SMP

2025 SIMPLO Sustainability Report



Be Your Best Battery Solution Provider

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About the Report

The 2025 Sustainability Report has been prepared with reference to the GRI Standards and the hardware industry indicators issued by the Sustainability Accounting Standards Board (SASB). It discloses and presents Simplo Technology's strategies and actions across the three major aspects of environmental, social, and governance (ESG) to its stakeholders. Simplo Technology maintains a transparent, honest, and objective approach, continuously engages and communicates with its stakeholders, and works to advance its sustainable development goals.

Reporting Period and Boundary

The reporting period covers January 2025 to December 2025, with select information extending to include the latest 2026 data. The scope of disclosure focuses on the core operational activities of Simplo Technology Co., Ltd. Taiwan Headquarters (Simplo Taiwan), as well as its main manufacturing sites in China and overseas: Simplo Technology (Chongqing) Inc. (Simplo Chongqing), Chongqing Trend Power Technology Inc. (Chongqing Trend Power), Simplo Technology (Changshu) Inc. (Simplo Changshu), Huapu Technology (Changshu) Inc. (Huapu), and Simplo Technology (Vietnam) Inc. (Simplo Vietnam). This scope accounts for 81% of Simplo Group's consolidated net revenue; the remaining 19% pertains to its subsidiary, AES-KY, which publishes its own sustainability report separately.

Reporting Frequency

Simplo Technology published its inaugural Sustainability Report in 2021 and has continued to publish the report annually thereafter.

- Previous Version: August 2025 (Chinese) / September 2025 (English)
- Current Version: August 2026 (Chinese) / August 2026 (English)
- Next Version: August 2027 (Chinese) / August 2027 (English)

External Assurance

This report has commissioned SGS Taiwan Co., Ltd., to provide assurance according to the requirements of Type 1, moderate level of assurance, under AA 1000 ASv3. The assurance covers the GRI Standards referencing options, and the assurance statement is included in Appendix of this report.

Reporting Basis

The financial data in this report are the Simplo Group's consolidated financial statements published in the 2025 Simplo Annual Report, which has been audited and certified by Deloitte Touche Tohmatsu Limited. The management systems obtained by our company are all verified by third-party entities:

- Simplo (Taiwan): ISO 14001、ISO 45001、ISO 27001、ISO 14064
- China Factories: ISO 14001、ISO 14064、ISO 45001、ISO 50001、IECQ QC 80000、UL2799
- Vietnam Factory: IECQ QC 080000、ISO 14064

Report Principles

This report has been prepared in accordance with the GRI Standards, with reference to the hardware industry indicators issued by the Sustainability Accounting Standards Board (SASB) and the Operation Methods for Preparing and Submitting Sustainability Reports by Listed Companies. It discloses the Company's economic, environmental, and social performance, as well as its strategies, actions, management policies, and performance results across the three major ESG aspects—environmental, social, and governance—to its stakeholders.

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Message from the Chairman



Chairman

Looking back on 2025, global notebook shipments continued to benefit from the replacement cycle driven by the adoption of AI PCs, while increasing demand for longer battery life remained a key requirement. At the same time, amid tariff uncertainties and rising raw material costs, brand customers actively built up inventory and accelerated shipments in advance. Leveraging its technological leadership and continuous optimization of battery module manufacturing processes, the Simplo Group achieved shipment performance that outpaced many of its industry peers. The global smartphone market also maintained steady growth, driven by the increasing adoption of AI smartphones and 5G. Meanwhile, as major cloud service providers (CSPs) significantly increased their investments in AI servers, demand for battery backup units (BBUs) in data centers rose substantially, making this business an increasingly important pillar of profitability. Over the past year, we faced multiple challenges, including supply chain restructuring, geopolitical risks, the energy transition, and changes in market demand. Nevertheless, we remained committed to prudent operations and continuous innovation, focusing on strengthening our core capabilities and deepening our global footprint.

As the world continues to face the challenges of the transition toward net zero, the Simplo Group has strengthened its commitment to sustainable governance. A Sustainability Development Committee has been established as a functional committee under the Board of Directors, with a Net-Zero and Carbon Reduction Task Force established under the Committee to continuously advance our Science Based Targets initiative (SBTi) and RE100 goals. We have already achieved results ahead of schedule, earning recognition from customers and international sustainability assessments. At the same time, we actively collaborate with supply chain partners to promote low-carbon transformation, demonstrating our competitive advantages in sustainability management and execution capabilities while working together with value chain partners to enhance overall sustainability competitiveness.

On our journey toward sustainable development, global expectations for corporate sustainability and carbon reduction responsibilities continue to rise. The Simplo Technology Group aligns with the United Nations Sustainable Development Goals (SDGs) and integrates ESG principles into business decision-making. While pursuing business growth, we remain committed to balancing the three key dimensions of environmental (E), social (S), and governance (G) performance in response to regulatory requirements and to enhance our overall corporate competitiveness. Simplo Technology will continue to strengthen its core technologies and manufacturing capabilities, enhance supply chain collaboration and operational resilience, and create long-term, sustainable value for stakeholders through the implementation of sustainability strategies and innovative initiatives, advancing toward our goal of sustainable business operations.

Message from the Chief Sustainability Officer



Executive Vice President Pagarini Lin

Sustainability Governance as a Competitive Advantage

At the end of 2025, Simplo Technology reached an important milestone in sustainability governance. We established a Board-level Sustainability Development Committee to elevate the importance of sustainability issues within our corporate governance framework. This initiative also aligns with the evolving regulatory landscape and the increasing emphasis on ESG oversight.The establishment of the Committee places greater responsibility on the organization to drive sustainability initiatives. We recognize that there is still a long way to go and remain committed to advancing our sustainability agenda.In conjunction with the 2026 Board re-election, the number of independent directors increased to 4, representing 57% of the Board. We also added one female director.

Since 2021, which marked the beginning of our sustainability journey, we have progressed through a steady foundation-building phase. This is our fifth Sustainability Report. We continue to strengthen engagement and communication with stakeholders while setting more ambitious net-zero targets. Our goal is to ensure that ESG initiatives go beyond information disclosure. We aim to establish measurable sustainability performance indicators that address stakeholder expectations and demonstrate tangible progress.

Aligning with Global Standards and Advancing the Net-Zero Transition

Simplo Technology was among the industry leaders in having its near-term targets validated by the Science Based Targets initiative (SBTi) in 2023. In 2024, we joined the RE100 initiative. We have also submitted our long-term science-based targets to the SBTi and are currently awaiting validation. Looking ahead, we are proactively developing a net-zero roadmap for the Simplo Group and steadily progressing toward our 2050 net-zero ambition. In addition, Simplo Technology received the highest "A" rating in the CDP Supplier Engagement Assessment (SEA) for two consecutive years in 2024 and 2025. This recognition demonstrates our continued commitment to sustainable supply chain management. In particular, it reflects our efforts in supply chain decarbonization, ESG risk management, and responsible sourcing.

Green Innovation, Energy Efficiency, and Carbon Reduction

Simplo Technology adopts a life-cycle thinking approach and incorporates environmental design requirements from the early stages of product development. We continue to increase the use of recycled materials in our products.

Significant progress has been made in the use of recycled cobalt (Co) and post-consumer recycled (PCR) plastics. In 2025, we achieved the target of using recycled materials in 100% of designated product models. We are also strengthening our product carbon footprint (PCF) management capabilities. In collaboration with customers, we are transitioning to digital collaboration platforms to better meet customer requirements for carbon footprint data collection and inventory. Internally, we are conducting carbon footprint hotspot analyses to identify key emission sources and opportunities for further carbon reduction.

Building an Inclusive and Thriving Workplace

Simplo Technology puts people at the center of our business and regards employees as one of our most valuable assets. Through our Diversity, Equity, and Inclusion (DEI) policies, we strive to foster an equitable, inclusive, and supportive workplace culture.

In 2025, female employees accounted for 41% of our workforce, while women represented 29% of management positions. These figures demonstrate our continued commitment to gender equality and workforce diversity.

We seek to ensure that all employees have equitable access to opportunities for career development and growth.

Looking Ahead

Looking to the future, Simplo Technology will continue to advance our sustainability agenda through the Sustainability Development Committee. Guided by our positive belief in "beginning with the end in mind," we will continue to enhance our ESG performance across all areas.

We will listen closely to the expectations of our stakeholders and respond with innovative thinking, pragmatic action, and open collaboration.

By working together with our customers, employees, suppliers, investors, and all stakeholders, we aim to build a more resilient, inclusive, and competitive sustainable future.

2025 Annual Achievements

Governance

12th Corporate Governance Evaluation - **6~20%**

2025 Taiwan Corporate Sustainability Awards - **Bronze Award**

Independent directors accounted for **57%** of the board seats

2025 EPS NT$ **30.6**

Rated **AA** by MSCI ESG Ratings

273 patent applications publicly disclosed

Received the highest "**A**" rating in the 2025 CDP Supplier Engagement Assessment (SEA)

Received a "**B**" rating in the CDP Climate Change Questionnaire

Received a "**B**" rating in the CDP Water Security Questionnaire

Environment

Validated near-term science-based emissions reduction targets by the SBTi

Joined RE**100** initiative

Reduced Scope 1 and Scope 2 emissions by **86%** compared with the 2020 baseline

Achieved a **79%** renewable energy share across the Simplo Group

Reduced waste generation by **23.32%** compared with the 2023 baseline

100% of selected models have adopted recycled PET film materials

Social

Achieved **RBA Factory** of Choice recognition at Simplo Chongqing

Provided early childhood education grants to **525** beneficiaries (2019–2025)

Awarded scholarships to **2,044** recipients, including employees and their children (2019–2025)

