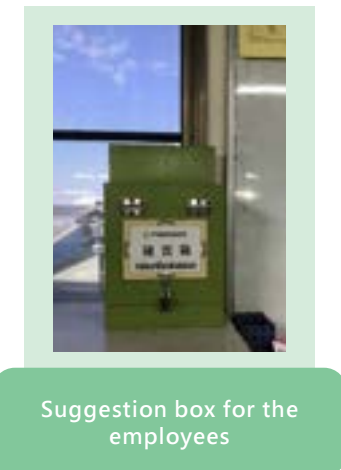
Pursuant to Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company conducts self-inspection on the internal control system annually, and the self-inspection covers three factories of our subsidiaries, i.e., MERIDA Bicycle (China) Co., Ltd. ("MERIDA China"), MERIDA Bicycle (Shandong) Co., Ltd. ("MERIDA Shandong") and MERIDA Bicycle (Jiangsu) Ltd. ("MERIDA Jiangsu"). The self-inspections were conducted based on the important components of internal control, including control environment, risk assessment, control activities, information and communications, and monitoring activities, and the degree of risk is then assessed (level of differentiation: high, medium, low). The findings of the assessment for 2022 showed that the Head Office and the Company's three subsidiaries in China do not have a high-risk level in the assessment of the control environment—the component which the Company emphasizes on integrity and ethics. Further, pursuant to the Internal Audit Plan, the Internal Audit Department conducted an internal audit of the business cycle, whereby in the event of non-compliance, the Internal Audit Department will discuss with relevant departments to make improvements. The 2022 audit results showed that there are 7 non-compliances, all of which have been improved.

Name of Course	Number of Trainees	Completion hours
Education and Training for Ethical Corporate Management Best Practice Principles	17	25.5

Remarks:
The education and training are only provided to finance officers as of now, but in subsequent years, we plan to provide education and training on Ethical Corporate Management to the new employees, so that the business philosophy of ethical management can be deeply rooted in the employees' hearts.

In order to facilitate the expression of the views of the relevant stakeholders, the Company has introduced the whistleblowing system. Stakeholders can make reports by telephone, e-mail, or through a suggestion box set up within the Company. In the event that a report of illegal or disciplinary behavior is substantiated, it will be dealt with as necessary in accordance with the Company's "Work Rules" or relevant laws and regulations, and measures are in place to protect the rights and safety of whistleblowers. In 2022, MERIDA did not have any corruption cases.

Reporting Channels	
Department in charge	Domestic Sale Department
Correspondence address	No. 116, Meigang Rd., Dacun Township, Changhua County 515005
Contact No.	(04)8526171
Email	IR@merida.com.tw



03

Industry Innovation: Adapting to the Modern World

3.1 Quality

3.2 Supply Chain Integration

Special column-MERIDA RANKED AMONG THE Top 10 BEST TAIWAN GLOBAL Brands

Special Column- MERIDA wins Taiwan Excellence Award

- 82% customer satisfaction by 2022
- Supplier Assessment compliance at 100%



3.1 Quality

Our products are 100% compliant with international and domestic standards, such as ISO 4210 International Bicycle Standard, ISO 8098 International Bicycle Standard (for children's bicycles), CPSC 1512 American Bicycle Standard, EN 15194 European Union Bicycle Standard, JIS Japanese Industrial Standardization Law, CNS 15138 Test Method for Phthalate Plasticizers in Plastic Products - Vapor phase chromatography, CNS 13371 Examination of eye protection for protective helmets for bicycles, CNS 15557 Lighting equipment for bicycles, CNS 14976 Safety requirements for children's bicycles, CNS 15289 Determination of polycyclic aromatic hydrocarbons in processing oils in vulcanized rubber products, CNS 4797 Toy safety, Bureau of Standards and Inspection, Ministry of Economic Affairs, etc., the information and labels of our services are disclosed in our products, user manuals and websites. For internal processes and suppliers' products and processes, the Company will send them for testing and provide relevant supporting reports in accordance with relevant regulations and conduct regular or occasional spot checks and audits. There were no recalls, secondary recalls, or CPSC notices of non-compliance in 2022, nor were there any violations of the laws governing marketing communications, labelling, or health and safety.

Statistics on Safety Certification			
Products	Safety Compliance Certification	Applicable Regions	Assessed Percentage (%)
Bicycles	ISO 4210 Bicycle Safety Standard	Worldwide	100
	CPSC 1512 Bicycle Safety Regulations and Testing	USA	100
	AS/NZS 1927:1998 Pedal Bicycles-Safety Requirements	New Zealand, Australia	100
Electric Assisted Bicycle	CNS 14126 Electric-assisted Bicycle Standards	Taiwan	100
	Regulations for Type Safety Examination of Electric Assisted Bicycles and Micro Electric Two Wheelers	Taiwan	100
	EN15194 Standard Specification for Electrically Assisted Bicycles	Europe	100
	EN 60335-1 Electrical appliances for domestic and similar uses - safety (general requirements)	Europe	100
	EN 60335-2-29 Safety of electrical appliances for domestic and similar purposes (special provisions for battery chargers)	Europe	100
Children's Bicycles	CNS 14976 (2006 Version)	Taiwan	100
	CNS 15503 Section 4.5.1 (2018 Version)	Taiwan	100
Water bottles for Bicycles	Food Hygiene Control Act	Taiwan	100
Personal Protective Equipment	CNS 13371	Taiwan	100



Ministry of Transport - Certificate of Conformity for Safety Examination of Electric Assisted Bicycles



Ministry of Transport - Certificate of Conformity for Safety Examination of Electric Assisted Bicycles



Ministry of Transport - Certificate of Conformity for Safety Examination of Electric Assisted Bicycles



Ministry of Transport - Certificate of Conformity for Safety Examination of Electric Assisted Bicycles



Bureau of Standards and Inspection, Ministry of Economic Affairs- Certificate of Registration of Commodity Verification



EN 60335-1 / EN 60335-2-29 Accreditation Declaration



EN 15194 Certified Test Reports



EN 15194 Certified Test Reports



EN 15194 Certified Test Reports



EN 15194 Certified Test Reports



EN 15194 Certified Test Reports



EN 15194 Certified Test Reports



EN 15194 Certified Test Reports



AS/NZS 1927: 1998 Test Report



CPSC 1512 Test Report



ISO 4210 Test Report

Customers Satisfaction

MERIDA values every customer's feedback. In order to accurately grasp the needs and suggestions of our customers, our company provides an excellent customer service mechanism and conducts customer satisfaction surveys on a regular basis in order to understand the thoughts of our customers and maintain a friendly and stable business relationship with customers. Our customer satisfaction surveys are classified into the following categories: product competitiveness, supply-related services, after-sales services, etc. The results of the 2022 customer satisfaction survey: 82% were very satisfied and satisfied, 5% were dissatisfied and very dissatisfied. The main reason for dissatisfaction is the shortage of stock, as the epidemic has affected the bicycle market in various countries and the industry has been overwhelmed with orders, resulting in a shortage of supply chain, shortage of a large number of spare parts for a long lead time of over a year. Now that the epidemic is over in various countries, MERIDA and our suppliers are working together to shorten the lead time to achieve the goal of on-time delivery and to continue to provide quality products and services.

Customer Privacy and Information Security

To ensure the company's business confidentiality and compliance with the government's personal data protection law, we continue to strengthen our information security protection capabilities and raise awareness of information security from personnel to organization in order to comply with domestic and international information security laws and regulations. To support the development, monitoring, and implementation of our information security system, our company has appointed a specially trained information security manager and crew members. Management measures are planned for various information risks, such as installation management, hardware protection, system security monitoring, Internet access and mobile security. Through technical and management-related auditing measures, we aim to improve and enhance our network and information system security protection capabilities and information governance standards. Our company's information security management are as follows:

1. Information security organization: The general manager's office administrator doubles as the information security chief.
 - Information Security Audit Unit: To conduct information security audits in accordance with internal control internal audit requirements.
 - Information security control unit: To set up and configure information security software and hardware in accordance with laws and regulations and corporate requirements.
 - Information security management unit: Manage the operations within the department to ensure compliance with the enterprise's requirements on information security.
 - Information security personnel: The webmaster of the main information

security setting and management industry.

2. Information Security Highlights:

- Disaster prevention:
 - Earthquake: The appropriate anti-tilt and fastening must be fitted on the equipment.
 - Electricity: The necessary UPS must be provided to shut down equipment and protect data in a timely manner.
 - Fire prevention: Provide the necessary fire prevention and fire suppression equipment.
 - Data: Off-site backup.
- Anti-virus: Install anti-virus software and regularly update versions of software and virus codes.
- Anti-theft: Essential access control equipment and personnel access management; data encryption and user management.
- Anti-hacking: Essential software and hardware, timely updates.

3. Information Security Policy-Enterprise Information Security Management Strategy and Framework (PDCA)

- The "Planning Phase" focuses on information security risk management: establishing an Information Security Management System (ISMS) to minimize corporate information security threats from the system, technical and procedural aspects, and establishing confidential information protection services that meet customer needs.
- The "Implementation Phase" builds multi-layered information security protection: In order to monitor information security and maintain the confidentiality, integrity, and availability of our critical assets on weekdays, we constantly introduce innovations in information security protection and internalise information security control mechanisms into our software and hardware maintenance operations.
- The "Audit Phase" actively monitors the effectiveness of information security management: based on the audit results, we conduct information security indicator analysis and information security maturity assessment.
- The "Action Phase" is based on reviews and continual improvements: supervision and audits are carried out to ensure that information security regulations are continuously effective; when employees violate relevant regulations and procedures, they are dealt with in accordance with the information security non-compliance handling process and are subject to disciplinary action (including the employee's annual performance appraisal or legal action if necessary). In addition, we regularly review and implement improvement measures including information security measures, education, training, and awareness to ensure that important confidential information of the company is not leaked.

4. Specific management solutions and resources devoted to information security management

- Information Security
 - Network security: prevent intrusion attacks on the server room side to block all kinds of network attacks; set up a spam screening and isolation mechanism to prevent receiving emails with viruses; strengthen network firewall and network control to avoid virus transmission.
 - Device security: The machine must be scanned for viruses during installation; endpoint anti-virus measures must be set up according to the type of machine.
 - Application security: Application development must inspect information security and continue to strengthen it.
 - Information security technology enhancement: Strengthen data confidentiality classification and protection; introduce new technologies to optimize document file management and control.
 - Important data recovery: Regularly rehearse the recovery of important backup data to ensure that the system can be restored quickly in case of abnormalities.
 - Data security protection technology update: Introduce virtualisation and fibre optic storage backup architecture to enhance system data security.
- Review and Improvement-Education, Training and Promotion: To enhance employees' awareness of malicious attacks on emails, software and files.
- Information Security Effectiveness-Inventory and Audit: Regular inventory of hardware, software and user-side equipment audits; review control procedures and technical enhancements if there are major abnormalities.

Our company complies with the relevant domestic and exporting national laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of our products and services, and complies with the Personal Data Protection Act for customer privacy. To support access to complaints and to safeguard the rights of consumers or customers, our website also features a stakeholder area with a customer care hotline. There were no security-related incidents, cyberattacks, customer data breaches, privacy violations, or customer complaints in 2022.

3.2 Supply Chain Integration

The raw materials we procure are mainly aluminum, carbon fiber, rubber and paper. In line with our vision of sustainable management, MERIDA has established long-term and stable partnerships with our suppliers and is committed to fulfilling our social responsibility together, and has selected our partners based on the principle of local procurement and production to ensure the stable operation of our supply chain.

Type of contract	Procurement regions	Year 2020		Year 2021		Year 2022	
		Number of companies	Percentage of the entire purchase value of the overall procurement (%)	Number of companies	Percentage of the entire purchase value of the overall procurement (%)	Number of companies	Percentage of the entire purchase value of the overall procurement (%)
Labour (Contracting and Services)	Domestic	9	0.31%	9	0.26%	12	0.30%
	Overseas	0	0.00%	0	0.00%	0	0.00%
Property (Raw materials)	Domestic	263	50.74%	257	56.09%	205	57.14%
	Overseas	88	48.76%	88	43.39%	81	42.40%
Engineering (Construction & Equipment)	Domestic	102	0.19%	118	0.26%	102	0.16%
	Overseas	0	0.00%	0	0.00%	0	0.00%
Total		462	100%	472	100%	400	100%

Notes:

1. Domestic refers to the local area of Taiwan; overseas refers to the area outside of Taiwan.

2. The type of contract is mainly filled in according to the company's internal division, and the pre-defined items (labour, property and engineering) can be ignored if they are not available.