Held **14** blood donation events as of 2025

Held **8** "Do For Green" environmental activities

1 Sustainability Management

1.1 Company Profile

1.2 Sustainability Strategy

1.3 Material Topics Analysis

1.4 Communication with Stakeholders



1.1 Company Profile

About Simplo

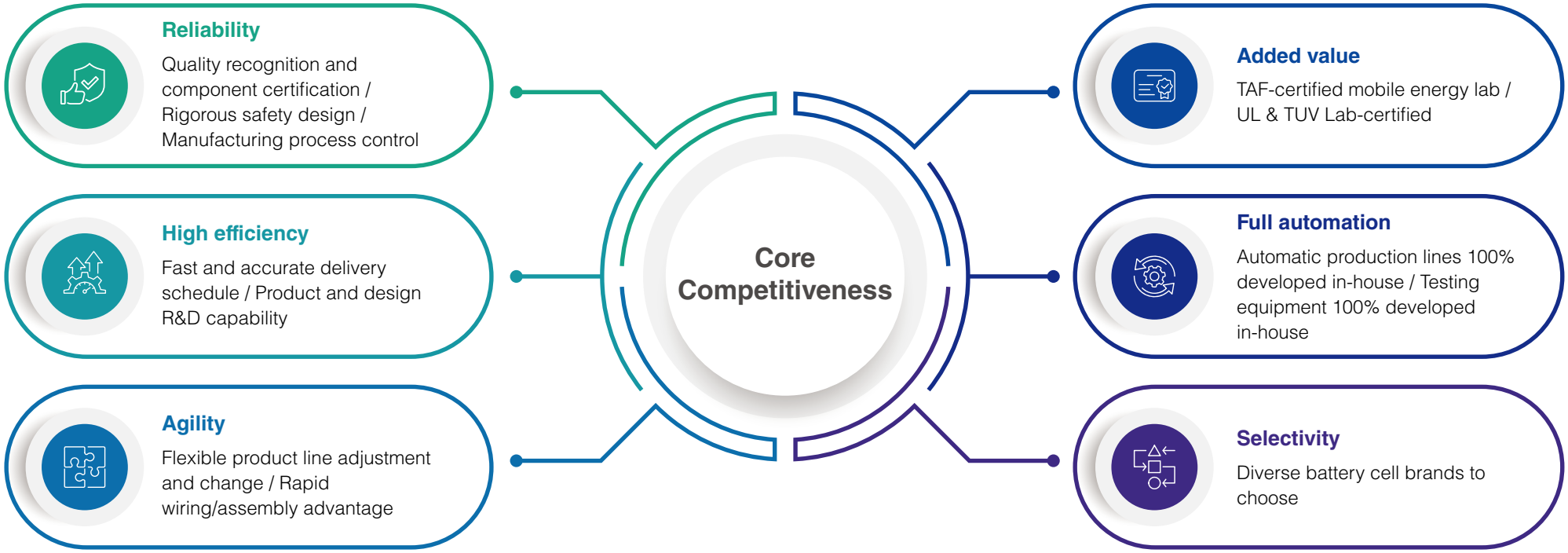
Simplo Group has long been deeply involved in lithium battery modules, standing as an industry leader for laptops, tablets, and smartphones. The company maintains stable profitability while accelerating its expansion into new businesses and overseas markets, driving continuous growth through product diversification. Recognizing corporate sustainability as a vital priority, Simplo Group aligns its core business with the United Nations Sustainable Development Goals (SDGs). By integrating Environmental, Social, and Governance (ESG) principles alongside operational growth, the company actively strengthens its market competitiveness.

Global Sites



Simplo Taiwan

Primary Manufacturing Facilities：Simplo Chongqing, Chongqing Trend Power, Simplo Changshu, Huapu Technology, and Simplo Vietnam.



Our Products:

Laptop battery module	Data center backup power system
Tablet battery module	Enterprise-type server battery module
Smartphone battery module	Consumer home appliances battery module
Portable electronic product battery module	Indoor/outdoor mobile equipment battery module
Industrial computer battery module	Drone-related battery module

In addition to continuing to deepen its core ICT product battery module business, Simplo Group has also actively expanded into new application areas with growth potential in recent years. In power batteries, the Group focuses on the design, manufacturing, and sales of high-power battery modules for electric bicycles and drones. Building on its existing battery management and system integration technology, its market share in the two-wheeled electric vehicle market continues to grow steadily.

In response to the rapidly rising demand driven by 5G, smart cloud, and public cloud, large data centers' need to convert from lead-acid to lithium batteries continues to grow. Simplo Group has been active in this field for many years and maintains close communication and collaboration with leading international brand customers, positioning this as a key growth engine for the Group in the years ahead.

Membership Associations

Association	Member Type
Hsinchu County Industrial Association	Member
Hsinchu County Nurses Association	Member
Taiwan Battery Association (TBA)	Member
The Electrochemical Society of Taiwan	Member
Taiwan Climate Partnership (TCP)	Member
Business Council for Sustainable Development of the Republic of China (BCSD-Taiwan)	Member
Taiwan Photovoltaic Industry Association (TPVIA)	Member
Advanced Battery Materials Industry Alliance	Member
Taiwan Power Enterprises Federation	Member



Sales Regions of Major Products in 2025

Unit: NT$ Thousand

Area	Amount	Percentage
Taiwan	13,346,313	16.25
Asia	24,904,589	30.31
America	40,932,306	49.83
Europe	2,594,995	3.16
Oceania	306,010	0.37
Africa	33,416	0.04
Australia	32,004	0.04

Source: 2025 Annual Report, Simplo Technology Co., Ltd. page.62

Product Sales in 2025

Unit: NT$ Thousand

Product Category	2025	
	Amount	Percentage
Lithium Battery Module	79,342,442	96.58%
Others Sales	2,807,191	3.42%
Total Operating Revenue	82,149,633	100.0%

Source: 2025 Annual Report, Simplo Technology Co., Ltd. page.56

Customer Relationship

Quality Management

1. Overall Quality Management Strategy



Quality as the Core, Enhancing Corporate Value



Establish Prevention-Oriented Quality Management



Promote Quality Left Shift



Enhance Customer Satisfaction

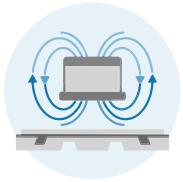
The Company regards quality management as the core foundation of its operations, aligning its sustainability strategy with its management framework. The quality management strategy focuses on building a prevention-oriented mechanism, extending quality control from traditional post-production inspection to the entire process of design, manufacturing, verification, and customer service. This achieves upfront risk control, process stabilization, and quality consistency, thereby strengthening product reliability and enhancing customer satisfaction.

In management practice, through institutionalized processes, cross-departmental collaboration, and a Continuous Improvement mechanism, the Company ensures that its products and services meet customer needs, regulatory requirements, and internal quality standards, while progressively building a quality management system with traceability, stability, and continuous optimization capabilities.

2. Manufacturing Quality Innovation – Maglev Production Line & Smart Manufacturing Technology



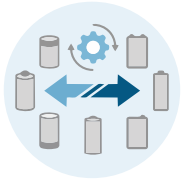
Planning and Adoption of a Maglev Production Line Architecture



Non-Contact Transport Reduces Vibration and Equipment Wear



Improve Process Stability and Quality Consistency



Support High-Mix, Low-Volume Production with Rapid Changeover



Strengthen Service Flexibility and Rapid Delivery

Goals

In response to the market trend toward high-mix, low-volume production and highly flexible delivery requirements, the Company has completed the overall planning of a magnetic levitation (maglev) production line, positioning it as the core direction for upgrading its manufacturing system. This manufacturing model transforms traditional fixed production lines into a highly agile smart manufacturing platform, enabling production lines to make real-time adjustments and rapid changeovers based on product demand.

Benefits

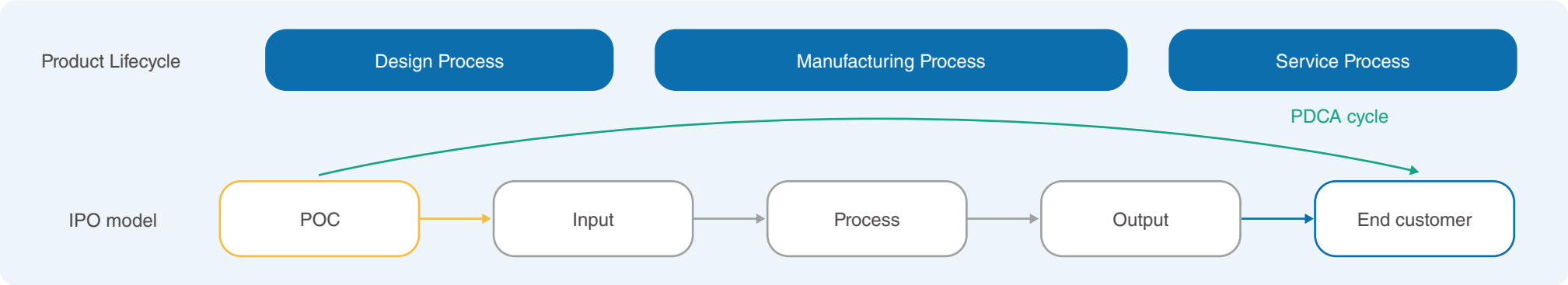
The maglev production line combines high-speed operation with high-precision positioning technology, effectively reducing vibration interference and equipment wear, thereby improving process stability and quality consistency. Through modular workstation design and intelligent parameter adjustment mechanisms, the production line also gains rapid changeover capability, significantly improving equipment utilization and overall production efficiency.

Service Improvement

In terms of customer service, this manufacturing architecture supports rapid deployment and flexible delivery, effectively responding to fluctuating customer demand and customized product needs, further enhancing customer satisfaction and engagement. In addition, future integration with AOI inspection, automation equipment, and digital systems will progressively build a smart manufacturing environment with real-time monitoring and intelligent decision-making capabilities.

3. Quality Left Shift

- DFX (Design for Excellence)
- DOE (Design of Experiments)
- Key Component Evaluation
- Early-Stage Risk Identification



The Company promotes a Quality Left Shift strategy, extending the focus of quality management from the later stages of manufacturing to the early stages of product design and development. Through mechanisms such as DFX (Design for Excellence) reviews, DOE (Design of Experiments) verification, key component evaluation, and early risk identification, potential risks and defects can be identified before mass production, shortening the downstream correction cycle and reducing quality costs.

To address the upgrading of manufacturing technology and rising quality requirements, the Company actively promotes academia-industry collaboration with Chongqing University, integrating academic research resources with industrial practice needs to build a forward-looking technology development strategy. This collaboration model emphasizes not only solving individual problems but also the long-term accumulation of technical capability and the establishment of competitive advantage.

Through this academia-industry collaboration, complex quality and process issues on the manufacturing floor are converted into quantifiable and verifiable research topics, leveraging academic institutions' strengths in model analysis and technology validation to accelerate problem-solving and technological innovation.

4. Responsible Mineral Management Strategy

- Establish Responsible Mineral Management Mechanism (3TG / Cobalt, etc.)
- Implement RMAP / AMRT / CMRT / EMRT Due Diligence Process
- Strengthen Supply Chain Transparency and Traceability
- Implement Supplier Risk Assessment and Tiered Management
- Promote Sustainable Procurement and Compliance Management

In line with international trends in responsible mineral management, the Company has established a comprehensive supply chain investigation and management mechanism. Through CMRT data collection and supply chain traceability analysis, it ensures that key mineral sources comply with responsible sourcing principles.

5. Hazardous Substance Management Strategy

- Establish Hazardous Substance Management System (QC080000)
- Implement SRM System and Full Material Disclosure (FMD)
- Comply with International Regulations (REACH / RoHS / PFAS, etc.)
- Promote Source Control and Green Material Adoption
- Strengthen Supply Chain Data Transparency and Risk Management

The Company uses a systematic platform to integrate supply chain information and regulatory requirements, controlling hazardous substances across the entire process from design to manufacturing, while continuously introducing green materials and alternative solutions to enhance the environmental performance and market competitiveness of its products.

Customer Relationship Maintenance Strategy

- Enhance sustainable development: Continuously promote corporate sustainable development, deepen environmental, social, and corporate governance (ESG) strategies, and meet customers' sustainability requirements for suppliers.
- Technological innovation: Continuously invest in the development and research of new processes to maintain a leading position in technology, meet market demands, and enhance competitiveness.
- Deepen customer collaboration: Strengthen cooperation with customers by participating in customers' early R&D stages, providing technical support, deepening cooperative relationships, and enhancing customer loyalty.

Through these measures, Simplo Technology can continuously enhance its quality management level, maintain good customer relationships, and retain a competitive edge in the market.

Customer Relationship Maintenance Methods

- Quick response mechanism: With flexible production capabilities and a comprehensive production system, able to respond to customer needs in a timely manner, and ensure that customer inquiries and complaints are responded to and resolved immediately.
- Customized service: Adapting to different customer needs by adopting various response approaches, as well as training customer service teams to possess professional knowledge and good communication skills in order to solve customer problems.
- Increase and establish interactions: Regularly communicating with customers (daily/weekly/monthly meetings, etc.) and sharing product information or valuable insights.

Customer Satisfaction Survey

Simplo Technology places great importance on customer satisfaction. Through Quarterly Business Review (QBR) meetings, the Company maintains close communication with customers and continuously improves based on identified corrective items. Simplo's 2025 QBR performance earned a Customer ESG Award. In addition to the regular QBR feedback in 2025, the Company for the first time conducted a satisfaction survey across all customers to better understand customer feedback, proactively respond to customer needs, and deliver greater value and higher-quality service, achieving an average score of 92.

The survey covers four dimensions:

- New Case Evaluation / Development Stage Satisfaction
- Mass Production Delivery Satisfaction
- Quality of Service Satisfaction
- Overall Service Satisfaction

Diverse Customer Communication Channels

The Company has established a multi-level customer communication mechanism covering day-to-day operations, management reviews, and senior decision-making levels, ensuring that requirements, quality issues, and project progress are aligned and addressed in real time. In execution, cross-departmental collaboration, real-time response mechanisms, regular meetings, and complaint-handling processes improve problem-solving efficiency and service quality. The Company also strengthens its design-in collaboration model, participating in customers' product development process at an early stage to reduce the gap between design and mass production and deepen collaboration.

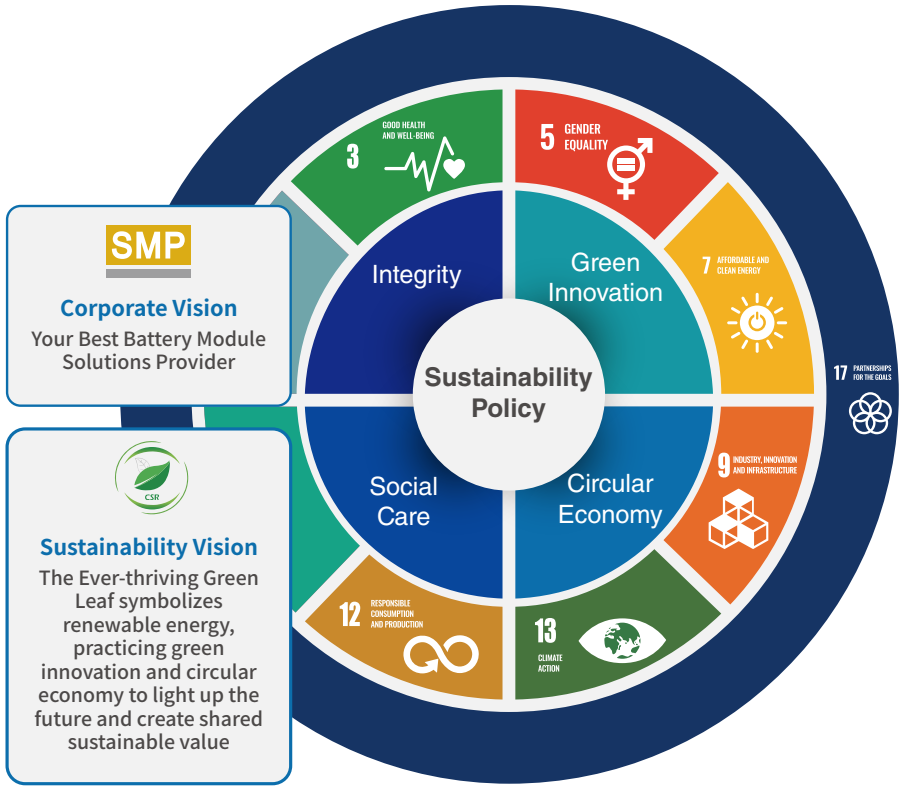
ESG Benefits and Future Development

- Reduce Defects and Waste
- Improve Efficiency
- Reduce Energy Consumption
- Strengthen Sustainable Competitiveness

The integration of quality management and smart manufacturing not only improves production efficiency and product consistency but also effectively reduces defect rates, rework rates, and resource waste, while simultaneously lowering energy consumption to create dual environmental and operational benefits. Going forward, the Company will continue to strengthen quality system integration, upfront risk management, and process digitalization capabilities, while deepening technical collaboration and production optimization to progressively build a competitive advantage that combines quality, efficiency, and sustainable development.

1.2 Sustainability Strategy

Simplo Group's ESG Development Focus



Environmental Sustainability

ENVIRONMENT

Low-carbon Manufacturing, Circular Economy

Focusing on low-carbon development and practicing circular economy, committed to lowering environmental impacts.

Inclusive Growth

SOCIAL

Human Resources Development, Social Care

Adopting a people-oriented approach, emphasizing human resources and social engagement, and creating inclusive value.

Sustainable Governance

GOVERNANCE

Business Integrity, Green Innovation

Based on integrity and sound operations, we promote green innovation.

Sustainability Goals

Sustainability Actions

2030 Sustainability Goals and Actions

Aspect	Material Topics	Action	Current Situation	2030 Objectives	Sustainable Development Goals
Sustainable Governance	Business Integrity	• Enhance Code of Conduct and business integrity • Organize employee education and training on integrity	1. No major violations 2. A total of 5,662 people received anti-corruption education and training, with a coverage rate of 100% , totaling 10,045.5 hours.	• 0 penalty cases for violations of the ethical corporate management policy • Completion rate of integrity policy advocacy and training is 100%	
	Risk Management	• Execute enterprise risk assessment questionnaire to regularly review risks and countermeasures	1. A risk management training was held in 2024, with a total of 53 participants 2. Identify 12 risk issues across four major risk categories	• Regularly report risk assessment and response measures to management	
	Supply Chain Management	• Sustainable supply chain risk questionnaire evaluation • Organize a sustainable supply chain communication conference	1. Complete the key supplier management target setting 2. Held 2 supplier communication conference	• The proportion of key suppliers completing the sustainable supply chain risk questionnaire is 100%	
	Product Quality and Responsibility	• Establish a dedicated department for quality improvement • Develop customer relationship strategies	1. The submission rate of due diligence reports by key suppliers is 100%	• Achieve 100% of customer QBR requirements	
	Information Security	• Passed the ISO 27001 information management system • Promote Information Training	1. Zero major information security incidents 2. 12 information security meetings were held	• No incidents of customer privacy leakage	
Environmental Sustainability	Climate Action	• Regularly review the achievement rate and actions for SBT carbon reduction targets and 2040 RE100 objectives	1. Implement eight actions to save 8,419 GJ, equivalent to reducing 1,254.90 tCO_2e	• Achieve SBT Scopes 1, 2, and 3 carbon reduction targets	
	Circular Economy	• Setting of energy saving management targets and regular review of imported plastics PCR	1. The material recycling rate for PET film usage is 100% 2. PC Film introduces 90% recycled materials 3. Introduce 100% recycled plastic materials (specific models)	• Achieve 100% recycled material use for PCR and cobalt in specific models	
	GHG	• Conduct annual ISO 14064-1 inventory and verification	Verification of 8 operating bases is done Reached RE79	• 100% verification coverage of ISO 14064-1 • Reach RE90	
	Product Carbon Footprint	• Established an ISO 14067 carbon footprint calculation center	Completed 10 product carbon footprint lifecycle surveys	• Establish a carbon calculation sustainability platform	
Mutual Growth	Training and Development	• Establish an "Education and Training Plan" to systematically integrate internal and external resources	1. Complete the general, professional and management functions training map 2. Average training hours for executives is 25.38 hours, and for non-executives is 31.77 hours	• Implementation of learning platform, • Individual Development Plans (IDP) for key talent	

Sustainability Governance Structure

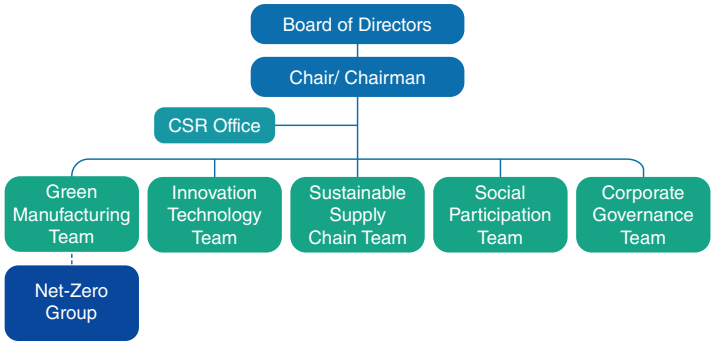
2021 marked Simplo Technology's first year of sustainability. The Company established a Sustainability Committee and appointed a Chief Sustainability Officer (CSO). A Sustainability Office was set up to coordinate the Committee's operations, with five task forces established according to organizational function: Green Manufacturing, Innovative Technology, Sustainable Supply Chain, Social Participation, and Corporate Governance. Committee members are primarily held by executives at or above the deputy general manager level. The Committee convenes semi-annually, and its performance is reviewed at year-end and reported to the Board of Directors. Through this sustainability governance structure, the Company aligns with international sustainability trends and requirements, positioning itself as a leading provider of green solutions and sustainable development for its customers.