Supplier Evaluation

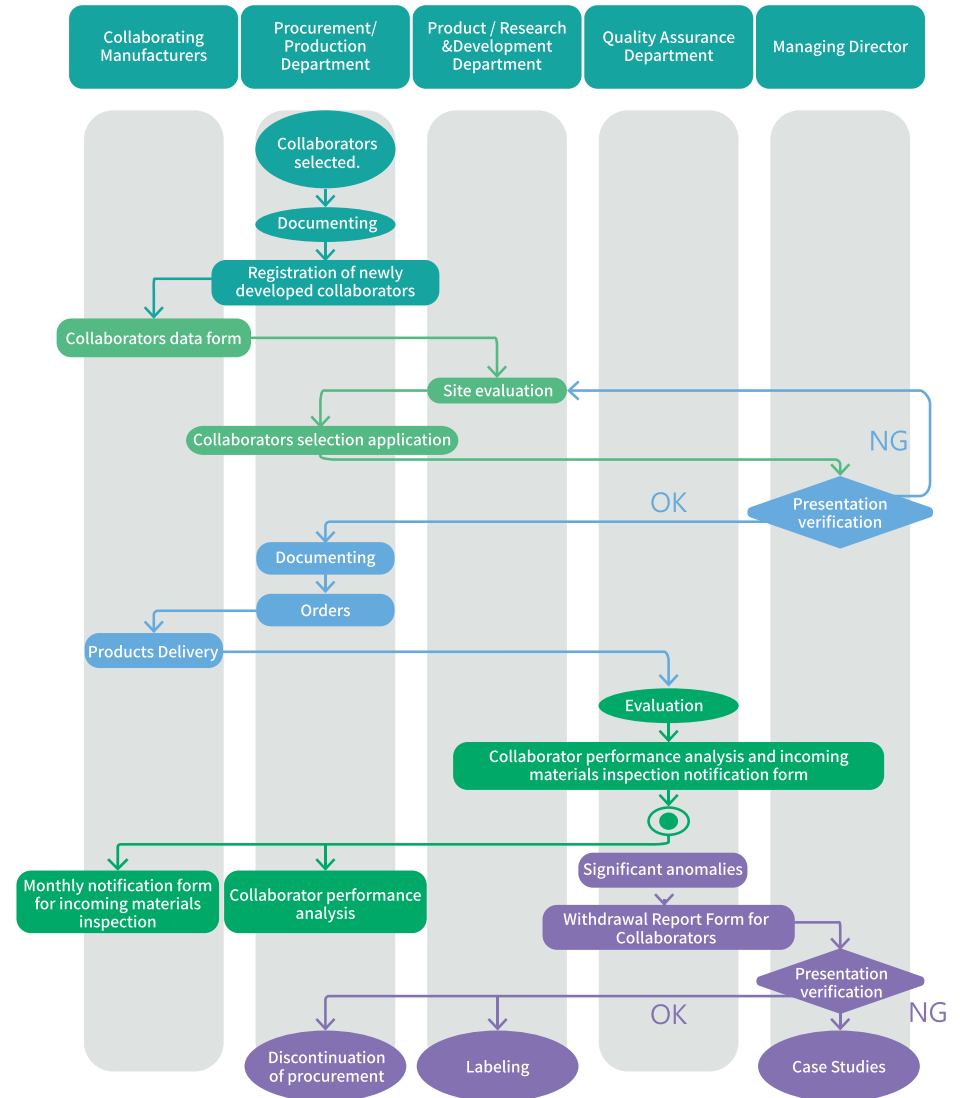
In 2022, our company evaluated seven new suppliers, with a pass rate of 100%. Currently, only procurement aspects such as lead time compliance and material quality are evaluated, and no relevant evaluation measures have been conducted for the environmental and social responsibility levels. It is expected that in 2024, first-tier suppliers will be audited and will be required to complete a responsibility questionnaire to evaluate existing suppliers and new suppliers selected, to ensure compliance with Meridian's expected production requirements, and to assess whether the supplier has met its social responsibility and code of conduct requirements. Although supplier social responsibility assessments are still being planned, it is expected that breaches of the Supplier Code of Conduct will be sorted and reviewed at the level of the deficiencies. For all breaches, a Supplier Correction Plan will be issued to the supplier for completion and review, and the supplier will be required to make improvements within a certain time frame.

When evaluating newly developed suppliers internally, our company will give priority to suppliers who have signed ESG-related reports and confirm whether they have the supply capability, quality control and development expertise to facilitate future collaboration.

Currently, for the social responsibility section, the latest version of the third-party supplier information form has been updated to include whether ESG has been implemented. If ESG is implemented, suppliers will be asked to provide relevant supporting evidence and, if proven, will be listed on the preferred supplier list.

Grade	Marks	Procurement Assessment
A	80~100 marks	With the agreement of the relevant units, this supplier can be used more frequently for subsequent models and is recommended to increase the procurement quantity
B	60~79 marks	Maintain regular procurement quantity
C	59 marks and below	Request the supplier to rectify and improve the condition by the target date

Our evaluation process is as follows:



Special column

MERIDA RANKED AMONG THE Top 10 BEST TAIWAN GOLBAL Brands

MERIDA Bicycles once again ranked among the top 10 best international brands in Taiwan (Best Taiwan Global Brands 2022)

With a brand value of US\$467 million in 2022, MERIDA has once again been ranked as the 10th best international brand in Taiwan in 2022, organized by the Ministry of Economic Affairs and executed by Interbrand, an international brand appraisal agency. The 50th anniversary of MERIDA's founding is a key indicator of the growth of Taiwan's bicycle industry over the past half century.

Since 2003, the Industrial Development Bureau of the Ministry of Economic Affairs has been conducting the "Taiwan International Brand Value Survey" and cooperating with authoritative global brand surveying institutions to introduce the professional brand appraisal model based on the "Global Top 100 Brands Survey", considering both quantitative financial analysis and qualitative structural analysis for brand management. The international perspective helps Taiwanese companies to assess their own brand value and to position the brand in the international market as a growth indicator and an important reference for Taiwanese companies in their pursuit of international brand value. In order to determine the future revenue of a brand, three indicators are assessed in the evaluation process: financial, brand identity and brand equity, and after calculating the brand revenue and the brand discount rate, the so-called brand value is derived.

For more than 30 years, MERIDA has been committed to the international marketing of its own brand. In the past ten years, MERIDA bicycles have been awarded the Taiwan Excellence Gold Award seven times and the Silver Award ten times, and its TBV World Class Professional



Team has won the overall team championship in the Tour of France, the Tour of Spain and the Tour of Italy three times in a row since last year, demonstrating the strength of Taiwan's quality products in the top international competition arena. As the global warming crisis becomes increasingly severe, it is apparent that bicycles and electric-assisted bicycles will play an indispensable role in the human tendency to pursue sustainable environmental protection and health. Once again awarded as one of the top ten best international brands in Taiwan, MERIDA will continue to uphold the brand aspiration of "MORE BIKE" in the challenge-filled post-epidemic era.



Certificate for the 10th Best International Brand in Taiwan in 2022



2022 Best International Brands in Taiwan Ranking



Special column

MERIDA RANKED AMONG THE Top 10 BEST TAIWAN GOLBAL Brands



Italian player, S Colbrelli, winning the epic 118th Paris Roubaix on a MERIDA bicycle



Team TBV on MERIDA Bicycles won the Tour of France 2021 team championship



Special column

MERIDA wins Taiwan Excellence Award

The Taiwan Excellence Award is a cross-industry contest for Taiwan-made products, organized by the Bureau of International Trade and Economic Affairs, Ministry of Economic Affairs. The criteria for the award are based on the design, research and development, marketing and quality of Taiwan-made products. The Taiwan Excellence Awards, known as the Oscars of the Taiwanese industry, have attracted hundreds of companies and over a thousand products in recent years. For example, for the 31st Taiwan Excellence Award in 2022, there were 547 companies and 1,109 products enrolled, making the competition extremely intense.

After the first stage of evaluation, over 300 products were awarded the "Taiwan Excellence Award". From these winning products, the top 30 products were further selected to enter the final round of the competition, where representatives from the nominated companies presented their products to a panel of domestic and international experts and were subjected to an on-the-spot Q & A session. Of the 30 finalists, the top 10 were awarded the prestigious Taiwan Excellence Gold Award and the remaining 20 were awarded the Taiwan Excellence Silver Award.

For the 18th consecutive year, MERIDA has made it to the final round of the Taiwan Excellence Awards, winning 12 Gold and 26 Silver Awards, which is a model for Taiwan's traditional industries and reflects MERIDA's strength in product innovation, research, and marketing. In the 31st Taiwan Excellence Awards in 2022, MERIDA was awarded the "Taiwan Excellence Silver Award" with the SCULTURA TEAM, an all-around road bike (team version).



In 2012, MERIDA was the first company in the sector to receive the Taiwan Excellence Gold Award for two products at once



2022 Superb Performance Road Bike of the Year - Scultura



2022 Taiwan Excellence Silver Award Product: Scultura Team



04

Environmental Friendliness – Unending Growth

Environmental Management Disclosure

4.1 Risks and Opportunities under Climate Change

4.2 Raw Materials Management and Re-use

4.3 Energy Management

4.4 Greenhouse Gases Management and Pollution Prevention

4.5 Wastage Management

- 1.8% electricity conservation by 2022
- A total of 66,547 kWh of electricity was conserved and a total of 33.87 tons of CO₂e energy emissions were reduced
- 13% reduction in greenhouse gas emissions intensity compared to 2021
- 22.53% reduction in energy intensity in 2022 compared to 2021





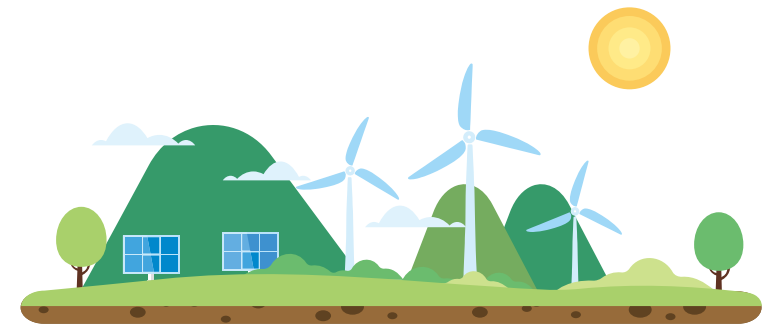
Environmental Management Disclosure

Material Topic: Emissions and Energy	
Major Factors	In line with international trends and government policies on energy conservation and carbon reduction, our company is actively studying the full use of energy to reduce greenhouse gas emissions. Our aim is to achieve a sustainable planet - energy saving and carbon reduction-in line with the government's policy on the efficient use of energy.
Strategies	<ul style="list-style-type: none"> MERIDA's emissions policy is "Reduce pollution emissions, implement energy-saving and carbon-reducing measures, and comply with laws and regulations". Improving the efficiency of energy usage, continuously improving energy performance. Comply with energy-related regulations and prioritise the use of energy-efficient facilities. Implementing an energy management system with full participation in energy conservation and carbon reduction.
Targets and Objectives	2022 as the benchmark year for MERIDA's greenhouse gas emissions. Short-term target: 3% annual reduction in greenhouse gas emissions. Mid-term target: 40kg carbon reduction per vehicle or 25% reduction in emissions by 2030. Long-term target: To achieve net-zero emissions by 2050 at Taiwan headquarters.
Management Evaluation Mechanism	Electricity consumption and various types of greenhouse gas emission data are reviewed over a 3-year period and are regularly assessed internally by our auditing unit.
Performance and Realignment	The greenhouse gas inventory is based on the benchmark year of 2022, with annual emissions of 9,978.4785 metric tons of CO ₂ e, and subsequent reductions will be controlled in accordance with short-, medium-and long-term targets.
Preventive or Remedial Measures	Our company has developed an effective emissions reduction strategy through the annual review of overall carbon reduction effectiveness through management indicators. If the reduction is not as effective as expected, procurement of renewable energy, adoption of natural carbon sinks in air purification zones, etc. will be actively conducted, and communication and cooperation with relevant parties will be sought. MERIDA continues to deepen the concept of green products and green packaging by annually reviewing the overall carbon reduction results and developing carbon reduction strategies. In the event that green products are not as effective as expected, MERIDA also actively reduces greenhouse gas emissions and seeks the cooperation of relevant parties.

4.1 Risks and Opportunities under Climate Change

4.1.1 Climate Change Financial Risks

Climate change has become a core issue for sustainable development. In addition to controlling operational and governance risks through internal control and audit systems, MERIDA has identified potential risks and opportunities for climate-related financial disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) in 2022. The TCFD aims to identify the potential risks and opportunities in the climate-related financial sector, and to minimize the potential financial losses caused by these risks by formulating countermeasures and applying a matrix of climate risks and opportunities to incorporate sustainable management strategies such as energy conservation, carbon reduction and water saving into our business planning. It is hoped that the crisis can be turned into an opportunity to create greater benefits for the Company.



	Governance	Strategies	Risk Management	Targets and Objectives
Management Strategies and Action Plans	<p>Our Board of Directors is responsible for formulating a sustainable development strategy and regularly monitors environmental, social and governance issues that may affect sustainable development, and has an ESG Promotion Committee that conducts interdepartmental discussions on issues related to climate change in accordance with the Audit Committee's guidelines.</p>	<ul style="list-style-type: none"> Understanding the impact of climate change on our company through contextual analysis. In response to the national carbon reduction pathway and the European Union's Border Crossing Adjustment Mechanism(CBAM), our company has also adjusted the direction of our operations. Integrating SDGs into the decision-making process. 	<p>Identify and assess risk and opportunity issues using the risk matrix and referring to the recommendations of the TCFD report.</p>	<p>Taiwan's greenhouse gas reduction targets are set in accordance with the "Nationally Determined Expected Contribution" and the Climate Change Act and are adjusted on a rolling basis to conform to international trends.</p>
Enforcement Status	<ul style="list-style-type: none"> ESG development, including climate-related issues, is discussed by our Board of Directors at least once a year. The ESG Development Committee regularly discusses potential challenges and solutions to address them with an 'environmental' focus, which is reviewed by the Board and Audit Committee. The Directors have all undertaken training on sustainability issues. 	<ul style="list-style-type: none"> The processes for identifying and assessing climate-related risks are in accordance with the guidance provided by the Board of Directors. Interdepartmental discussions on climate change-related issues are conducted through the formation of ad hoc groups by the relevant departments. The management process for climate related risks is reviewed and revised annually through operational management and budget meetings. 	<ul style="list-style-type: none"> Through contextual analysis, scenarios for each risk topic are described and defined, and each risk category is scored for financial impact and likelihood of occurrence to identify the company's risk issues. Possible opportunities are discussed in light of the current state of development of the company. 	<ul style="list-style-type: none"> Progress on the implementation of the energy conservation projects and the achievement of targets are regularly monitored by the MERIDA ESG Promotion Committee and the results are compiled and presented to the Board.

4.1.2 Climate Risks and Opportunities Management

The processes and results of the risks and opportunities identified by our company in 2022 are as follows:

Step 1: Background Information Collection	Step 2: Scope of Risk and Operational Evaluation	Step 3: Risk and Operational Impact Analysis	Step 4: Management Measures and Target Setting
<p>With reference to the recommendations of the Climate-related Financial Disclosure Report and guidance from external experts on issues and processes to understand the meaning of each risk and opportunity, relevant data is collected and identified with contextual settings (physical risk RCP8.5, NDC context, transformation risk SSP1-2.6 and SSP5 baseline context).</p>	<p>In view of the scope of the risks involved, it was decided that MERIDA's Taiwan headquarters would be considered and evaluated from 2022 onwards.</p>	<p>Each risk and opportunity is scored for its financial impact and probability of occurrence, and the scores were discussed and reviewed with senior executives and external advisors to identify a total of three risks and one opportunity.</p>	<p>After identifying the risks and opportunities, possible countermeasures to mitigate the financial impact of the risks are addressed for each risk, and targets are set with a view to achieving them; the ways in which the opportunities can actually be implemented are also discussed, and acquisition and implementation plans are expected to commence in the near future.</p>

MERIDA Industrial Risk Identification Results

Types of risk	Risk Topics	Risk Description	Related Solutions
Transformation Risks	Regulation - Increase in greenhouse gas emissions pricing	Our company primarily produces bicycles and electrical-assisted bicycles, and actively promotes greenhouse gas reduction to comply with national policies. The introduction of carbon taxes or levies in various countries and the phased increase in carbon tax standards have resulted in significant increases in production costs and reduced competitiveness for companies in high carbon emission industries or those with higher electricity consumption.	<ul style="list-style-type: none"> In the future, our company will actively respond to international greenhouse gas regulations, and emissions will be calculated in accordance with the reporting format and periodicity of each country and reported to the government after verification by a third-party verifier (related carbon inventory third-party verification cost: approximately NT\$300,000 per year). To establish the Group's control over greenhouse gas emissions, we plan to implement ISO 14001 environmental management system, ISO 14064-1 greenhouse gas inventory (already implemented) and ISO 50001 energy management system, which are expected to cost NT\$600,000 for one-time system implementation and NT\$900,000 per year for regular verification of the ISO system.
	Regulation - 2050 Net Zero Emissions Control	In April 2022, the Taiwanese government renamed the draft amendment to the Greenhouse Gas Reduction and Management Act as the Climate Change Response Act. The government will gradually expand the scope of taxation to other enterprises in order to achieve net-zero emissions by economic means.	<ul style="list-style-type: none"> In order to meet the greenhouse gases reduction and 2050 net zero emission targets, the Group needs to reduce emissions by 25% (2,500 tons) in 2030 and 100% (10,000 tons) in 2050 according to Taiwan's NDC target (base year 2022).The company plans to purchase green electricity certificates (approximately NT\$2,500/kWh each) to reduce carbon emissions from electricity consumption. The estimated Green Electricity Certificate expenditure is \$12.5 million in 2030 and \$50 million in 2050.
	Market - Customer Behaviour Change	Customer requests to reduce the carbon footprint of major products. In the event that the primary and secondary materials can be responded to by replacing qualified suppliers or recycled aluminium, the risk of unfulfilled orders being transferred by customers may be improved in the future.	<ul style="list-style-type: none"> The strength of recycled aluminium frames is still subject to further discussion with our customers. In the future, the research and development unit will continue to concentrate on the industrial use of composite low-carbon materials. Prepare a replacement list of primary and secondary materials and maintain information communication with suppliers in order to obtain early market information for advance preparation.
Type of Opportunity	Opportunity Topic	Opportunity Description	Related Solutions
Products and Services	Increased sales of electric-assisted bicycles	The global trend is to conserve energy and reduce carbon emissions, and replacing fossil-fueled vehicles with electric-assisted bicycles is the future trend. As a low-carbon product, the market for electric-assisted bicycles is promising and has the opportunity to continue to expand its market share, which will effectively contribute to our revenue.	<ul style="list-style-type: none"> Continuous development of new electric-assisted bicycles To make electric-assisted bicycles more environmentally friendly, customers and developers are developing packaging with fewer plastic components. Provide training to dealers and retailers on the sale and maintenance of electric-assisted bicycles. In 2023, the bicycle industry will have a high inventory and sales will not be able to grow in the short term, but in 2024, after the inventory has been eliminated, it is expected that there will be an annual growth rate of over 5% for electric-assisted bicycles.



4.2 Raw Materials Management and Re-use

The raw materials of our company include aluminium, rubber and paper, of which aluminium is mainly sourced from Taiwan and China manufacturers, with the proportion of recycled material being approximately 10%-15%; rubber is mainly sourced from Taiwan, China and Vietnam manufacturers, with the proportion of recycled material being approximately 20%; paper is mainly sourced from Taiwan manufacturers, with the proportion of recycled material being approximately 85%-90%.

Several large suppliers have been encouraged to use reusable packaging for consignments in order to reduce the wastage of carton material. Carton sets have been packaged using the packaging materials that were provided at the time of dispatch, such as combi-bags and bubble bags, in order to reduce the cost of packaging materials and generate sustainable value from recycling.

Packaging materials for MERIDA's products are recycled by each retailer and only some are recyclable. In order to be more environmentally friendly, packaging materials will gradually shift towards materials that can be recycled twice, so that they can be recycled by end consumers. The following are some of the situations in which our company reuses:

- Cushions, seat posts, bicycle frames: the packaging material is wrapped in PE or PP before delivery by the supplier. These materials are not removed after installation on the seat tube or the whole bicycle, so as to protect these materials.
- Front fork: The fork protection bar is installed by the supplier before the bicycle is dispatched to prevent the fork from being squeezed and deformed, and is reused in the factory after it has been installed on the whole bicycle and frame set.
- Shock Absorber: Prior to dispatch, the supplier will wrap the product in protective material that will not be removed until it has been mounted to the frame.

The following table shows the consumption of raw materials and non-renewable materials used by our company:

Name of raw materials	Unit	Sustainable or Unsustainable	Year 2020	Year 2021	Year 2022
Aluminum	Ton	Unsustainable	1,232.51	1,264.36	1,402.56
Carbon Fiber	Ton	Unsustainable	234.40	286.16	309.22
Rubber	Ton	Unsustainable	752.74	823.33	992.06
Paper	Ton	Sustainable	3,396.83	3,650.64	3,948.89
Plastic Packaging	Ton	Unsustainable	541.21	581.23	626.84

Note:

The above information is based on the total number of manufactured vehicles produced by MERIDA. The above information is compiled for general bicycles and electric-assisted bicycles. Taiwan from 2020 to 2022.



4.3 Energy Management

MERIDA's energy consumption is mainly electricity, liquefied petroleum gas (LPG) and diesel. The total energy consumption in 2022 is 80,265.1 GJ, with an energy intensity of 2.51 GJ per million and external energy usage of 292.4748 metric tons of CO₂e for category 3 and 1,600.7165 metric tons of CO₂e for category 4, with no energy emissions for category 5 and category 6. The energy intensity in 2022 is 22.53% lower than that in 2021. The energy consumption for the past three years used by our company is shown in the table below:

Quantitative Indicator	Unit	Year 2020	Year 2021	Year 2022
Electricity Consumption	kWh/year	11,314,400	12,700,000	12,916,000
	GJ	40,731.84	45,720.00	46,497.60
Liquefied Petroleum Gas(LPG)	Kg/year	558,400	607,550	680,530
	GJ	27,681.52	30,118.03	33,735.86
Diesel Consumption	L/year	500	0	900
	GJ	17.57	0	31.63
Lease Capacity	Kilowatt	3,500	3,500	3,500
Organization-specific Metrics	--	Revenue	Revenue	Revenue
Organization-specific Metrics Values	million	20,229.413	23,434.868	31,977.115
Total Energy Consumption	GJ	68,430.94	75,838.03	80,265.09
Energy Intensity	GJ/ million	3.38	3.24	2.51

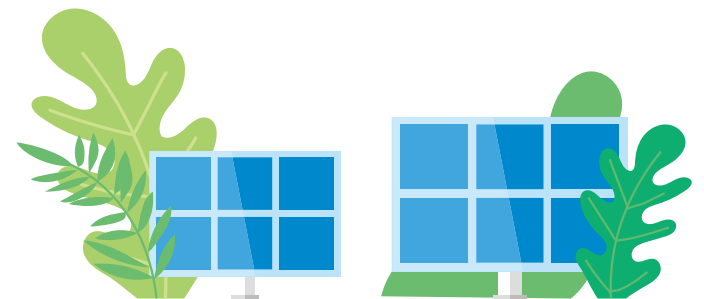
Note:

1. The conversion of electricity calorific value is 1kWh = 0.0036GJ.
2. The source of the conversion factor is the EPA Gas Emission Factor Management Table version 6.0.4, which calculates the calorific value of fuels: gasoline 7,800 kcal/L; diesel 8,400 kcal/L; natural gas 8,000 kcal/m³; 1 kcal = 4.184 KJ. The calorific value of electricity is converted to 1 kWh = 0.0036 GJ.
3. The revenue measured by the organization is the amount in the individual financial statements.

Energy Conservation Results

MERIDA is committed to responding to the national energy conservation targets by continuously investing in energy conservation measures and replacing energy-consuming equipment with new ones to ensure the best use of energy, and actively implementing a comprehensive energy inventory to ensure that each energy consumption is optimized. In the future, our company will pursue further opportunities for energy conservation and carbon reduction through our energy platform management to contribute to our environmental cause. In addition to identifying and managing the risks associated with future energy supply as well as monitoring and supervising the use of energy to improve irregularities, our company will reduce energy consumption and expenditure by improving overall performance, reducing carbon emissions and fulfilling the governments' carbon reduction targets.

Under the company's policy and the efforts of all employees, the energy consumption intensity per unit of product in 2022 has decreased by 2.25% compared to 2021, with a total energy saving of 66,547 kWh, which is equivalent to a reduction of 33.87 tons of CO₂e energy emissions. The energy conservation target of the Energy Bureau of the Ministry of Economic Affairs is to achieve an annual energy saving rate and average annual energy saving rate of over 1% from 2015 to 2024, and our energy saving rate reaches 1.8% in 2022, which is higher than the regulatory target.



4.4 Greenhouse Gases Management and Pollution Prevention

MERIDA understands that climate change is the most significant factor affecting the sustainable development of a company. In order to respond to the impact of climate change and to actively implement sustainable management, our company continues to conduct greenhouse gas inventories. In 2022, the direct greenhouse gas emissions are mainly from the use of liquefied petroleum gas and diesel fuel, indirect greenhouse gas emissions are mainly from purchased electricity, and other indirect sources are from employee commuting and business travel, etc. Total greenhouse gas emissions in 2022 was 9,978.479 tons of CO₂e, with an emission intensity of 0.3121, a 13% reduction in greenhouse gas emission intensity compared to 2021.

Projects	2020	2021	2022
Aspect 1: Direct greenhouse gas emissions (tons CO ₂ e)	1,782.3923	1,937.8548	1,499.1016
Aspect 2: Indirect greenhouse gas emissions (tons CO ₂ e)	5,679.8288	6,464.3000	6,586.1856
Aspect 3: Other Indirect Emission Sources (tons CO ₂ e)	--	--	1,893.1913
Total emissions = Aspect 1 + Aspect 2 + Aspect 3 (tons CO ₂ e)	7,462.2211	8,402.1548	9,978.4785
Greenhouse gas emission intensity (tons CO ₂ e/million)	0.3689	0.3585	0.3121

Notes:

- Emission indexes are calculated based on the latest published data from the Energy Bureau of the Ministry of Economic Affairs, version 6.0.4 (IPCC 6th Assessment Report).
- Electricity procurement is based on the electricity emission index announced by the Bureau of Energy, Ministry of Economic Affairs, which is 0.502kgCO₂e/kWh in 2020 and 0.509kgCO₂e/kWh in 2021 and 2022.
- Greenhouse gas emission intensity = total emissions (tons of CO₂e) / revenue (million dollars).
- In 2020 and 2021, our company compiled our own internal statistics for Aspects 1 and 2 only, and in 2022, consultants were asked to assist with the GHG inventory for Aspects 1 to 3, which were subject to rigorous internal auditing and control. Aspect 3 covers employee commuting, water usage, waste disposal, transport and other indirect emissions.

Unit: ton

Ozone Layer Depleting Substances Statistics			
Name of ozone layer destructive substance	Year 2020	Year 2021	Year 2022
R22	0.3817	0.3817	0.3817

Note:

Ozone-depleting substances such as: CFCs, R11, R12, R22, hydrochlorofluorocarbons (HCFCs), Halon, carbon tetrachloride (CCl₄), 1,1,1-trichloroethane, Hydrobromofluorocarbons (HBFCs) and methyl bromide.

Our company complies with government regulations to prevent air pollution, protect the living environment and public health, and raise employees' awareness of environmental protection, and regularly check air pollution emissions. Air pollution emissions in 2022 are as follows:

Test Items	Year 2020		Year 2021		Year 2022	
	Total Emissions (kg)	Emission Standards (ppm)	Total Emissions (kg)	Emission Standards (ppm)	Total Emissions (kg)	Emission Standards (ppm)
Volatile Organic Compounds (VOCs)	52,757	-	57,382	-	58,019	-
Total Suspended Particulate (TSP)	759	50	848	50	837	50
Sulphur Oxides (SOx)	101	100	110	100	114	100
Nitrogen Oxides (NOx)	1,289	150	1,401	150	1,449	150

Notes:

- Significant gases such as: Nitrogen Oxides (NOx), Sulphur Oxides (SOx), Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), Hazardous Air Pollutants (HAP), Particulate Matter (PM) and other standard categories of gas emissions specified in the relevant regulations.
- Our company is not a stationary source designated by the central authority as a source that should be equipped with monitoring facilities, so there is no annual average monitoring value.
- There is no emission standard for volatile organic compounds (VOC).

In order to maintain good air quality and fulfill its corporate social responsibility, MERIDA has adopted two green areas in Changhua City, namely "Greening and landscaping in the Eco Park by Agriculture and Forestry staff" and "17fen Park", for the past ten years. Apart from being commended by the Changhua City Government for our achievements, MERIDA has recently been awarded the "111th Annual Air Quality Purification Area Adoption - Special Merit Award" by the Environmental Protection Administration. The award-winning green space in the Eco Park is a large natural pond and a teaching area for natural plants. It has a lakeside, lawns and trees, and is rich in natural habitats, with different scenery in each season. It is a good place for teachers and students to carry out outdoor activities and education on the natural environment.

The Environmental Protection Administration Executive Yuan pointed out that the accredited units have not only maintained a clean environment, but also combined their geographical advantages to develop local characteristics and enhance the value-added benefits of the clean air areas. In order to continue to promote the participation of all people in greening to improve environmental air quality, the Environmental Protection Department has increased the adoption rate from 32% in 2014 to 51% in 2022, which shows that the public is more concerned about and involved in environmental protection efforts. In the future, we will continue to follow Taiwan's 2050 net-zero emissions pathway by combining urban greening with natural carbon sinks and encouraging the participation of corporates, communities, schools, and other entities to join the adoption process and work together to create a net-zero green and sustainable environment. In response to the government's adoption of the Air Quality Purification Zone, MERIDA has become a leading example of corporate social responsibility by contributing to the maintenance of the local green environment.