Based on operational needs, Simplo Technology has elevated the level of its sustainability governance. In November 2025, the Board of Directors approved the "Organizational Charter of the Simplo Technology Sustainability Development Committee," establishing the Sustainability Development Committee as a functional body under the Board.

To further respond to international net-zero trends, a Net-Zero Carbon Reduction Cross-Function Team has been established under the Green Manufacturing task force, responsible for executing carbon reduction plans and setting and tracking environmental targets.

Information on the organization and implementation of relevant sustainability development committees is also disclosed on the Simplo Website and the Market Observation Post System (MOPS).

Sustainability Development Committee Organization Chart



Task Force Responsibilities

Team	Responsible Executive	Responsibilities
Green Manufacturing Team	Manufacturing Site General Manager	Enhance energy usage efficiency, GHG Inventory, environmental and ecological conservation, chemical management
Innovation Technology Team	R&D, Project Management, and Quality Senior Manager	Environmental design, evaluation of recycled materials, hazardous substance management
Sustainable Supply Chain Team	Materials Department Senior Manager	Supply chain partner prosperity, supplier sustainability management, green sustainability, due diligence
Social Participation Team	Administrative Management Senior Manager	Promote employee benefits, protect human rights, occupational health and safety, social care, and labor-management communication
Corporate Governance Team	Finance Department Senior Manager	Implement ethical management, improve the internal control system, manage sustainability risks, and protect shareholder rights

Item	Operating Mode	Frequency
Board of Directors	Oversee the implementation of sustainability development	At least once a year, report or approve key matters at a Board or strategy meeting
Sustainability Development Committee	The Chairman serves as chair, with first-tier executives serving as conveners of each task force committee, integrating cross-departmental strategy and resources, led and coordinated by the CSO	The Sustainability Office reports to the Chairman at least once a year
Sustainability Function Teams	Establishment of cross-platform teams: Net-Zero Carbon Reduction Team, Circular Economy Team, and Carbon Footprint Team	Meetings held quarterly or as needed

SMP Actively Aligns with International Carbon Reduction Standards and Initiatives



ISO14064-1 Verification
- Group operating sites
- Vietnam included since 2025

Target Approved SBTi Review
- 2030 Scope 1+2 ↓ 51%
- Scope 3 Category 1 ↓ 25%

Committed to RE100
- Simplo Group
- By 2040: 100% renewable energy at manufacturing sites

NET-ZERO Target Setting
- 2050 Achieve SBT Net-Zero
- 2026 Submit target application

Responding to the United Nations Sustainable Development Goals

SDG	Value Connection	Actions	Response Chapter
	Providing a comprehensive welfare system and ensuring a safe working environment to protect employee health	• Third-party certification for ISO 45001 • Establishment of the "Occupational Health and Safety Committee" • Employees receive regular free health checkups every year. In 2025, a total of 2,369 employees participated in the general health checkups	6.4 Safety and Health
	Creating a friendly workplace environment to help employees achieve a healthy balance between work and life	• Establishing human rights policies to eliminate all violations of human rights • Providing employees with the option to apply for unpaid parental leave based on their family needs • Setting up breastfeeding rooms in each plant area. Conducting human rights-related training through employee training courses, with 5,424 participants and a 100% participation rate	6.1 Human Rights Management
	Improving energy efficiency and increasing the utilization rate of renewable energy	• Positioned the new business of energy storage. Install rooftop solar photovoltaic systems, solar PV cumulative electricity generated 10,184 MWh • Signed green power contract	4.3 Energy Management
	Dedicated to helping customers produce environmentally friendly products, introducing eco-design, and committed to the R&D of green innovative products	• Held the "SMP Environmental Protection Week" • Continuous circular economy solution for PCR plastic and packaging material recycling • Established green product information and complete customer-specified carbon footprint surveys	5.2 Circular Economy 5.4 Product Carbon Footprint
	Worked with partners in the value chain to protect the environment, uphold human rights, and comply with ethical standards to enhance sustainable competitiveness	• Establish the sustainable supply chain management policies • Conducted ESG and human rights risk investigations across the supply chain • 2025 Simplo Group ESG Sustainable Supply Chain Seminar, with nearly 250 supply chain partners participating online	3.1 Supply Chain Management Strategy 3.3 Low-Carbon Supplier Engagement
	Identifying climate change risks and opportunities, devising mitigation and adaptation actions, and implementing comprehensive carbon management actions	• Passed SBTi near-term target and committed to long-term target • Joining RE100 and commits to using 100% renewable energy by 2040 • ISO 50001 energy management system	4.1 Net-Zero Transformation Strategy 4.2 GHG Inventory
	Establishing sustainable partnerships centering on mutual prosperity	• Responding to international initiatives: RBA, RMI, SBTi, RE100	1.1 Company Profile 3.3 Low-Carbon Supplier Engagement

1.3 Material Topics Analysis

Materiality Assessment Process

In order to ensure that this report meets the needs of stakeholders, the report identifies material sustainability issues through the "Stakeholder Survey" and is prepared with reference to the eight principles defined in the GRI Standards (2021). It provides an in-depth analysis of the issues of concern to stakeholders and their positive and negative impacts. Issues are ranked based on their level of concern and impact level to effectively respond to stakeholders' expectations and needs.

Trend Tracking
Collect sustainability trend topics

Questionnaire Survey
Conduct concern and impact questionnaires

Result Analysis
Analyze concern questionnaire and impact questionnaire results

Topic Confirmation
Internally review analysis results and confirm annual material topics

Management Target Setting
Responsible units set short-, medium-, and long-term targets for material topics

Step One: Collect Sustainability Trend Topics

Simplo Technology refers to sustainability standards and regulations (GRI, SASB, TCFD), international ESG evaluation agencies (DJSI, MSCI, CDP), the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, stakeholder issues of concern, industry characteristics, and related regulations to aggregate 16 sustainability issues.

Step Two: Questionnaire

1. **Material Issues Level of Concern Questionnaire**
   A survey was conducted to assess the level of concern of 5 major key stakeholders on 16 sustainability issues. The survey evaluated the "positive" and "negative" impact levels these issues have on economic, environmental, and social (people) sustainable development, receiving a total of 90 valid feedback.
2. **Internal Impact Assessment Questionnaire**
   Through the assessment questionnaire, we evaluated the degree of potential impact of sustainability issues on Simplo Technology's own operations.

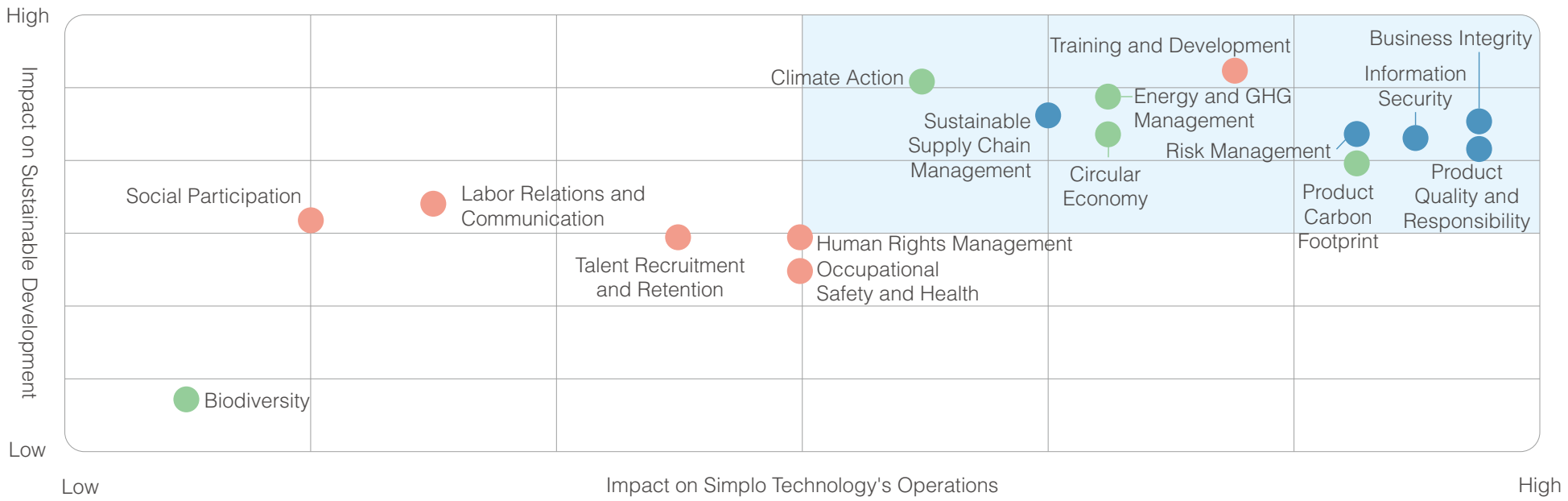
Step Three: Result Analysis / Confirm the Topic

After consolidating the survey results, impact assessments were ranked. The CSR Office comprehensively considered the impact scores of various ESG issues, selected 10 material topics, and plotted a matrix.