4.5 Wastage Management

In accordance with the Waste Disposal Act, our company adopts the regulations on resource recycling and reuse and assigns the disposal of general business waste to a privately owned disposal facility approved by the Environmental Protection Administration. In addition, in accordance with the regulations of the Environmental Protection Administration Executive Yuan, our waste is reported to the EPA website, and a triplicate waste removal and disposal form is issued when the waste is disposed of, and the vehicles are equipped with a GPS (Global Positioning System) tracking system to keep track of the flow of waste. The recycled waste is general industrial waste that is announced for reuse and has no harmful components. Currently, qualified waste disposal companies are commissioned to assist in the removal of the waste and the volume of each trip is recorded before the waste leaves the factory. In 2022, there was no fugitive leakage of waste from our company.

MERIDA strives to minimize the damage to the environment by reducing and reusing waste, with the aim of substantially decreasing the amount of waste generated at the end of the process, providing advice on source reduction and waste reuse technology, and increasing the reuse rate of waste. Our products can be supplied in the form of "ready-made bicycles", "frame sets", "wheel sets" etc., and are packaged before dispatch. However, during the packaging process, more environmentally unfriendly packaging materials are used, and when consumers unpack the products, the packaging materials may become one of the factors that can destroy the environment. For this reason, our

company has started a joint project with our customers to reduce the amount of plastic material used in both the "frame set" and "wheel set" products, which have now been developed and introduced into the mass production process. The number of plastic bags has been reduced to 5 PCS plastic bags and 1 plastic mandrel for the "frame set" part. The rest of the frame set is now wrapped in papers; In addition, the "wheel set" section has been improved by introducing 100% paper packaging; the final product, the "ready-made bicycle", is still being developed to demonstrate our commitment to environmental protection.

As for the general industrial wastes announced for reuse, our company classifies them into four categories: wasted plastics, wasted paper, wasted iron and wasted aluminum. The largest amount of paper waste is 142,407.75KG/month, followed by plastic waste of 20,419.17KG/month, aluminum waste of 10,008.75KG/month and iron waste of 3,154.17KG/month. The details are as follows:

- The largest waste paper item in the production process is 32.25% in the assembly section, followed by 27.95% in the physical management section and 18.76% in the electrical section.
- The largest proportion of waste plastics in the production process is 36.13% in the assembly section, followed by 20.66% in the electrical section and 18.61% in the coating section.
- The largest proportion of waste aluminium in the production process is 56.24% in the aluminium bicycle section, followed by 18.09% in the assembly section and 9.57% in the coating section.
- The largest proportion of waste iron in the production process is 36.86% in the coating section, followed by 29.42% in the aesthetic coating section and 12.28% in the aluminium bicycle section.

Waste Production and Disposal by MERIDA Industrial Co.			
Waste Composition Items	Harmful/Non-Harmful	Discharge	
		Generation of Waste (tons)	Processing Methods
R-0201Waste plastic	Non-Harmful	1.55	Recycling
R-0601Waste paper	Non-Harmful	80	Recycling
R-1301Waste iron	Non-Harmful	0.5	Recycling
R-1304Waste aluminum	Non-Harmful	8	Recycling
Waste plastic compound	Non-Harmful	0.39	Incineration (excluding energy recycling)
Wastepaper compound	Non-Harmful	0.37	Incineration (excluding energy recycling)
Waste timber compound	Non-Harmful	0.37	Incineration (excluding energy recycling)
Waste fiber or other compounds such as cotton	Non-Harmful	0.25	Incineration (excluding energy recycling)
Inorganic sludge	Non-Harmful	42.36	Incineration (excluding energy recycling)
Paint waste, paint residue	Non-Harmful	85.11	Incineration (excluding energy recycling)
Waste oil compound	Non-Harmful	13.74	Incineration (excluding energy recycling)
Sandblast waste	Non-Harmful	1.72	Incineration (excluding energy recycling)
General waste from industrial activities	Non-Harmful	25	Incineration (excluding energy recycling)

Notes:

1. The generation of general industrial waste announced for reuse can be divided into four categories, including waste plastic, waste paper, waste iron and waste aluminum. The largest amount of wastepaper is 142.4 tons/month, followed by 20.4 tons/month of waste plastic, 10 tons/month of waste aluminum and lastly, 3.2 tons/month of waste iron. All recycling operations are mainly for reuse.
2. Our company has no on-site disposal of waste.

05

LOHAS Workplace | Happiness Without Borders

Disclosure on Workplace Management

5.1 Talent Recruitment and Deployment

5.2 Talent Cultivation and Development

5.3 Comprehensive Benefits and System

5.4 Healthy and Safe Working Environment

5.5 Enthusiasm in public welfare • Share your Kindness

- Increase in total employee education and training hours by **500 hours** in 2022 compared to 2021
- **100%** of the management level and above are local residents





Disclosure on Workplace Management

Customers' Health and Safety	
Reasons	Bicycles and electric-assisted bicycles are products that combine leisure and sports. Providing consumers with high-quality and safe products is the only way to enhance consumer confidence in our products and maintain brand loyalty.
Policies/Strategie	<ul style="list-style-type: none"> Product design that meets safety regulations. Regularly audit the product development process to ensure that the products meet the testing standards. Implement Incoming Quality Control inspection and Input Process Quality Control (IPQC) Inspection. Continuous tracking and improvement of quality-related issues.
Goals and Targets	<p>Continuous improvement and reduction of quality defect rate, aim to reduce the number of global customer complaints.</p> <p>Short-term goal:The total number of customer complaints in Taiwan and worldwide to be less than 190.</p> <p>Medium-term goal:The total number of customer complaints in Taiwan and worldwide to be less than 180.</p>
Management Evaluation Mechanism	Regular internal/external audits of quality control processes to continuously monitor and improve the effectiveness of quality management.
Performance and Adjustment	All of MERIDA's products are compliant with the safety regulations. The total number of complaints in Taiwan and worldwide in 2022 is 204.
Grievance Mechanism	Enhance employee education and training to improve and solve quality problems in a timely and effective manner.

Labor/Management Relations	
Reasons	Employees are the most important assets of a company. Good labor/management interaction can elevate the corporate culture and organizational atmosphere, and promote harmonious labor/management relations, to work together for the robust growth of the Company.
Policies/Strategies	Labor/management meetings were held regularly in accordance to Regulations for Implementing Labor/Management Meeting.
Goals and Targets	<p>Short-term goal:Turnover rate less than 5%</p> <p>Medium- and long-term goal:Turnover rate less than 3%</p>
Management Evaluation Mechanism	Organize annual labor/management meetings to maintain harmonious relations between employees and management.
Performance and Adjustment	<ul style="list-style-type: none"> 2022 Turnover rate of 7.13% The relationship between employee and management were harmonious, no litigation nor mediation between employee and management in 2022. Four Labor/management meetings were held in 2022, with Labor representatives and management representatives accounting for 50% each.
Grievance Mechanism	With regards to turnover rate that failed to meet the goal, we activate the employee care channel which provide timely assistance and care to employees in need, to establish perfect psychological support and promote employees' psychological health.



Education and Training	
Reasons	In the ever-changing job market, talent has always been one of the cornerstones of good service and innovation for companies, so cultivation of quality talent is a key issue for the Company.
Policies/Strategies	Head of each department identify and reserve management and professional talents needed for the company's development through talent identification, and cultivate them through various methods such as training courses, project assignment, meeting participation and job rotation. This is to enable employees to keep pace with the company's development and to have the knowledge, skills, and abilities to keep up with the times. In order to encourage employees to actively participate in various studies and training, they are assigned or approved by the Company to participate in the training, and the training costs are fully borne by the company, in order to strengthen professional ability or pre-prepared for the future job functions.
Goals and Targets	<p>Short-term goal:39% of in-house professionals, 16,000 hours of education and training.</p> <p>Medium-term goal:40% of in-house professionals, 16,500 hours of education and training.</p> <p>Long-term goal:45% of in-house professionals, 20,000 hours of education and training.</p>
Management Evaluation Mechanism	<ul style="list-style-type: none"> The education and training of the employees includes new employee training, in-house education and training, and external education and training. The training for new employees is conducted by the relevant departments, who will explain the company's business philosophy, attendance management regulations, safety and health management regulations, and work rules. In-house education and training refers to the training conducted mainly by the Company through self-organization and secondarily by delegation to third-party organizer. External education and training refers to the various professional training courses in Taiwan and overseas which attended by personnel appointed by the Company.
Performance and Adjustment	Compared with 2021, the total number of training hours in 2022 has been increased by 500 hours, which is in line with the Company's short-term goal and will continue to improve the functional competency of employees.
Grievance Mechanism	Every quarter, the Company will track whether the education and training arranged by each department meet the target for audit and ensure that each department achieve the target within the specified time.

Employee Diversity and Equality	
Reasons	A friendly workplace environment that emphasizes employee protection,gender equality and empowerment, and underprivileged care can attract diverse talent and build a good company reputation.
Policies/Strategies	The Company treats its employees on the principle of "equal treatment" and does not affect their employment, salary, or promotion opportunities based on differences in gender, race, nationality, religion, age, physical disability, political stance, marital status, or union affiliation. At the same time, we respect the career development of both genders and take practical actions to build a friendly and healthy workplace, such as establishing diversified and smooth measures and complaint channels for sexual harassment prevention and providing a comprehensive maternity care program, so that the female employees can achieve work-life balance while giving full play to their strengths in the workplace.
Goals and Targets	<p>Short-term:100% of employees return to work after maternity and paternity leave.</p> <p>Mid-term:Same ratio for male and female for temporary employees to regular employees.</p> <p>Long-term:Over 20% of female in supervisor positions.</p>
Management Evaluation Mechanism	Annual management review meetings are held to discuss and track the achievement of goals.
Performance and Adjustment	100% reinstatement rate after maternity/paternity leave in 2022.
Grievance Mechanism	<ul style="list-style-type: none"> Increase breastfeeding room for female employees returning to work after maternity leave. Provide comprehensive maternity care program so that the female employees can achieve work-life balance while giving full play to their strengths in the workplace.

Freedom of Association and Collective Bargaining

Reasons	<p>MERIDA considers its employees to be the most important asset of the Company and is proud of having motivated employees as well as an excellent management team. The business philosophy of MERIDA is “creating unlimited competitiveness and giving back to the corporates and the community through business core of honesty and prudence, and the enthusiasm of mutual assistance”. We value the physical and mental safety and comfort of our employees in the workplace and believe that every employee deserves respect and dignity. Therefore, we formulate and implement an equal employment policy, and at the same time communicate and cooperate closely with local employees to ensure that every employee is treated fairly and that harmonious labor relations are the cornerstone of our company’s steady growth and sustainable operation. Freedom of association and collective bargaining are relatively important to the Company, the purpose of which is to enable employees to work happily, improve productivity and reduce employee turnover.</p>
Policies/Strategies	<p>MERIDA complies with relevant employment-related laws and regulations, protects the legal rights of its employees, and follows basic labor human rights principles, including freedom of association, the right to collective bargaining, care for the disadvantaged, prohibition of child labor, elimination of all forms of forced labor, and elimination of discrimination in hiring and employment, to prevent endangerment of the basic rights of workers. The company’s human resources policy shall respect the basic labor human rights protection principles, establish appropriate management methods and procedures, and affirm that its employment policies do not discriminate on the basis of gender, race, age, marital and family status, and implement equal compensation, employment conditions, training, and promotion opportunities.</p> <ul style="list-style-type: none"> • Human Rights Policy: The Company had complied with the quota for hiring employees with disabilities as required by law and cares for the disadvantaged groups. • Employee Welfare Policy: An Employee Welfare Committee is established to provide benefits to our employees. • Labor/Management Communication Policy: The Corporate Labor Union is established and will hold general meetings annually. Workers can communicate directly with the President and reflect their needs. Labor/management meetings are held quarterly, where employees can fully express their opinions and the management can immediately deal with the problems reflected by the employees to achieve the goal of a harmonious labor/management and win-win situation. • Remuneration Policy: The Company is committed to building a more comprehensive work system, providing competitive salaries, transparent and systematic performance appraisal and promotion, a professional and complete training system, and a safe and healthy workplace, so as to attract and retain outstanding talents and bring growth momentum to the company. • Compliance with employment-related laws and regulations: MERIDA meticulously abides by the relevant employment-related laws and regulations, including Labor Standards Act, Occupational Safety and Health Act, Labor Pension Act, Employee Welfare Fund Act, Labor Union Act, etc. • Retirement Benefits: the Labor Retirement Reserve Supervisory Committee is established in accordance with the laws and regulations to manage the retirement reserve fund and protect labor pension rights. • We oppose workplace bullying, sexual harassment in the workplace, and not forcing or coercing any unwilling worker to perform labor practices. • Smooth channel for complaints: colleagues can submit comments or complaints by e-mail or telephone. <p>In the future, we will continue to manage issues on freedom of association and collective bargaining to make MERIDA a happy corporate. We will create unlimited competitiveness and give back to the corporates and the community through business core of honesty and prudence, and the enthusiasm of mutual assistance.</p>
Goals and Targets	<p>The Company establishes a regular communication and dialogue channel for employees to have the right to receive information and express their opinions on the Company’s management activities and decisions, and respects the right of employee representatives to exercise consultation with respect to working conditions and provides employees with the necessary information and hardware facilities. Employees may express their opinions on the Company’s system or regulations. Labor Union Member Representatives shall fully perform their functions to help employees communicate their problems, and to improve or solve the problems effectively through the general meeting of members’ representatives, so as to promote negotiation and cooperation between employers, employees, and members’ representatives.</p> <p>Short-term goal: To hold a Labor Union general meeting once a year to encourage employees to propose improvements and establish a comprehensive labor/employee relationship.</p> <p>Medium- and long-term goals: To sign a group agreement between the Labor Union and the company to stabilize labor relations, protect labor rights and interests, improve employee welfare and productivity, and increase corporate competitiveness.</p>
Management Evaluation Mechanism	<p>The purpose of the Labor Union is to protect the rights and interests of the members, to increase their knowledge, to develop the production business, and to strengthen the relationship between employers and employees. A general meeting of members and supervisors will be held on a regular basis once a year, and interim meetings are allowed. In addition, in order to make the labor relations continue with care and respect, equality and reasonableness, regular labor/management meetings are held according to the law to understand the needs and expectations of employees in terms of working conditions, system, environment and welfare. Participants of labor/management meetings are composed of representatives from both employers and employees. Employees and their representatives are able to raise employees’ concern without fear of discrimination, retaliation, threats, or harassment, and through thorough communication and discussion, both sides can understand each other’s needs and considerations, and eventually reach improvement proposals or consensus.</p>

Freedom of Association and Collective Bargaining

Performance and Adjustment	The attendance rate at the 2022 Labor Union Member Representatives' Meeting was 100%. The five issues raised at the meeting are expected to be addressed and resolved by the end of 2023.
Grievance Mechanism	The Company encourages Union members to propose issues through the annual general meeting of the Labor Union, and at the meeting, we will propose solutions to address the issues and set a deadline for completion. At the same time, the Company will not attempt to control the activities of Labor Unions, labor/management meetings, or other organizations by any means, and the Company will open up channels for employee communication and grievances, and regularly collect employee opinions and respond to them appropriately.

5.1 Talent Recruitment and Deployment

The Company considers its employees to be an important factor in its stable development. It strictly adheres to labor and human rights regulations, treats all employees fairly and with respect, and is committed to creating a friendly workplace. As per the Recruitment and Appointment Management Regulations, recruitment is open to adults 18 years of age or older who volunteer their labor or services without regard to race, religion, creed, gender, marital or childbearing status, age, political affiliation, national origin, disability, sexual orientation, astrological sign, blood type, or any other reason affecting the recruitment process or decision, without discrimination or differential pay.

In order to ensure the protection of employees' rights and interests, the Company complies with the relevant provisions of the Labor Standards Act. In the event that the right to work of employees may be affected in the future, advance notice will be given in accordance with the provisions of the Labor Standards Act, depending on the seniority of the employees; and in the event that there is a need for mass dismissal due to significant changes in operations, notice will be given to the relevant departments as required by laws and will be announced. The provisions set forth below shall govern the minimum period of advance notice for changes in operations:

1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.

2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

As of the end of 2022, the total number of MERIDA employees is 1,347, of which 970 are male and 377 are female. The detailed employment and gender distribution of employees in 2022 is shown in the following table:

Area	Type of Contract	Female	Male	Total
Taiwan	Number of employees	377	970	1,347
	Number of permanent employees	377	970	1,347
	Number of temporary employees	0	0	0
	Number of non-guaranteed hours employees	0	0	0

Remarks:

1. Employees: An employee is an individual who is in an employment relationship with the organization according to national law or practice. For Taiwan, employees means an insured person.
2. Permanent: Employee with a contract for an indeterminate period (i.e., indefinite contract).
3. Temporary: Employee with a contract for a limited period (i.e., fixed term contract).
4. Non-guaranteed hours: Employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.

MERIDA has 307 non-employee workers, including dispatchers, security guards, and catering chefs and cooks, and there were no significant fluctuations in the number compared to the previous year.

Type of Worker	Contractual relations with the company	Total number of workers
Security guard	contract of hire of work	6
Dispatcher	contract of hire of work	289
Catering chefs and cooks	contract of hire of work	12



When recruiting employees, we hire mostly Taiwan residents in order to strengthen the harmonious relationship with the local community and to maximize the job stability of our employees. Among them, 100% of our supervisors are local residents. The distribution of employees in the last three years is as follows:

Year		2020	2021	2022
Item / Gender	Age	Number	Number	Number
Supervisors	Below 30 y/o	0	0	0
	Male 30-50 y/o	34	27	25
	51 y/o and above	13	18	21
	Female Below 30 y/o	0	0	0
	30-50 y/o	1	1	1
	51 y/o and above	5	5	5
Total of Supervisors		53	51	52
Non-Supervisor Staff	Below 30 y/o	146	168	209
	Male 30-50 y/o	503	562	622
	51 y/o and above	97	102	93
	Female Below 30 y/o	36	29	33
	30-50 y/o	249	253	268
	51 y/o and above	65	79	70
Total non-supervisor staff		1,096	1,193	1,295
Total Permanent Employees		1,149	1,244	1,347

The Company's recruitment and hiring of employees follow the Labor Standards Act, the Employment Service Act, the Gender Equality Work Act and other labor and human rights related laws and regulations, and take practical actions to protect the equal employment rights of minority and disadvantaged groups. The following table shows the distribution of employees from various ethnic groups in the past three years:

Year		2020	2021	2022
Item/Gender	Age	Number	Number	Number
Minority and disadvantaged groups	Male	Below 30 y/o	1	2
		30-50 y/o	6	6
		50 y/o and above	0	0
	Female	Below 30 y/o	2	2
		30-50 y/o	1	1
		50 y/o and above	0	0

The Company's employment criteria are based on education, moral character, ability, experience, and suitability for the position. As of the end of 2022, there were 199 new employees, including 170 men and 29 women, accounting for 14.77% of the total number of employees. In 2022, there were 96 employees who left MERIDA, accounting for 7.13% of the total number of employees. Details of the number of new hires and leavers are as follows:

Year		2020				2021				2022			
Age/Item	Number	Male		Female		Male		Female		Male		Female	
		Number	Employment Rate (%)	Number	Employment Rate (%)	Number	Employment Rate (%)	Number	Employment Rate (%)	Number	Employment Rate (%)	Number	Employment Rate (%)
Below 30 y/o	22	1.91	5	0.44	33	2.65	10	0.80	56	4.16	10	0.74	
30-50 y/o	114	9.92	13	1.13	102	8.20	15	1.21	113	8.39	19	1.41	
51 y/o and above	0	0	0	0	0	0	0	0	1	0.07	0	0	
Total number of new employees			154				160					199	
Total number of employees			1,149				1,244					1,347	
Total new hire rate (%)			13.40				12.86					14.77	

Remarks:

1. The number of staff who left in the middle of the year is not deducted from the number of new employees.
2. The new employee rate of respective age group = number of new employees in the age group category in the current year divided by the total number of employees in operation sites at the end of the same year
3. Total new hire rate (%) = the number of new employees in the current year divided by the total number of employees in operation facilities at the end of the same year.

Year	2020				2021				2022			
	Gender	Male		Female		Male		Female		Male		Female
Age/Item	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)
Below 30 y/o	2	0.17	1	0.09	5	0.40	0	0	17	1.26	3	0.22
30-50 y/o	38	3.31	5	0.43	39	3.14	4	0.32	54	4.01	4	0.30
51 y/o and above	0	0	4	0.35	11	0.89	6	0.48	10	0.74	8	0.60
Total number of employees who left	50				65				96			
Total number of employees	1,149				1,244				1,347			
Total turnover rate (%)	4.35				5.23				7.13			

Remarks:

1. The number of resigned employees includes those who voluntarily quit or were dismissed, retired, or died on the job.
2. The new employee rate of respective age group = number of employees who left in the age group category in the current year divided by the total number of employees in operation facilities at the end of the same year.
3. Turnover rate (%) = the number of turnover in the current year divided by the total number of employees at the end of the same year.

5.2 Talent Cultivation and Development

In order to attract domestic and foreign talents and to reward employees for their contributions to the Company, the Company offers competitive overall remuneration. The remuneration ratio of female managerial employees to male managerial employees is 0.87. The remuneration ratio of female non-managerial employees to male non-managerial employees is 1.13.

MERIDA's employees are paid without regard to gender, race, religion, political affiliation, marital status, union affiliation, etc. To ensure market competitiveness, we conduct annual salary surveys of our peer groups. However, the salary is still subject to seniority and performance, and is adjusted according to the market level of each position and individual performance, and the standard salary of junior staff is double the local minimum salary regardless of gender.



Remuneration Ratio for different roles	Number		Total Annual Salary (NT\$)		Remuneration Ratio	
	Female	Male	Female	Male	Female	Male
Managerial position	6	46	23,061,844	203,608,729	0.87	1
Non-managerial position	371	924	271,526,344	596,576,763	1.13	1
Direct Labor	300	782	198,329,348	484,316,825	1.07	1
Indirect Labor	77	188	96,258,840	315,868,667	0.74	1

Remarks:

Remuneration Ratio (Annual Salary Ratio) of female to male: Average annual salary of female in the category divided by the Average annual salary of male in the category.

Country/Area	The ratio between the annual salary of the highest-paid individual and the median annual salary of employees (excluding the highest-paid individual)	Increase in the ratio between the annual salary of the highest-paid individual and the annual median salary of employees (excluding the highest-paid individual)
Taiwan	13.98	6.44

Remarks:

1. The Chairman is not considered the highest-paid individual, unless he/she also serves as the President/CEO.
2. The calculation formula for the ratio of the annual median salary is: the annual salary of the highest-paid individual in the year divided by the annual median salary of individual in the same year.
3. The calculation formula for the ratio of the annual salary increase is: the percentage increase in the annual salary of the highest paid individual in the year divided by the percentage increase in the annual salary of the individual at the median of the salary distribution in the same year.

Education and Training

MERIDA values talent development and constantly strives for professional improvement, and provides a systematic learning system and environment that promotes a culture of active learning by employees and assistance from supervisors. The Company have developed a comprehensive education system, such as: new employee education and training, annual training needs and budget survey, professional skills training, etc. We also provide instructor training and on-the-job training programs to meet the needs of company and personal development. The details are as follows:

New Employee Education and Training	The management department will arrange pre-employment education and training for new employee when they report to work. The relevant departments will explain the company's business philosophy, attendance management regulations, safety and health management regulations, work rules and living norms, etc.
Annual Training Needs and Budget Survey	Each year, each department will propose the demand for in-house and external education and training, plan for the annual education and training schedule, implement in-house or external education and training, and record the training results in the employee education and training qualification file.
Professional Skills Training	Each department will record the professional training results of department staff and field operation supervisors in the "Staff Professional Skills Training Form", which will be used not only as a record of the implementation of professional skills training, but also as an assessment of the working conditions and suitability of department staff for their duties, and will be used as a reference for evaluation during the year-end appraisal.
Internal Instructor Training and Encouragement	Through the sharing of personal knowledge and experience, it is possible to quickly pass on wisdom and create value within the company. It not only helps to expand and effectively transfer knowledge within the company but also enhances the individual's ability and sense of self-worth in the workplace.
On-the-Job Training	In order to accomplish the goal of corporate growth and lifelong learning, employees are encouraged to pursue on-the-job training.



External Training - First Aiders Beginner Training Course



External Training - First Aiders Beginner Training Course



Item/Category		Managerial position		Non-managerial position		Direct Labor		Indirect Labor	
		Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees	Person	12	2	446	204	355	178	103	28
Total training hours	Hour	98	12	1,036	354	802.5	196	331.5	170
Average total training hours	Hour/Person	8.17	6	2.32	1.74	2.26	1.10	3.22	6.07
Training fees	NT\$	19,500	0	70,721	3,000	18,000	0	72,221	3,000

Notes:

- (Total number of employees at managerial position + Total number of employees at non-managerial position) = Total number of employees at the operating facilities.
- (Total number of direct labor+ Total number of indirect labor) = Total number of employees at the operating facilities.
- The number of employees for education and training is based on the actual number of applicants for each department in the year, and will not match the number of employees in the whole company.

Item	Managerial position	Non-managerial position	Direct Labor	Indirect Labor
The ratio of evaluated male employees (%)	100	100	100	100
The ratio of evaluated female employees (%)	100	100	100	100

5.3 Comprehensive Benefits and System

5.3.1 Employees Retirement System

The Company has a retirement pension system in compliance with "Labor Retirement Management Regulations", "Staff Retirement Management Regulations", "Labor Standards Act", "Labor Pension Act" etc.

In accordance with the Labor Standards Act, the Company makes monthly contributions to the labor retirement reserve, which is supervised by the Labor Retirement Reserve Supervisory Committee. Before the end of each year, the Corporation assesses the balance in the pension reserve. The current balance of the pension reserve account is NT\$5.37 billion, which is fully funded. The Company follows the Labor Pension Act and contributes an amount equivalent to 6% of the employee's monthly salary to the individual pension account under the Ministry of Labor.

In addition to the labor retirement benefits as prescribed by the law, the Company also provides other retirement benefits and voluntary retirement schemes for the employees, such as the 60 Retirement Scheme, whereby those who have served in the Company for more than 60 years and reached the age of 60 are eligible for this scheme to safeguard their retirement life.



5.3.2 Unpaid Parental Leave for Raising Children

To provide employees with peace of mind during their childbirth, MERIDA has implemented the system of unpaid parental leave for raising children in accordance with the provisions of the Labor Standards Act and the Act of Gender Equality in Employment. This is to ensure that the employees are able to strike balance between work and family and to let the employees to resume their work at their original departments after their parental leave while helping them to readjust to workplace life. The details are as follows:

Year	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of people eligible for unpaid parental leave (A)	42	27	69	42	30	72	48	33	81
Number of people applied for unpaid parental leave in 2022 (B)	0	2	2	1	6	7	2	4	6
Number of people who are supposed to reinstate from unpaid parental leave in 2022 (C)	0	1	1	0	2	2	1	0	1
Number of people who were reinstated from unpaid parental leave in 2022 (D)	0	1	1	0	2	2	1	0	1
Number of people who were reinstated from unpaid parental leave in 2021 (E)	0	4	4	0	1	1	0	2	2
Number of people who were reinstated from unpaid parental leave and stayed for one year (F)	0	4	4	0	1	1	0	2	2
Reinstatement rate (%) for those who applied for unpaid parental leave in 2022 (D/C)	0	100	100	0	100	100	100	0	100
Retention rate (%) for those who applied for unpaid parental leave (F/E)	0	100	100	0	100	100	0	100	100

5.3.3 Welfare

The location of MERIDA's headquarters and where the majority of its employees work are the principal locations of operation as referred to in the "Company Structure". Our company has established a Labor Union in accordance with the law, with the purpose of protecting the rights and interests of members, enhancing their knowledge, developing production business, and strengthening and promoting labor/management cooperation relations. The highest power entity of the Labor Union is the General Meeting of Members. The General Meeting of Members is held regularly once a year, and the meeting of the Board of Directors and Supervisors of the Labor Union is held quarterly, and the labor/management meeting is held quarterly. The number of union members in 2022 is 924, all of whom are Taiwan employees, accounting for 69% of the total number of employees.