Step Four: Target Setting and Management

After consolidating the survey results, impact assessments were ranked. The CSR Office comprehensively considered the impact scores of various ESG issues, selected 10 material topics, and plotted a matrix.

Material Topics Matrix



Material Sustainability Topics

Economic - 5 items	Environment - 5 items	Social - 6 items
*Business Integrity	*Climate Action	Occupational Safety and Health
*Risk Management	*Circular Economy	Talent Recruitment and Retention
*Sustainable Supply Chain Management	*Energy and GHG Management	*Training and Development
*Product Quality and Responsibility	*Product Carbon Footprint	Labor Relations and Communication
*Information Security	Biodiversity	Human Rights Management
		Social Participation

*Denotes a material topic

Value Chain Impact Description

○ Indirect Impact ● Direct Impact

Material Topics	Impact on the Value Chain (Positive Impact / Negative Impact)	Corresponding GRI	Impact on the Value Chain			
			Upstream	Simplo Operations	Downstream	
			Suppliers	Headquarters	Manufacturing Sites	Customers
Governance						
Business Integrity	• Positive Impact: (e.g., Reduces legal and financial risks, increases transparency and credibility.) • Negative Impact: (e.g., High implementation costs, inadequate supervision may lead to formalism.)	205-2	●	●	●	●
Risk Management	• Positive Impact: (e.g., Implementing risk management minimizes losses and improves crisis response.) • Negative Impact: (e.g., Ignoring risk management exposes hidden risks.)	Custom Topic	○	●	●	○
Supply Chain Management	• Positive Impact: (e.g., Enhances supply chain stability, reduces environmental and social impacts.) • Negative Impact: (e.g., Poor supply chain management may cause pollution and human rights violations.)	204-1 414-1 308-1 414-2 308-2	●	●	●	●
Product Quality and Responsibility	• Positive Impact: (e.g., Emphasizing product responsibility minimizes negative health and environmental impacts.) • Negative Impact: (e.g., Neglecting responsibility increases risks to health and the environment.)	416-1 416-2	●	●	●	●
Information Security	• Positive Impact: (e.g., Proper implementation reduces risks of data breaches.) • Negative Impact: (e.g., System failures may threaten personal safety and societal stability.)	418-1	●	●	●	●
Environment						
Product Carbon Footprint	• Positive Impact: (e.g., Evaluating the carbon footprint increases transparency of a product's environmental impact.) • Negative Impact: (e.g., Ignoring carbon footprint assessments might overlook lifecycle environmental impacts.)	Custom Topic	●	●	●	●
Circular Economy	• Positive Impact (e.g., Reducing waste and minimizing the environmental and ecological damage caused by resource extraction.) • Negative Impact: (e.g., Resource depletion, improper waste treatment leading to secondary pollution.)	301-2	●	●	●	○
GHG	• Positive Impact: (e.g., Reducing greenhouse gas emissions, contributing to the global goal of limiting warming to 1.5° C.) • Negative Impact (e.g., Extensive land use for renewable energy facilities might damage and reduce farmland and habitats, impacting natural ecosystems.)	302-1 305-1 302-3 ~305-5	○	●	●	●
Climate Action	• Positive Impact: (e.g., Mitigating climate change, reducing threats from extreme weather on ecosystems and humans.) • Negative Impact: (e.g., If climate action fails, climate change may exacerbate ecological and environmental risks.)	201-2	●	●	●	○
Social						
Training and Development	• Positive Impact (e.g., Enhancing employees' professional skills and competitiveness.) • Negative Impact (e.g., Poor planning of employee training and career development may impact the company's competitiveness.)	404-1 404-3	○	●	●	○

1.4 Communication with Stakeholders

Stakeholder Interaction

Simplo Technology adheres to the principles of honest and transparent communication and responsible corporate governance. Following the Global Reporting Initiative (GRI) Standards and the AA1000 Stakeholder Engagement Standard, we have established a systematic stakeholder identification and management mechanism. The company has identified five core stakeholder categories: customers, suppliers, employees, shareholders/investors, and government agencies. These serve as the basis for sustainable communication and strategic responses.

Stakeholders	Significance to the Company	Issues of Concern		Communication Frequency and Method		2025 Progress
Customers	Earn the trust of customers through innovative technology, high-quality products, and services. Customer feedback is invaluable to us as it guides our continuous improvement efforts	• Sustainable Supply Chain Management • Product Quality and Service • Product Carbon Footprint	• Green Production • Climate Change Response • Information Security	[Regular] • Technical • Business Meetings (QTR/QBR) Satisfaction Survey	[Occasional] • Email • Company Website • Customer Audit	1. Daily emails and customer visits 2. Participated in QBR/QTR meetings 15 times in total 3. Customer satisfaction survey 4. Responded to 22 customer questionnaires (7 online platform questionnaires) 5. Ad hoc customer sustainability topic exchanges
Suppliers	Aspiring to grow together with supplier partners, working hand in hand to fulfill corporate social responsibility	• Responsible Procurement • Hazardous Substance Management	• Conflict Minerals Management • Supplier Sustainability Rating/Audit	[Regular] • Supplier Evaluation	[Occasional] • Supplier RBA Audit • Supplier Conference • Supplier Questionnaire	1. Held 2 sustainable supply chain communication conferences, with approximately 250 suppliers participating online 2. 17 suppliers received ESG evaluations 3. RBA audited 21 companies 4. Signature of Supplier Code of Conduct Commitment
Shareholders/ Investors	To protect shareholders' rights and interests by upholding the integrity of management and the transparency of operating information	• Operational Performance • Dividend Policy and Distribution • Management Policy	• Information Transparency • Investment Plans • Business Integrity	[Regular] • Annual Report and Financial Statements • Investor Conference	[Occasional] • Company Website • Email	1. Held 1 shareholders' meeting 2. Held 1 investor conference 3. Published the 2025 Annual Report 4. 5 questionnaires from investment institutions
Employees	A well-established welfare system and a safe working environment, as well as the cultivation of excellent talents to enhance the company's operational performance and efficiency	• Occupational Safety and Health • Employee Benefits • Professional Skills Training	• Labor-Management Communication • Green Living	[Regular] • Employee Health Checkups • Labor-Management Meetings • Welfare Committee Meetings	[Occasional] • Internal Email, Website Bulletin Board • Training • Company Website	1. One annual employee health checkup, 4 labor-management meetings, 12 welfare committee meetings 2. 3 employee benefit activities held, 4 group meal satisfaction surveys 3. Portal announcements 4. CSR e-newsletter cumulative 29 issues, ESG Digest 45 issues, Group e-newsletter 2 issues 5. Simplo Environmental Protection Week
Government Agencies	Compliance with laws and regulations to build a good corporate reputation	• Corporate Governance • Risk Management • Occupational Safety and Health	• Regulatory Compliance • Energy Management	[Occasional] • Official Documents • Email	• Briefing Sessions • Market Observation Post System (MOPS)	1. Filings with the Market Observation Post System (MOPS) 2. Participated in government briefing sessions 3. Regularly conducted regulatory compliance checks

2 Corporate Governance

2.1 Governance Operation

2.2 Economic Performance

2.3 Business Integrity

2.4 Risk Management

2.5 Information Security



Performance Results

More than half of the total number of independent directors

4 Independent Directors

12th Corporate Governance Evaluation

6~20%

Female Director

1

No major information security incidents

2.1 Governance Operation

Board Operation

The Board of Directors of Simplo Technology consists of seven directors, including three directors and four independent directors (more than half of the total number of directors). Directors are nominated through a candidate nomination system, and they are elected by shareholders at the shareholders' meeting through voting according to the Procedures of Director Election.

Simplo Technology respects the diversity policy of directors, and appoints directors based on meritocracy. The Board of Directors comprises individuals with diverse and complementary capabilities across various industries, including professionals with qualifications and work experience in management, legal affairs, industry sectors, and accounting. Each director serves a three-year term.

The Board of Directors convenes at least one meeting every quarter, totaling four meetings in 2025, with an overall attendance rate of 96.43%.

Management Goals	Status
More than half of the total number of independent directors	Achieved
There shall not be less than one director of different gender	Achieved note
Directors who also serve as company managers should not exceed one-third of the total board seats	Achieved

Note: Upon expiration of the term in 2026, one female director was added (term: May 29, 2026 to May 28, 2029).



Pursuant to the Rules of Procedure of the Board of Directors and the Audit Committee Charter, directors or committee members who have any interest themselves or on behalf of the corporation they represent in the agenda of the meeting shall explain the important content of their interests on site, recuse themselves from discussion and voting, and may not exercise voting rights on behalf of other directors or committee members.

All four independent directors of Simplo Technology meet the requirements of independence. In addition, one of the directors serves as a manager of the Company to support business development and operational needs. The Company has formulated the Rules Governing the Scope of Powers of Independent Directors, specifying that "when an independent director objects to or expresses reservations about any matters, it shall be recorded in the minutes of the board meeting," "the Company or the board may not obstruct, refuse, or evade the actions of independent directors in business execution," and "where independent directors deem it necessary for business execution, independent directors may request the board to appoint relevant personnel or may themselves hire professionals for assistance." This ensures that independent directors can fulfill their duties and effectively enhance the operation of the board and the Company's operating performance.

Board of Directors	Audit Committee	Remuneration Committee
7 members	4 members	3 members
4 meetings were held	4 meetings were held	4 meetings were held

Diversity of the board of directors

Name	Basic information							Industry Experience				Profession Ability	
	Nationality	Gender	Employee	Age				Battery Module	Operation and decisionmaking management ability	Marketing and Business promotion	Financial Management	Lawyer	Accountant
				41-50	51-60	61-70	71-80						
Sung, Fu-Hsiang	Republic of China	Male	V				V	V	V	V	V		
Sung, Wei-Jer	Republic of China	Male			V			V	V	V	V		
Bon Shin International Investment Co., Ltd. Representative: Kung, Wen-Lin	Republic of China	Male			V			V	V	V	V		
Independent Director Chiu, Kuan-Hsun	Republic of China	Male		V				V	V	V	V		
Independent Director Chu, Chih-Hao	Republic of China	Male			V			V	V	V	V		
Independent Director Kao, Chih-Ting	Republic of China	Male		V				V	V	V	V		
Independent Director Chen, Hsi-Chia	Republic of China	Female			V			V	V	V	V	V	

Note:
1.Following the Board re-election on 2026/5/28, female directors account for approximately 14% (1 of 7).
2.For each director's education and experience, please refer to the Simplo Technology official website / Board of Directors section.

Functional Committees

Remuneration Committee

Simplo Technology has established the "Remuneration Committee" in accordance with the "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". Members of the Committee are appointed by the Board of Directors. With Independent Director Chiu Kuan-Hsun as the convener, and independent directors Wang Chen-Wei and Lin Pi-Jung as committee members, 4 meetings were convened in 2025, with an overall attendance rate of 91.67%. Members of the Remuneration Committee shall, with a duty of care, faithfully perform the following powers and submit their recommendations to the board for discussion:

1. Regularly review the Remuneration Committee Organizational Charter and propose amendments as necessary.
2. Set and regularly review the annual and long-term performance targets, and the policies, systems, standards and structures of the remuneration of the Company's directors, supervisors and managerial officers.
3. Regularly review the achievement of performance targets of the Company's directors, supervisors and managerial officers and determine the content and amount of their individual remuneration.

Remuneration policy

According to Simplo Technology's "Remuneration Management Regulations", aligning with corporate governance and sustainable business development, a reasonable remuneration framework is established. This includes the "Board of Directors and Manager Performance Evaluation Measures", which implements corporate governance and enhances the functionality of the Board of Directors, establishes performance targets to strengthen the Board's operational efficiency, and effectively assesses manager performance, enhances operational efficiency, strengthens responsible management, and serves as a basis for remuneration, promotion incentives, and career development.

1. Purpose of the procedures: To incentivize managers to achieve and exceed company goals, create profits, enhance operational performance, and consider the reasonable correlation with future risks. Regular evaluations of manager remuneration are conducted in accordance with these goals.
1. Review process: The management procedures, systems, standards, and structures of remuneration are deliberated by the Remuneration Committee and subsequently submitted to the Board of Directors for approval. The Remuneration Committee consists of three independent directors and does not engage additional remuneration consultants.
2. Salary structure:
   (1) Remuneration includes cash remuneration, stock options, dividends and stock ownership, retirement benefits or severance pay, various allowances, and other substantial incentive measures.
   (2) Year-end bonus: Distributed annually based on the Company's operating performance and with reference to the industry standard.
   (3) Employee remuneration: The manager's remuneration will be paid after a comprehensive evaluation is conducted based on the overall performance within the scope of the manager's duties and the achievement of individual work goals.

Audit Committee

Simplo Technology has established the Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and shall be responsible for executing the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations. With independent Director Chiu Kuan-Hsun as the convener, and independent directors Wang Chen-Wei, Lin Pi-Jung, and Chu Chih-Hao as committee members. All four independent directors meet the qualifications stipulated, including professional qualifications, work experience, independence, and limits on the number of concurrent independent directors' positions. The Committee convenes at least once a quarter and may hold a meeting at any time as needed. A total of four meetings were convened in 2025, with a total attendance rate of 93.75%.

Sustainability Development Committee

The Sustainability Development Committee has 3 members. Acting under the authority delegated by the Board of Directors, the Committee shall, with a duty of care, faithfully perform the following powers and report to the Board:

1. Formulate, promote, and strengthen the Company's sustainability development policies, annual plans, and strategies, etc.
2. Review, track, and revise the implementation status and effectiveness of sustainability development
3. Other sustainability-related matters, or matters resolved by the Board of Directors to be handled by this Committee

The term of the current committee members: May 29, 2026 to May 28, 2029.

For relevant information, please refer to our 2025 annual report.

Directors Training

Simplo Technology has 7 directors in 2025, who have participated in 46 hours of advanced training. All directors' advanced training hours meet the requirements of the "Key Points for Implementation of Advanced Training for Directors of Listed and OTC Companies." Please refer to page 29 of the 2025 Annual Report for details.

Title	Name	Training Date	Organizer	Course Name	Training Hours
Director / President	Sung, Fu-Hsiang	114/11/21	Securities and Futures Institute (SFI)	2025 Seminar on Legal Compliance for Insider Equity Transactions	3
Director	Chen, Tai-Ming	114/8/8	Securities and Futures Institute (SFI)	Lecturer for the Directors and Supervisors Continuing Education Program of TURN CLOUD TECHNOLOGY SERVICE INC.: "Legal and Transaction Practices in Mergers and Acquisitions"	1
		114/10/28	Taiwan Corporate Governance Association	2025 Fubon Insurance – AI Applications and Corporate Governance Seminar	3
		114/11/20	Securities and Futures Institute (SFI)	Directors, Supervisors and Corporate Governance Officers Program: "Impact of the Latest Amendments to the Securities Investor Protection Act on Directors' and Supervisors' Liabilities and Practical Responses"	3
		114/12/18	Importers and Exporters Association of Taipei (IEAT)	Challenges and Opportunities of ESG Risks in the Biotechnology and Pharmaceutical Industry	3
		114/12/18	Importers and Exporters Association of Taipei (IEAT)	Taiwan under a Changing Global Landscape	3
Independent Director	Wang, Chen-Wei	114/9/24	Taiwan Corporate Governance Association	Challenges and Strategic Thinking under the New Global Tax Order	3
		114/11/7	Taiwan Corporate Governance Association	Trade Secrets and National Security Compliance: Key Amendments and Case Studies	3
		114/11/12	Taiwan Corporate Governance Association	Latest Developments in Insider Trading Practices	3
Independent Director	Lin, Pi-Jung	114/8/20	Chinese Association for Company Management and Sustainable Development	Identifying Corporate Misconduct and Operational Risks through Financial Statements	3
		114/9/3	Chinese Association for Company Management and Sustainable Development	NVIDIA's Trillion-Dollar Miracle: New Perspectives on the Semiconductor Revolution Driven by AI	3
Independent Director	Chiu, Kuan-Hsun	114/7/9	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
		114/10/28	Taiwan Corporate Governance Association	2025 Fubon Insurance – AI Applications and Corporate Governance Seminar	3
Independent Director	Chu, Chih-Hao	114/11/13	Independent Director Association Taiwan	Major Overhaul of Financial Reporting: A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements"	3
		114/12/8	Taipei Foundation of Finance(TFF)	Corporate Governance: Business Value and Digital Risks of Generative AI	3

Performance evaluation

To enhance the functionality and operational efficiency of Simplo Technology's Board of Directors, the "Board of Directors and Manager Performance Evaluation Measures" were established in 2020. Annual performance evaluations are conducted for the entire Board of Directors, individual directors, and each functional committee. The evaluation methods include internal self-assessments by the Board of Directors, directors, and members of functional committees. The results of these evaluations serve as reference for individual director remuneration and reappointment. The "Board of Directors Performance Evaluation Results" are disclosed on the Company's website. The comprehensive performance evaluation results for the Board of Directors in 2025 were all rated as "excellent" and were reported to the Board of Directors on March 9, 2026. For more information and results of the board performance evaluation, please refer to our 2025 annual report and official website.

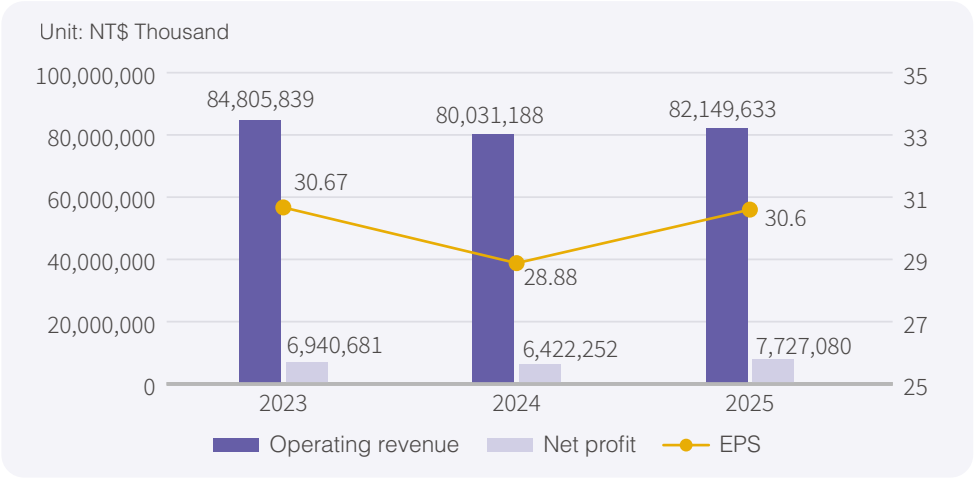
2.2 Economic Performance

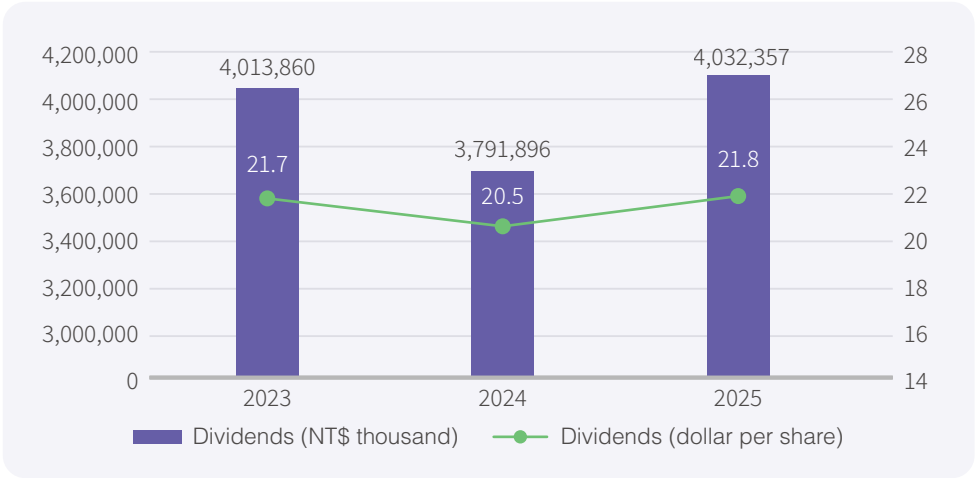
Financial information

Unit: NT$ Thousand ; EPS: NT$

Item	Detail	2023	2024	2025
Direct economic value generated	Operating revenue	84,805,839	80,031,188	82,149,633
Economic Value of Distribution	Operating costs	73,138,812	68,695,725	69,461,448
	Employee salary and benefits	4,670,416	4,354,659	4,593,644
	Dividends to shareholders	4,013,860	3,791,896	4,032,357
	Income tax expenses	1,851,182	1,783,285	2,214,362
	EPS	30.67	28.88	30.60

Note:
1. The table above is of the data from the consolidated condensed statements of comprehensive income, including subsidiaries of the Group.
2. Source: 2025 Annual Report of Simplo Technology Co., Ltd.