MERIDA considers employees to be the Company's most important asset, and the key is to retain talented people. We consider talent to be the most important resource of the Company, so that every employee can work in their respective positions without worrying about their well-being, and at the same time, we consider employee welfare to be a priority, hence we have established the Employee Welfare Committee. The Committee establishes various subsidies according to the needs of the employees and provides a diversified welfare system, ranging from protection mechanisms, travel subsidies, annual festival gifts, congratulations to employees on their birthdays and new residence completion, and year-end dinner parties and lotteries, as well as discounts at dozens of quality specialty stores, all of which are included in employee welfare. Every year, the Labor Union organizes factory celebrations and year-end parties to promote the physical and mental health of workers and to achieve the goal of a win-win situation for both employees and workers.

MERIDA provides excellent employee benefits and implements various welfare measures, such as annual year-end Thanksgiving dinner, regular employee trips or travel subsidies, regular cycling association club activities, and fitness walks to enhance interaction between employees' families and internal bonding through activities, as well as giving bonuses for the Lunar New Year, Dragon Boat Festival, Mid-Autumn Festival, and wedding and funeral subsidies to actively promote a good workplace life.

MERIDA Association Committees and Social Organizations

Employee Welfare Committee	Discuss employees' welfare-related issues
Catering Committee	Arranging daily meals, ensuring freshness and safety of food, and ensuring the rights of employees to eat
Labor Union	Hold regular labor/management meetings with employers to strive for the welfare of employees
Labor Retirement Reserve Supervisory Committee	Hold quarterly meetings on a regular basis and confirm that pensions are contributed in accordance with the laws to protect employees' retirement-related rights and interests
Bike Association	Encourage employees to ride bicycles to maintain their physical and mental health. The Bike Association regularly organizes cycling activities in and out of the county, and plans comfortable and safe cycling routes to provide employees with happy and healthy cycling routes.



50th Anniversary



MERIDA Bike Association



Events of MERIDA Bike Association

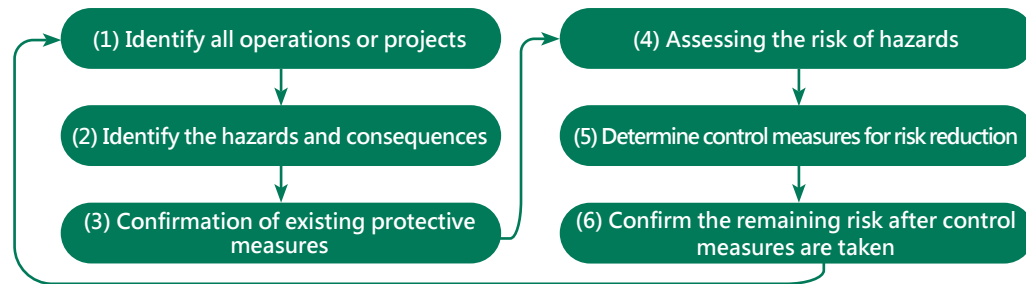
5.4 Healthy and Safety Workplace

5.4.1 Occupational Safety and Health Organization

Although MERIDA has not implemented the ISO 45001 system, it has established an occupational safety and health organization in accordance with the Occupational Safety and Health Management Regulations. The Safety and Health Committee makes recommendations on the Company's proposed safety and health policies and management system, and deliberates, coordinates and recommends safety and health-related matters. Our company has set up an occupational safety and health organization in accordance with ISO QP7130 Safety and Health Management in ISO 9001. The Safety and Health Committee will propose safety and health policies and management systems to the Company, and all committee members will review, coordinate, and recommend safety and health-related matters. The Safety and Health Committee is chaired by the President and consists of occupational safety and health personnel, heads of each department within the business, supervisors, command personnel, engineering and technical personnel related to occupational safety and health, medical personnel engaged in labor health services, and labor representatives. The Occupational Safety and Health Management and Fire Fighting Committee is convened in accordance with regulations to deliberate, coordinate, and recommend various safety and health management-related issues such as operation environment monitoring plans, monitoring results and adopted measures, health management, occupational disease prevention and health promotion matters, preventive measures for hazards of machinery, equipment or raw materials and materials, and investigation reports of occupational disasters, etc., to implement the participation of all employees.

The Company adheres to the philosophy of "people-oriented", incorporates opinions into relevant safety and health policies, and continuously improves occupational safety and health performance through regular audits of management system operations. MERIDA aims to construct and improve safety culture and implement self-management via effective control of the hazards generated by operational activities, to reduce the impact of occupational safety and health.

Each department implements regular inspection of machinery and equipment and pre-operation inspection in accordance with the relevant regulations. After conducting hazard and risk assessment of unsafe equipment or environment in each operation area, priority is given to the immediate improvement of deficiencies with higher risk value, and the effectiveness of improvement is judged by the evaluation of indicators of Disabling Injury Severity Rate and Disabling Injury Frequency Rate, and the relevant regulations are revised immediately through regular internal and external audits, to conform to ISO management system standards. The company performs hazard identification and evaluation and accident investigation to continuously identify and evaluate the hazards that may be caused by the raw materials, machinery and equipment, operating environment and personnel activities involved in each operation.



The hazards are subdivided into human, biological, chemical, physical, and psychosocial hazards. In order to maintain the safety of all factory workers, it is established in ISO 9001 the management regulations for education and training, the management regulations for employees' training, the management regulations for certification personnel qualifications, the management regulations for safety and health, the management regulations for hoisting and lifting equipment, the management regulations for hazardous equipment, the management regulations for organic solvent operations, the management regulations for dust operations, the management regulations for contractor safety and health, the management regulations for emergency response to

major disasters, and the management regulations for safety and health, the occupational safety (health) management personnel and the labor health service personnel will conduct identification, evaluation, and incident investigation according to the professions, and discuss improvement and prevention of recurrence in the Safety and Health Committee.

We adopt reasonable, effective, and feasible control measures to reduce the impact on employees of the operators and contractors of various types of hazards, such as physical, chemical, and human factors, that may be caused by the raw materials, machinery and equipment, operating environment, and personnel's operating activities. We will continue to improve workplace safety and health, effectively reduce occupational hazards, and improve employee productivity by utilizing the P-D-C-A model. The overall implementation status is reported in the relevant report of the Company's Safety and Health Committee. Based on ISO Management system standards, the Company conducts risk identification for the employees, workers, contractors, and guests in each factory who are engaged in various operations, operation of machinery and equipment, and use of chemicals, and defines a quantitative risk score according to the severity and frequency of accidents that may be caused by performing various operational activities, operating machineries or using chemicals. The existing protection measures should be reviewed and prioritized for improvement to reduce the risk. If there is a risk of immediate danger, the operation needs to be stopped and the integrity of the existing protection measures should be strengthened or an improvement plan should be implemented or the response ability should be strengthened.

The Company sets management goals in accordance with the corporate governance philosophy and policies, draws up implementation plans, tracks and checks management performance in accordance with the plans, and aims for " Safety & Zero Disasters", places emphasis on the safety and health of each employee, and improves employees' risk awareness and safety knowledge by promoting risk evaluation, hazard identification, safety and health education and publicity, and pre-work meetings. The Company has formulated the "Labor Safety and Health Work Rules" in accordance with the law to clearly define the safety regulations for each work area, and has sent letters to the occupational safety authorities for certification and made public announcements. The work standards for each process are posted in a noticeable place to facilitate employees' understanding of the use of the occupational safety management system, regular work safety audits, mobility management of each manufacturing process managers, and awareness of safety concepts for all employees. When an unsafe environment, equipment, and operation problems are found, the Company will propose

necessary improvements to work together continuously to achieve the goal of zero disasters. Statistics and analysis of FR, SR and FSI are made and reports are made in the Occupational Safety and Health Committee Report. In 2022, there were 23 temporary total disability injuries, 17 traffic accidents, 6 in-house accidents, and FSI=0.7. We expect that in 2023, all of our employees will continue to work hard to achieve the goal of zero disasters in industrial safety.

Each manufacturing process employee should immediately report any problems found during operation to the production line manager, and equipment maintenance is performed by production technicians on a routine daily basis. In addition, through internal and external audits, we communicate directly and consult with employees in person. If there is a health concern, the employee can take the initiative to or through the manager to inform and inquire of the same, and subsequently communicate and deal with it. In order to encourage whistleblowers to reveal illegal cases, the Company has the following whistleblower protection measures:

- (1) The identity of the whistleblowers shall be kept confidential and no identifying information shall be disclosed.
- (2) The whistleblowers shall not be dismissed, discharged, demoted, reduced in salary, or have his or her legal, contractual, or customary rights and interests impaired, or otherwise disadvantaged as a result of the reported case.

5.4.2 Employees Health Check-ups

The Company actively protects the health and safety of all employees, focuses on a healthy and safe working environment, structures a safe working environment, promotes the physical and mental health of employees and contractors, achieves a work-life balance, and works with stakeholders to reduce workplace safety and health hazards. We plan annual health checkups in accordance with the law and regularly track the health status of employees. In addition, we conduct environment surveillance data for special statutory operations - noisy workplaces to identify the risks of possible health hazards, arrange special operation health examinations, grasp the health status of employees in special operation environments, and provide health management reports, and have two labor health service nurses review the health examination results and arrange follow-up referrals and occupational medicine and health education according to the risk level to achieve the goal of prevention over treatment, so as to create a safe and secure working environment.

Employee health check-ups and cost statistics	
General Health Screening	
Items	<ul style="list-style-type: none"> Investigation of work experience, past medical history, lifestyle and self-conscious symptoms. Height, weight, waist circumference, vision, color vision, hearing, blood pressure, and physical examination of various body systems or parts. Chest X-ray (large film) photography examination. Urine protein and urinary occult blood screening. Hemoglobin and white blood cell count check. Blood sugar, serum aminotransferase (ALT or SGPT), creatinine, cholesterol and triglycerides, HDL cholesterol, LDL cholesterol.
Number of people checked (person)	246
Costs (NT\$ thousand)	159.9
Special Health Screening	
Items	Noise
Number of people checked (person)	298
Costs (NT\$ thousand)	0 (Noise Screening Fee - paid by the Labor Insurance Bureau)
Remarks : According to Article 16 of the Labor Health Protection Rules, the period of regular checkups shall be: once every five years for those under 40 years of age; once every three years for those under 40 years of age; and once a year for those over 65 years of age.	



Labor Health Services



Annual Employee Medical Checkup



Annual Employee Medical Checkup



Annual Employee Medical Checkup

5.4.3 Occupational Illnesses and Occupational Injuries

In order to effectively prevent the occurrence of occupational diseases and occupational disasters, MERIDA makes reference to occupational safety and health-related laws and regulations, such as the "Enforcement Rules of the Occupational Safety and Health Act", "Rules for Occupational Safety and Health Facilities", "Occupational Safety and Health Management Regulations", "Guidelines for Setting Occupational Safety and Health Labels" and "Rules for Occupational Safety and Health Education and Training", to enhance the safety management of employees in the workplace.

In addition, the Safety & Hygiene Div. and management personnel conduct regular inspections of the operating environment, announce and promote labor safety-related regulations, relevant regulations of each management system and safety information sheets which are available for review at any time, so that employees can have a better understanding of safety and health concepts and knowledge, and incorporate the relevant knowledge into their daily work. 6 occupational injuries occurred among employees and non-employees of the Company in 2022, mainly due to unclear labeling of operating equipment and incorrect use of tools. The Company has taken measures to immediately re-produce equipment labels, maintain and educate the operators on the operation of the equipment, and has continued to follow up and care for them. The compensation sum for the follow-up medical care was NT\$4,186. The related statistics are as follows:



Statistics of occupational injuries for employees				
Category	Item	2020	2021	2022
Total working hours	Female total working hours	939,874	1,066,748	1,093,689
	Male total working hours	2,113,087	1,731,063	1,750,059
	Total working hours	3,052,961	2,797,811	2,843,748
Number of casualties caused by occupational injuries	Number of female deaths	0	0	0
	Number of male deaths	0	0	0
	Total number of deaths	0	0	0
Number of severe occupational injuries (excluding casualties)	Number of female severe occupational injuries	0	0	0
	Number of male severe occupational injuries	0	0	0
	Total number of severe occupational injuries	0	0	0
Recordable occupational injuries (including casualties and severe occupational injuries)	Number of female occupational injuries	0	0	0
	Number of male occupational injuries	5	0	2
	Total number of occupational injuries	5	0	2
Fatality rate caused by occupational injuries (%)		0	0	0
Severe occupational injuries rate (%)		0.00	0.00	0.00
Recordable occupational injuries (%)		1.64	0.00	0.70

Remarks:

1. Fatality rate caused by occupational injuries = (Number of fatalities caused by occupational injuries / Total working hours) * 1,000,000
2. Severe occupational injury rate = (Number of severe occupational injuries (excluding fatalities) / Total working hours) * 1,000,000
3. Recordable occupational injury rate = (Recordable occupational injuries (including fatalities and severe injuries) / Total working hours) * 1,000,000
4. Severe occupational injuries refer to occupational injuries that cannot recover within 6 months.
5. Recordable occupational injuries do not include occupational injuries caused by commuting to and from work.

Statistics of occupational injuries for non-employee workers				
Category	Item	2020	2021	2022
Total working hours	Female total working hours	440,821	468,867	465,379
	Male total working hours	483,239	489,812	439,186
	Total working hours	924,060	958,679	904,565
Number of casualties caused by occupational injuries	Number of female deaths	0	0	0
	Number of male deaths	0	0	0
	Total number of deaths	0	0	0
Number of severe occupational injuries (excluding casualties)	Number of female severe occupational injuries	0	0	0
	Number of male severe occupational injuries	0	0	0
	Total number of severe occupational injuries	0	0	0
Recordable occupational injuries (including casualties and severe occupational injuries)	Number of female occupational injuries	1	1	0
	Number of male occupational injuries	1	2	4
	Total number of occupational injuries	2	3	4
Fatality rate caused by occupational injuries (%)		0	0	0
Severe occupational injuries rate (%)		0.00	0.00	0.00
Recordable occupational injuries (%)		2.16	3.13	4.42

Remarks:

1. Fatality rate caused by occupational injuries = (Number of fatalities caused by occupational injuries / Total working hours) * 1,000,000
2. Severe occupational injury rate = (Number of severe occupational injuries (excluding fatalities) / Total working hours) * 1,000,000
3. Recordable occupational injury rate = (Recordable occupational injuries (including fatalities and severe injuries) / Total working hours) * 1,000,000
4. Severe occupational injuries refer to occupational injuries that cannot recover within 6 months.
5. Recordable occupational injuries do not include occupational injuries caused by commuting to and from work.

5.4.4 Prevention and Improvement Measures

Our company manages the plant-wide model in an institutionalized manner and performs employee safety and health management. For high-risk operations in the coating process and robotic process, we invite professional industrial safety (health) technicians to visit our factories to understand hazard identification and risk evaluation, and take control measures such as process safety improvement and work permits to strengthen operational risk control and effectively prevent the occurrence of any occupational disasters. In order to protect the health of employees, MERIDA provides the following measures:

1. In accordance with the Occupational Safety and Health Act - Labor Health Protection Regulations, the Company has two labor health service nurses and one doctor with an occupational medicine license from Changhua Hospital. The doctor will provide clinical services three times a month for three hours each time. The following labor health protection matters are also in accordance with the law:

- Analysis and evaluation of labor physical (health) examination results, health management and data preservation.
- Assist employers in selecting and assigning workers to appropriate jobs.
- Provide follow-up management and health guidance for workers with abnormal health examination results.
- Evaluate and manage cases of workers under the age of 18, workers at risk of maternal health hazards, workers with occupational injuries and illnesses, and workers with high risk of occupational health-related injuries.
- Keeping reports of occupational health or occupational health-related studies and records of injuries and diseases.
- Planning and implementation of health education, health guidance, physical and mental health protection, and health improvement measures for workers.
- Prevention of work-related injuries and illnesses, health consultation, first aid and emergency treatment.

2. To provide care for high-risk employees in accordance with the Occupational Safety and Health Administration's regulations on the implementation of human-induced hazards and maternal health protection, the prevention plan for wrongful assault at work, and the prevention of abnormal workload-induced diseases.

3. Sign medical contracts with medium and large medical institutions in Changhua County to provide employees with available medical privileges.

In 2022, the number of physicians providing on-site health education was 205.

The Company advocates a "zero accident" safety culture and constructs a safe working environment by controlling workplace risks with appropriate financial controls. We evaluate the suitability of our suppliers before dealing with them to meet the needs of our customers or the relevant laws and regulations of exporting countries and international standards. In addition, we establish trading contracts with suppliers, and may terminate or cancel the terms of the contracts at any time when they violate the needs of customers or the relevant laws and regulations of exporting countries and international standards, and are committed to fulfilling our social responsibility with suppliers in compliance with the principle of integrity management. We are committed to the ethical principles of corporate culture and the occupational safety of our employees, and to protecting the personal safety of our employees through strict management regulations.

The Occupational Safety and Health Management System is in line with the management model of the organization and to maintain the consistency of the operation, the on-site production and non-production site areas, machinery, equipment, routine and non-routine operation activities, including all manufacturers into the Company's factories area, food suppliers, security, equipment maintenance providers, business contacts, delivery and receipt of goods, etc. This management system is applied to all operational activities of the Company to prevent work-related injuries and diseases and for continuous improvement. The Company's employees should receive occupational safety and health related education and training, and the statistics for the education and training conducted during the reporting period are as follows:

Statistics for the education and training Occupational Safety and Health		
Name of training	Number of people who received the training	Costs (NT\$)
Fire Drill	80	0
Occupational safety administrator refresher training	6	10,400
First aid personnel refresher training	20	42,000
Hazardous substance operation supervisor refresher training	7	10,500
Forklift operator refresher training	62	20,000

Remarks:

1. Includes employees and non-employees whose work and/or workplace is under the control of the organization.
2. Workers who are not employees but whose work and/or workplace are under the control of the organization, such as: security, cleaners, construction workers...etc. Contractors, subcontractors.
3. The occupational safety and health related training here includes general training or specific training on occupational hazards and hazardous conditions.



Perform work resumption evaluation and job matching



Routine sanitization of the departments during COVID-19

Safety and Hazard Prevention for Suppliers and Contractors

In consideration of manpower allocation and professional technology, the Company appoints professional contractors to carry out the construction or operation of machinery and equipment, repair and maintenance, material distribution, etc. The contractors' management, in particular the safety and health management methods are incorporated into the management system for compliance with various safety regulations to jointly maintain the safety of the plant and construction personnel.

If the project involves dangerous operations, the contractor and the employees employed are requested to take out accident liability insurance, to inform the contracting department of the dangerous operations, and to convene a "project safety coordination meeting" with the contractor, the industrial safety department and the fire prevention manager before commencement of construction. We will take the necessary measures to prevent the occurrence of occupational hazards. Access to the site is governed by MERIDA's "Factory Access Regulations". If the contractor violates the major regulations, he/she will be disqualified from entering the factory for construction and operation, in order to maintain a good safety and health management system operation mode for both parties to continue operation and sustainable development.

5.5 Enthusiasm in public welfare • Share your Kindness

In our production process, the noise problem of nighttime mechanical processing and odor dispersion from paint spraying may cause nuisance to residents; The frame painting process is a paint spraying operation, which inevitably results in odor dispersion in the air. In order to reduce the odor dispersion to the residents, MERIDA strictly enforces the emission control of the spraying environment in the painting process to reduce the odor dispersion. In addition, we are working to reduce the environmental impact by shortening the coating process and collaborating with coating material manufacturers to develop low-pollution coating materials that can be applied to the exterior of vehicle frames in the future. In order to take care of the local residents, the Company has been putting in efforts to improve the process capability in order to address the possible noise and odor problems, and has been voluntarily arranging regular factory perimeter inspections since July 2015.

The factory perimeter inspection is conducted by the Safety & Hygiene Div. as the leading unit, together with the company's environmental safety staff and coating process supervisors, at a frequency of once a month separated into once in the morning and once in the evening. If there is any problem, the residents can respond to it immediately and communicate with the local village chief and the General Affairs Division of the Management Department at any time. The Company pays attention to the voices of nearby residents, and not only does it implement 100% communication and evaluation, but also actively maintains friendly relations with the local community, while supporting and sponsoring community welfare.

Events	Costs (NT\$)	Particulars
Dacun Volunteer Fire Brigade Sub-team 2022 Annual Recognition Dinner for Top Performers	30,000	Sponsorship of consultancy funds to appreciate the hard work of the Volunteer Fire Brigade in various disaster relief activities and to recognize the outstanding performance of the officers.
Dacun Meigang Community Environment Volunteers	10,000	Sponsorship of funds to express gratitude to the local residents for forming their own volunteer teams for the community environment
Dacun Meigang Community Patrol Team	10,000	Sponsorship to thank local residents for forming their own patrol teams to maintain community safety.
1919 Let Love Move - Families in Need Program	100,000	To sponsor funds to help families in need. Since 2002, the Christian Aid Society has launched the "1919 Let Love Move - Family in Need Project", with the hope of raising funds for emergency relief and providing spiritual assistance in the spirit of "1919 Let Save".



Dacun Meigang Community Environment Volunteers



Dacun Volunteer Fire Brigade Sub-team 2022 Annual Recognition Dinner for Top Performers



Dacun Meigang Community Patrol Team



1919 Let Love Move - Families in Need Program

Special Column

MERIDA Cup MERIDA Changhua Classic 100K Event

Over the years, MERIDA has organized two major cycling events, the MERIDA Cup and the Changhua Classic 100K, to promote cycling as the most healthy and energetic sport with a low-carbon and environmentally friendly transportation concept. Many people have been introduced to cycling by participating in the "MERIDA Cup & Excursion on Bike", and the events have contributed to the promotion of cycling in Taiwan, and MERIDA's brand awareness and image have been raised accordingly.

The MERIDA Cup began in the 1990s when mountain biking was the norm. We have invited Olympic gold and silver medalists and world champions to Taiwan to meet with cyclists, and then witnessed the popular cycling movement and the folding bike trend in Taiwan in 2008. By 2022, the MERIDA Cup will be in its 20th year. The "Changhua Classic 100K", which has been held for 12 years, is a long-distance cycling challenge with over 100 kilometers which use RFID Race Timing System, and has been the most popular cycling event for the new generation of road bikes in Taiwan for more than a decade. With more than 700 staff members dedicated to maintaining and supplementing the traffic for each event, the quality of the event is highly appreciated by cyclists. As a result, the annual registration limit of 5,000 people is always fully booked, which demonstrates the popularity of the event.

MERIDA Cup

The "2022 MERIDA Cup Bike Carnival", which celebrates the 50th anniversary of MERIDA, features two routes, including a long-distance bike challenge with an intensity level of 100K, a total length of 83K and a cumulative climb of more than 1,000 meters, and a 29K route around the Sun Moon Lake with a panoramic view of the lake and mountains.



2022 MERIDA Cup Bike Carnival



Special Column

MERIDA Cup MERIDA Changhua Classic 100K Event

Changhua Classic 100K

Before the 2022 MERIDA Changhua Classic 100K event started, unique "negative vibe cheering signs" were displayed on the route, and the innovative cheering method received enthusiastic responses from bikers on the social network. On the day of the event, Huang Ting-Ying, a famous cyclist who has won the championship of the road cycling world tour, led the ride. The event was also attended for the first time by the famous cycling celebrities, such as eLun, Jerry, Eva, Koko, and Logan Beck, Francois Devatine, and Danny.



Changhua Classic 100K



Changhua Classic 100K-
negative vibe cheering signs



Special Column

Supporting the future and building success: MERIDA's sponsorship and training program

MERIDA has been sponsoring and nurturing outstanding grassroots cyclists in Taiwan since early 1990 and has been doing so ever since. Over the years, MERIDA has sponsored tens of millions of dollars' worth of cash and equipment for local cyclists, making it the largest contributor to the development of local cyclists in Taiwan's cycling industry. In addition, MERIDA has continuously sponsored the Tour de Taiwan, the only international cycling race in Taiwan, for 20 to 30 years, and the accumulated amount of sponsorship for this indicator race is more than 20 million dollars, which is the most in the domestic cycling industry.

"Business and education work together to revitalize local cycling."

Although the sponsorship of Kaohsiung MERIDA team for 20 to 30 years has finally come to an end in 2022, MERIDA is now sponsoring the local cycling team of Municipal Dacunguomin Junior High School. In order for a cycling team to have good results, besides attracting good athletes, "logistical support" is very important. The bike team of Municipal Dacunguomin Junior High School has the advantage that MERIDA can provide resources nearby, and the wheels are assisted by Cheng Shin Rubber Industry Co. With the support from the manufacturers, we believe that we can create a brand-new situation for the bike sport in Changhua County. We hope that this group of energetic students will one day become outstanding athletes and win glory for the local community and the country.

MERIDA believes that by cultivating and nurturing related knowledge through deep cultivation in the local community, we can successfully pass on the love and imagination of bikes to children, and we sincerely welcome more local children to join us. Whether or not they become bikers in the

future, MERIDA will continue to promote the development of cycling culture. Through the provision of professional equipment, we will provide quality bicycles and tires for the athletes, so that they can reach the next level in the races.



The bike team of Municipal Dacunguomin Junior High School



Special Column

Supporting the future and building success: MERIDA's sponsorship and training program

"MERIDA sponsored the most popular domestic outstanding bicycle riders".

Feng Chun-kai

In 2014, we helped Feng Chun-kai join the Team Lampre MERIDA sponsored by MERIDA at that time, which was a brand-new challenge for Taiwanese riders and will open up a long-term future for Taiwanese riders, enabling them to enter the highest hall of the world's first-class professional road teams.



Feng Chun-Kai with the MERIDA all-round aerodynamics bike, REACTO

Huang Ting-ying

Huang Ting-Yin, who is part of Team Senter MERIDA, a MERIDA-sponsored team, has won two single-stage championships at the 2016 Tour of Chongming Island in China, making her the only Taiwanese athlete to win at the highest level of the World Tour.



Huang Ting-ying



Other riders sponsored by MERIDA

Four top Taiwanese athletes sponsored by MERIDA – Sergio Tu (1st from left), Hsiao Mei-yu (2nd from left), Feng Chun-kai (2nd from right) and Huang Ting-Yin (1st from right) - announced that another top Taiwanese athlete has traveled to Europe



Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Content Index

*Material Topics



Statement of Use	This Report has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), which will disclose the information from January 1, 2022 to December 31, 2022.
GRI 1 in use	GRI 1: Foundation 2021
Applicable GRI Industry Standards	N/A

No.	GRI Standards Disclosure	Chapter	Page	Omission/Remarks
GRI 2: General Disclosures 2021				
The organization and its reporting practices				
2-1	Organizational details	2.1 About MERIDA	<u>19</u>	
2-2	Entities included in the organization' s sustainability reporting	About This Report	<u>02</u>	
2-3	Reporting period, frequency, and contact point	About This Report	<u>02</u>	
2-4	Restatements of information	About This Report	<u>02</u>	
2-5	External assurance	About This Report	<u>02</u>	
Activities and workers				
2-6	Activities, value chain and other business relationships	2.1 About MERIDA	<u>19</u>	
2-7	Employees	5.1 Talent Acquisition and Deployment	<u>67</u>	
2-8	Workers who are not employees	5.1 Talent Acquisition and Deployment	<u>67</u>	
Governance				
2-9	Governance structure and composition	2.2.1 Board of Directors	<u>27</u>	
2-10	Nomination and selection of the highest governance body	2.2.1 Board of Directors	<u>27</u>	