Tax information

Tax Policy

1. The Company shall file tax returns honestly and pay taxes in accordance with the tax laws and regulations of its location, and shall not engage in tax evasion or illegal tax avoidance.
2. Subject to compliance with applicable regulations, the Company conducts reasonable tax planning to reduce its overall tax burden and enhance shareholder value.
3. All transactions shall reflect economic substance and shall not be arranged solely for tax purposes.
4. Ensure that financial statements and tax information disclosures are complete and consistent.

	Unit	2023	2024	2025
Net income before tax for the period	NT$ thousand	8,414,464	8,105,840	9,351,043
Income tax expenses	NT$ thousand	1,851,182	1,783,285	2,214,362
Effective tax rate	%	22%	22%	24%
Payment of income tax	NT$ thousand	2,673,425	3,237,982	2,198,727
Cash tax rate	%	32%	40%	24%

Source: 2025 Consolidated Financial Statements of Simplo Technology Co., Ltd.



2.3 Business Integrity

Material Topics | Business Integrity

Simplo Technology adheres to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and related ethical guidelines. The Company has established the "Simplo Technology's Procedures of Ethical Corporate Management Best Practice Principles and Code of Conduct", which employees are required to follow. Every employee is required to sign a commitment to protect intellectual property rights, maintain business information confidentiality, and adhere to the integrity and honesty policy. Regularly reports to the Board of Directors on the implementation of the ethical corporate management policy and the prevention of dishonest behavior. Additionally, it conducts educational training and internal advocacy. Simplo Chongqing has also established business conduct and code of ethics procedures and anti-commercial bribery management regulations. In 2025, the Company did not experience any bribery or corruption incidents.

Internal audit system

Simplo Technology conducts internal audits in accordance with the "Internal Control Handling Guidelines" and other relevant regulations. In accordance with the annual audit plan approved by the Board of Directors, audits are conducted on various operational aspects of the Company. Audit results are submitted monthly to the Audit Committee members and independent directors for review, and quarterly by the Head of Audit to the Audit Committee and the Board of Directors. If necessary, the audit unit will request relevant departments to propose improvement measures and track their implementation.

Business integrity education and training

Simplo Technology follows the "Ethical Corporate Management Guidelines" and the "Procedures of Ethical Corporate Management Best Practice Principles and Code of Conduct", requiring employees to adhere strictly. On the day new employees join the Company, the HR unit is responsible for explaining the importance of ethical corporate management and integrity in operations, and employees sign the "Commitment to Integrity and Honesty Policy" to ensure compliance with relevant regulations.

In addition, the China and Vietnam plants have established Business Conduct and Code of Ethics procedures and anti-commercial bribery management regulations, and also require new employees to sign the "Employee Confidentiality and Professional Conduct Commitment" and the "Commitment to Refuse Gifts and Entertainment" upon joining. Every six months, all employees are reminded of the commitment to refuse gifts and entertainment, further strengthening employees' awareness of business integrity.

Simplo Taiwan provides anti-corruption training for new employees, covering topics such as business integrity and an introduction to RBA. The China and Vietnam plants also conduct annual anti-corruption training for existing employees. The annual training for all employees includes two courses, "RBA Training" and "Code of Ethics Training," while training for new employees includes "RBA Introduction Training," with a training coverage rate of 100%. Learning effectiveness is assessed through tests, and training is only considered complete once the score set by each site is achieved. In 2025, the Group's total training hours amounted to 10,045 hours, with 5,662 employees trained. Training statistics by region are shown below:

Anti-corruption training in 2025

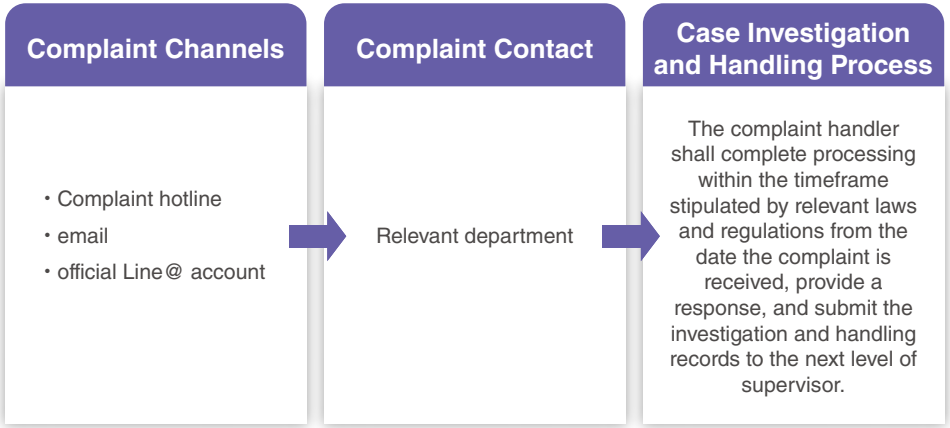
Site	Number of trainees	Training hours	Proportion of trained employees (%)
Simplo Taiwan	77	38.5	100%
Simplo Chongqing	1,980	3,321	100%
Chongqing Trend Power	407	770	99.3%
Simplo Changshu(including Huapu)	2,960	5,678	100%
Simplo Vietnam	238	238	100%

Note:
1. Simplo Taiwan figures only count training of new employees.
2. Simplo Taiwan's employee training ratio = number of new employees trained / number of new employees on payroll at year-end.
3. Each site's employee training ratio = number of trainees ÷ total number of employees on payroll at year-end.

Whistleblowing Channel

Simplo Technology has established dedicated grievance channels, including grievance hotline, e-mail, official Line@ account, new employee return visit, employee suggestion box, and WeChat public platform. These channels facilitate immediate and convenient communication and complaints, aiming to uphold employee rights and promote harmonious development.

The Company has established a whistleblower protection mechanism aimed at ensuring the confidentiality and anonymity of whistleblowers and their reported information. Employees can anonymously or openly report through various grievance channels. Upon verifying the allegations, if found true, immediate actions will be taken to cease the reported behavior and implement appropriate measures. If necessary, legal procedures may be pursued to seek compensation for damages, with reports also provided to the Board of Directors. The reporting channel is described as below:



Sexual harassment grievance mechanism

Simplo Technology has established the "Sexual Harassment Prevention Measures and Complaint Disciplinary Measures", and has released the "Implementation Plan for Preventing Unlawful Workplace Infringement" (including a statement), announcing the grievance hotline and email address internally.

Legal compliance

Simplo Technology emphasizes integrity, fairness, and compliance with the law. It strictly prohibits employees from engaging in bribery, corruption, or giving or receiving gifts or hospitality from suppliers, customers, and stakeholders that are not in line with commercial etiquette. Regarding labor, labor safety, information security, environmental protection, finance, intellectual property rights, trade secrets, and various commercial regulations, aside from complying with the government regulations of the headquarters in Taiwan, the same standards are also followed for the regulations of local governments where the Company's overseas branches are established.

The Company has set up legal specialists responsible for legal compliance and legal consultation. They regularly conduct identification and audits of regulations every six months to reduce and control business risks, safeguarding the rights of the Company's employees and shareholders. For updates related to financial or tax regulations, the Company consults with Deloitte Taiwan and participates in regulatory update seminars organized by the TPEx to stay informed about the latest standards. In 2025, the Company reported no significant instances of non-compliance with applicable laws and regulations.

2.4 Risk Management

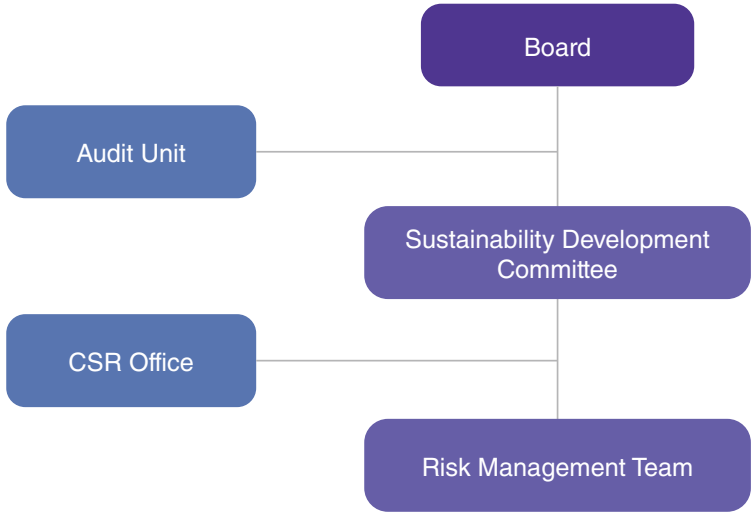
Material Topics | Risk Management

Risk policy and organization

The risk governance organization of Simplo Technology, with the Board of Directors as the highest management unit, approved the "Risk Management Policy and Procedures" in 2021.

To strengthen corporate risk management capabilities, build corporate resilience, and move towards the goal of sustainable operations, reference ISO 31000 for systematic implementation of risk management, and establish a "Risk Management Task Force" (as shown in the diagram below).