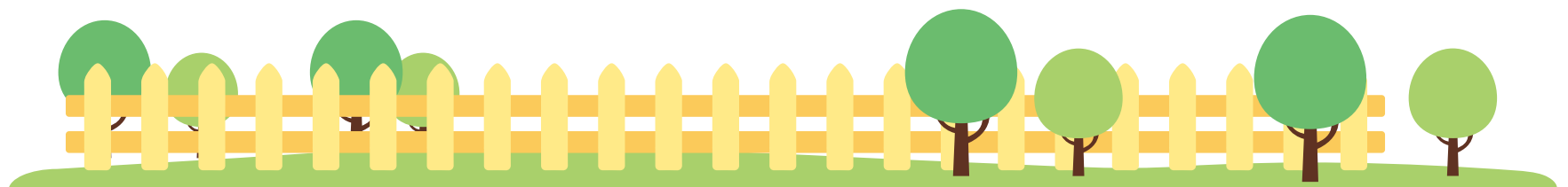
No.	GRI Standards Disclosure	Chapter	Page	Omission/Remarks
2-11	Chair of the highest governance body	2.2.1 Board of Directors	<u>27</u>	
2-12	Role of the highest governance body in overseeing the management of impacts	2.2.1 Board of Directors	<u>27</u>	
2-13	Delegation of responsibility for managing impacts	2.2.1 Board of Directors	<u>27</u>	
2-14	Role of the highest governance body in sustainability reporting	2.2.1 Board of Directors	<u>27</u>	
2-15	Conflicts of interest	2.2.1 Board of Directors	<u>27</u>	
2-16	Communication of critical concerns	2.2 Company Structure	<u>26</u>	
2-17	Collective knowledge of the highest governance body	2.2 Company Structure	<u>26</u>	
2-18	Evaluation of the performance of the highest governance body	2.2 Company Structure	<u>26</u>	
2-19	Remuneration policies	2.2.2 Audit Committee 2.2.3 Remuneration Committee	<u>36</u> <u>38</u>	
2-20	Process to determine remuneration	2.2.2 Audit Committee 2.2.3 Remuneration Committee	<u>36</u> <u>38</u>	
2-21	Annual total compensation ratio	5.2 Talent Cultivation and Development	<u>70</u>	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Words from President	<u>03</u>	
2-23	Policy commitments	1.1 Sustainability Policies and Promises	<u>08</u>	
2-24	Embedding policy commitments	1.1 Sustainability Policies and Promises	<u>08</u>	
2-25	Processes to remediate negative impacts	1.1 Sustainability Policies and Promises	<u>08</u>	
2-26	Mechanisms for seeking advice and raising concerns	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
2-27	Compliance with laws and regulations	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	

No.	GRI Standards Disclosure	Chapter	Page	Omission/Remarks
2-28	Membership associations	2.1 About MERIDA	<u>19</u>	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	1.2.2 Stakeholders' Communication Channels	<u>10</u>	
2-30	Collective bargaining agreements	5.3.3 Perfect Welfare Regime	<u>73</u>	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Determining Material Topics	<u>13</u>	
3-2	List of material topics	1.3 Determining Material Topics	<u>13</u>	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
Topic-specific GRI Standards – 200 (Economic Topics)					
*ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure on Integrity Governance	<u>18</u>	
	201-1	Direct economic value generated and distributed	2.3 Operating Outcome	<u>39</u>	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Risks and Opportunities under Climate Change	<u>55</u>	
	201-3	Defined benefit plan obligations and other retirement plans	5.3.1 Employees Retirement System	<u>72</u>	
	201-4	Financial assistance received from government	2.3 Operating Outcome	<u>39</u>	
MARKET PRESENCE					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Talent Cultivation and Development	<u>70</u>	
	202-2	Proportion of senior management hired from the local community	5.1 Talent Recruitment and Deployment	<u>67</u>	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
INDIRECT ECONOMIC IMPACTS					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5.5 Enthusiasm in public welfare • Share your Kindness	<u>80</u>	
	203-2	Significant indirect economic impacts	5.5 Enthusiasm in public welfare • Share your Kindness	<u>80</u>	
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.2 Supply Chain Integration	<u>49</u>	
ANTI-CORRUPTION					
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
	205-2	Communication and training about anti-corruption policies and procedures	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
	205-3	Confirmed incidents of corruption and actions taken	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
ANTI-COMPETITIVE BEHAVIOR					
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
TAX					
GRI 207: Tax 2019	207-1	Approach to tax	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
	207-2	Tax governance, control, and risk management	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
	207-3	Stakeholder engagement and management of concerns related to tax	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
	207-4	Country-by-country reporting	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
Topic-specific GRI Standards – 300 (Environmental Topics)					
MATERIALS					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.2 Raw Materials Management and Re-use	58	
	301-2	Recycled input materials used	4.2 Raw Materials Management and Re-use	58	
	301-3	Reclaimed products and their packaging materials	4.2 Raw Materials Management and Re-use	58	
*ENERGY					
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Management Disclosure	55	
	302-1	Energy consumption within the organization	4.3 Energy Management	59	
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	4.3 Energy Management	59	
	302-3	Energy intensity	4.3 Energy Management	59	
	302-4	Reduction of energy consumption	4.3 Energy Management	59	
	302-5	Reductions in energy requirements of products and services	4.3 Energy Management	59	
* EMISSIONS					
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Management Disclosure	55	



GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
	305-3	Other indirect (Scope 3) GHG emissions	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
	305-4	GHG emissions intensity	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
	305-5	Reduction of GHG emissions	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
	305-6	missions of ozone-depleting substances (ODS)	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.4 Greenhouse Gases Management and Pollution Prevention	<u>60</u>	
WASTE					
GRI 306: Waste 2020	306-1	Water discharge by quality and destination	4.5 Wastage Management	<u>61</u>	
	306-2	Waste by type and disposal method	4.5 Wastage Management	<u>61</u>	
	306-3	Significant spills	4.5 Wastage Management	<u>61</u>	
	306-4	Transport of hazardous waste	4.5 Wastage Management	<u>61</u>	
	306-5	Water bodies affected by water discharges and/or runoff	4.5 Wastage Management	<u>61</u>	
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.2 Supply Chain Integration	<u>49</u>	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Supply Chain Integration	<u>49</u>	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
Topic-specific GRI Standards – 400 (Social Topics)					
* EMPLOYMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure on Workplace Management	64	
	401-1	New employee hires and employee turnover	5.1 Talent Recruitment and Deployment	67	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3.3 Perfect Welfare Regime	73	
	401-3	Parental leave	5.3.2 Unpaid Parental Leave for Raising Children	73	
LABOR/MANAGEMENT RELATIONS					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.1 Talent Recruitment and Deployment	67	
OCCUPATIONAL HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.4.1 Occupational Safety and Health Organization	74	
	403-2	Hazard identification, risk assessment, and incident investigation	5.4.1 Occupational Safety and Health Organization	74	
	403-3	Occupational health services	5.4.2 Employees Health Cehck-ups	76	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4.1 Occupational Safety and Health Organization	74	
	403-5	Worker training on occupational health and safety	5.4.4 Prevention and Improvement Measures	78	
	403-6	Promotion of worker health	5.4.4 Prevention and Improvement Measures	78	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4.4 Prevention and Improvement Measures	78	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.4.4 Prevention and Improvement Measures	<u>78</u>	
	403-9	Work-related injuries	5.4.3 Occupational Illnesses and Occupational Injuries	<u>77</u>	
	403-10	Work-related ill health	5.4.3 Occupational Illnesses and Occupational Injuries	<u>77</u>	
* TRAINING AND EDUCATION					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure on Workplace Management	<u>64</u>	
	404-1	Average hours of training per year per employee	5.2 Talent Cultivation and Development	<u>70</u>	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Cultivation and Development	<u>70</u>	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Cultivation and Development	<u>70</u>	
* DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure on Workplace Management	<u>64</u>	
	405-1	Diversity of governance bodies and employees	5.1 Talent Recruitment and Deployment	<u>67</u>	
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	5.2 Talent Recruitment and Deployment	<u>70</u>	
	NON-DISCRIMINATION				
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
*FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure on Workplace Management	<u>64</u>	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
CHILD LABOR					
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
FORCED OR COMPULSORY LABOR					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
SECURITY PRACTICES					
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	5.1 Talent Recruitment and Deployment	<u>67</u>	
RIGHTS OF INDIGENOUS PEOPLES					
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	2.5 Integrity and Compliance with laws and regulations	<u>42</u>	
LOCAL COMMUNITIES					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.5 Enthusiasm in public welfare • Share your Kindness	<u>80</u>	
	413-2	Operations with significant actual and potential negative impacts on local communities	5.5 Enthusiasm in public welfare • Share your Kindness	<u>80</u>	
SUPPLIER SOCIAL ASSESSMENT					
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.2 Supply Chain Integration	<u>49</u>	
	414-2	Negative social impacts in the supply chain and actions taken	3.2 Supply Chain Integration	<u>49</u>	

GRI Standards	No.	Disclosure	Chapter	Page	Omission/Remarks
PUBLIC POLICY					
GRI 415: Public Policy 2016	415-1	Political contributions	2.3 Operating Results	39	
*CUSTOMER HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure on Workplace Management	64	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.1 Carefree Quality	45	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Carefree Quality	45	
MARKETING AND LABELING					
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.1 Carefree Quality	45	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.1 Carefree Quality	45	
	417-3	Incidents of non-compliance concerning marketing communications	3.1 Carefree Quality	45	
CUSTOMER PRIVACY					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Carefree Quality	45	

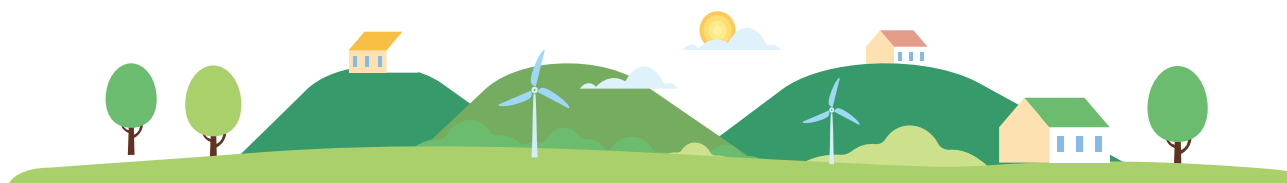


Appendix II: SASB Sustainability Accounting Standard Content Index

In accordance with SASB Sustainability Accounting Standards, "TOYS & SPORTING GOODS" was selected as an indicator disclosure item based on the Company's business attributes.

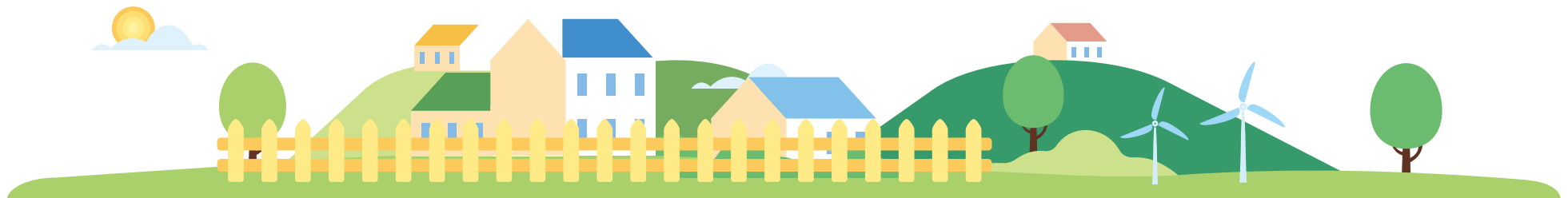
Topic	Code	Disclosure Metric	Category (Unit of Measure)	Chapter	Page	Omission/Remarks
Chemical & Safety Hazards of Products	CG-TS-250a.1	Number of (1) recalls and (2) total units recalled	Quantitative(Number)	3.1 Carefree Quality	45	
	CG-TS-250a.2	Number of Letters of Advice (LOA) it received from the U.S. Consumer Product Safety Commission (CPSC)	Quantitative(Number)	3.1 Carefree Quality	45	
	CG-TS-250a.3	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative(Reporting Currency)	3.1 Carefree Quality	45	
	CG-TS-250a.4	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	3.1 Carefree Quality	45	
Labor Conditions in the Supply Chain	CG-TS-430a.1	Number of facilities audited to a social responsibility code of conduct	Quantitative(Number)	3.2 Supply Chain Integration	49	
	CG-TS-430a.2	Direct suppliers' social responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) priority nonconformances and (b) other non-conformances.	Quantitative(Rate)	3.2 Supply Chain Integration	49	

Code	Activity Metric	Category (Unit of Measure)	Chapter	Page	Omission/Remarks
CG-TS-000.A	Annual production	Quantitative(Number of Units)	2.1 About MERIDA	19	
CG-TS-000.B	Number of manufacturing facilities, percentage outsourced	Quantitative(Number, Percentage %)	2.1 About MERIDA	19	



Appendix III: Disclosure of Climate-related Information by TWSE and TPEX Listed Companies

Item	Chapter	Page	Omission/Remarks
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	4.1.1 Climate Change Financial Risks	55	
2. Describe how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise in the short, medium, and long term.	4.1.2 Climate Risks and Opportunities Management	56	
3. Describe the financial impacts of extreme weather events and transition actions	4.1.2 Climate Risks and Opportunities Management	56	
4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	4.1.2 Climate Risks and Opportunities Management	56	
5. If scenario analysis is used to evaluate resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	4.1.1 Climate Change Financial Risks	55	
6. If there is a transition plan to manage climate-related risks, describe the plan, indicators, and targets used to identify and manage physical and transition risks	4.1.2 Climate Risks and Opportunities Management	56	
7. If internal carbon pricing is used as a planning tool, explain the basis for price determination	--		The Company follows the requirements of the laws and regulations and the timeframe given.
8. If climate-related goals are set, describe the activities, GHG emissions scope, planning period, annual progress, and, if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, explain the source and quantity of carbon offsets or RECs.	4.1.2 Climate Risks and Opportunities Management	56	
9. Inventory and verification of GHG emissions.	--		The Company expects to conduct the evaluation of external verification next year.



Appendix IV: Sustainable Development Goals (SDGs) Content Index

Item	Sustainable Development Goals	Chapter	Page
Goal 3	Ensure healthy lives and promote well-being for all at all ages	5.4.2 Employees Health Check-ups	<u>76</u>
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	5.2 Talent Cultivation and Development	<u>70</u>
Goal 5	Achieve gender equality and empower all women and girls	2.2.1 Board of Directors 5.3.2 Unpaid Parental Leave for Raising Children	<u>27</u> <u>73</u>
Goal 7	Ensure access to affordable, reliable, sustainable, and modern energy for all	4.3 Energy Management	<u>59</u>
Goal 10	Reduce inequality within and among countries	5.1 Talent Recruitment and Deployment	<u>67</u>
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels	1.1 Sustainable Policies ad Promises 3.1 Carefree Quality	<u>08</u> <u>45</u>