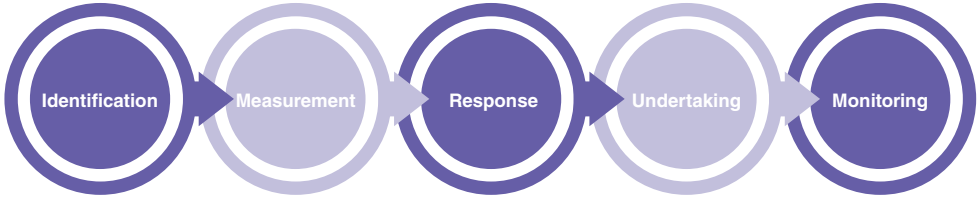
Risk management organizational chart



Risk operation process



Risk category	Responsibilities
Operational risk	Pay attention to contingency handling for market competition, and analyze market trends and business models.
Financial risk	Regularly evaluated by a certified accounting firm
Information security risk	Stability of IT equipment and data backup management to prevent system operation interruptions, affecting production and operations.
Compliance risk	The responsible unit fully understands and executes the regulations in its field and keeps up-to-date with new trend and knowledge in a timely manner.
Climate-related risk	Establish backup energy and equipment defense mechanisms to maintain uninterrupted factory operations.
Human rights risk	Abide by labor-related regulations and RBA standards to reduce the risk of labor disputes.
Safety risk	Regularly track relevant international regulations, collect customer requirements for product environmental sustainability, and carry out development in advance.



To strengthen the "Risk Management Task Force's" understanding of risk management, risk management education and training is held on an irregular basis. The course content includes: Global risk trends, international risk management standards, FSC's guidelines on risk management for listed companies, and practical aspects of corporate risk management. Conduct risk questionnaires after class and develop countermeasures.

The questionnaire content is based on international trends, customer requirements, regulations, and industry information to identify four major categories of risks, including "Strategic", "Operational", "Environmental", and "Hazardous", which further elaborates on 12 specific risk issues within these categories.

Score = [Frequency of occurrence (A) x Degree of impact (B)] x Degree of control (C)

Risk category	I. Strategic aspect	II. Operational aspect	III. Environmental aspect	IV. Hazardous aspect
Issues	Geopolitics	Information Security	Carbon management	Emergency
	Market competition	Legal compliance	Renewable energy	Natural disasters
	Technological research and development	Talent cultivation	Supply chain carbon reduction	Health and safety

Risk response

1. Supply chain carbon reduction (Refer to: 3.1 Supply Chain Management Strategy)
2. Talent cultivation (Refer to: 6.3 Talent Cultivation and Development)
3. Market competition (Refer to: 1.1 Company Profile)

2.5 Information Security

Material Topics | Information Security

Information Security Management Policy

To protect Simplo Technology's information assets from intentional or accidental damage and to ensure the sustainable corporate operation, information security policy has been formulated to confirm the security of the Company's key information assets, including:

- Confidentiality: Ensuring that only legally authorized users can access information.
- Integrity: Ensuring the correctness and integrity of information and information processing methods.
- Availability: Ensuring that authorized users have access to information and related assets whenever needed.
- Compliance: All personnel must comply with relevant laws (such as the Trade Secrets Act, Copyright Act, and Personal Data Protection Act).

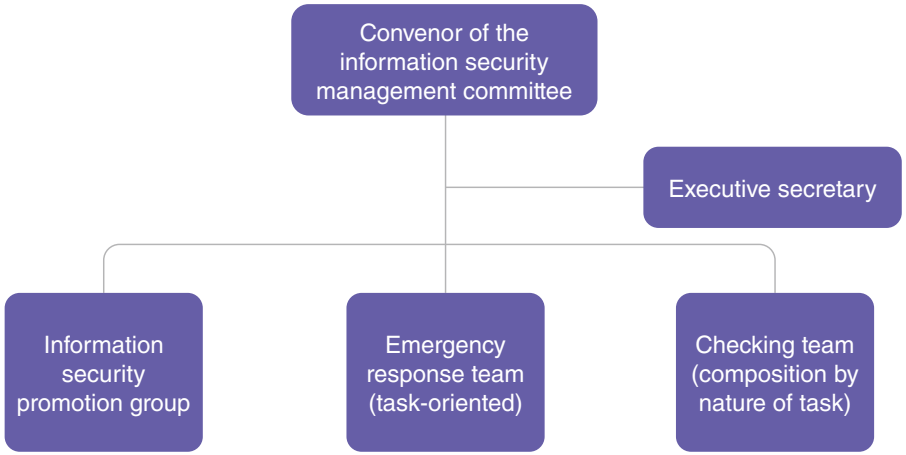
Through the management of this policy, the Company clearly declares its support for the objectives of information security, ensuring that relevant personnel adhere to the information security requirements and related legal regulations. This approach reduces the impact of any information security incidents, continuously operates and improves the information security management system, and protects the interests of the Company and its customers.



Organization and Operation of Information Security Management

Simplo Technology has established an Information Security Committee responsible for implementing information security-related regulations. Simplo Technology holds monthly information security meetings to review the implementation status of information management plans and keep abreast of emerging information security issues.

The information department regularly participates in internal corporate information security-related meetings to ensure the implementation of the information security management policy; the Audit Office serves as the auditing unit for overseeing information security, conducting annual information security audits on the electronic data processing cycle of the internal control system to assess the effectiveness of the Company's information operational control, and reports the results regularly to the Board of Directors.



Passed ISO 27001 certification

Simplo Technology's Taiwan headquarters introduced the Information Security Management System (ISMS) in 2023, and obtained third-party ISO/IEC 27001 information security management system certification. The scope of certification includes information service infrastructure and information management operational processes. By introducing the information security management system, the Company not only enhances its information security protection, but also protects the interests of both the Company and its customers. The Company passed the third-party ISO 27001 review audit in 2025, continuously adhering to information security management regulations to safeguard the Company's information security.

Information security training and promotion

New employees of the Company receive basic information security education and training upon joining. The IT Department also conducts information security awareness campaigns for current employees from time to time through the Company's internal portal or email. In 2025, three information security courses were offered, delivered via online viewing with a post-course test (passing score ≥ 80; those who do not pass are required to retake the test, and only after passing will it be recorded in the individual's learning record).

Trainee Group	Training Course	Number of Trainees	Pass Rate
Simplo Taiwan	Information Security Threat Trends	285	82%
	Social Engineering		
	OA Information Security Management		

Evaluation and Response Measures for Information Security Risk

- Simplo Technology has established Risk Evaluation Guidelines in response to information and communications security risks.
- Manage risks for critical information assets and core systems based on the level of impact from factors such as value, vulnerabilities, and threats.
- Establish a data backup mechanism: Formulate standard operating procedures such as backup and disaster recovery control methods, and conduct irregular disaster recovery tests each year to ensure the normal recovery of information systems and lower the risk of system interruption caused by unforeseen natural disasters or human errors.

✓ In 2025, there were zero major information security incidents leading to business damage.

- Deployment of technology-related information security functions: Including network firewalls, email security systems, antivirus systems, operating system updates, and system vulnerability scanning to control and reduce information security risks.
- Users' computer information security management

✓ Ensure the confidentiality, completeness, and availability of the Company's information data.

- Establish security policies for employees' email management, Internet usage management, computer system resources management, computer antivirus management, file access control, and remote access management.

3 Sustainable Supply Chain

3.1 Supply Chain Management Strategy

3.2 Supply Chain ESG Risk Assessment

3.3 Low-Carbon Supplier Engagement

3.4 Supplier Due Diligence

Performance Results

suppliers completed RBA assessment audits

22

Conflict minerals due diligence questionnaire response rate

100%

Local Procurement

98%

Supplier communication conferences

2



3.1 Supply Chain Management Strategy

Material Topics | Sustainable Supply Chain Management

Global ESG sustainability issues continue to receive significant attention. Countries and companies are actively initiating carbon reduction actions in response to climate change, with many committing to net-zero emissions targets. The scope of carbon reduction efforts is also expanding to include supply chains. The Company implements the "Sustainable Due Diligence" mechanism by systematically identifying risks and engaging in the evaluation process to address environmental, social, and governance risks within the supply chain, and takes concrete management actions. At the same time, we continuously cooperate with suppliers to promote carbon inventory and reduce carbon emission actions, building a supply chain system that is resilient and has sustainable value.

Sustainability supply chain policy

While valuing product quality, cost-effectiveness, technological innovation, service quality, and delivery reliability, Simplo Technology establishes long-term and trustworthy partnerships with suppliers to jointly promote the practice of environmental protection, human rights assurance, and business ethics. Simplo Technology will continue to work with supply chain partners to pursue a sustainable vision, creating a competitive and resilient sustainable supply system to achieve shared prosperity.



Four major strategies and goals of supply chain management

Simplo Technology aims to deepen sustainable supply chain management by developing "four major supply chain management strategies" based on industry characteristics and international trends. These strategies cover four key aspects: Climate Action, Environmental Sustainability, Friendly & Co-Benefit, and Risk Management, serving as the core framework for comprehensively advancing supply chain responsibility governance. On this foundation, we formulate phased promotion goals, and collaborate with supply chain partners to create sustainable competitiveness.

Strategic Guideline	Objectives	Actions	2025 Objectives	Achievement Status	2026 Objectives	2028 Objectives
Climate Action	Science Based Reduction Target	1. GHG inventory 2. CDP climate questionnaire 3. Local procurement	1. Key suppliers achieve 100% verification coverage of ISO 14064-1 2. Promote key suppliers' commitment to SBTi science-based carbon reduction targets	Key suppliers achieved 77% verification coverage of ISO 14064-1	1. Key suppliers (battery cell category) commit to SBTi carbon reduction targets 2. Promote key suppliers' (battery cell category) response to the CDP climate questionnaire 3. Key suppliers achieve 100% verification coverage of ISO 14064-1	1. Promote second-tier key suppliers' response to the CDP climate questionnaire 2. Key suppliers achieve 100% verification coverage of ISO 14064-1
Environmental Sustainability	Introduce environmental sustainability certification	1. ISO Sustainable certification 2. Renewable energy	Promote key suppliers to propose renewable energy plans	Achieved	Key suppliers achieve 100% verification coverage of ISO 14001	Key suppliers achieve 100% verification coverage of ISO 14001
Friendly & Co-Benefit	Comply with the RBA standards and conduct audits	1. Supplier ESG communication 2. RBA audits	Supplier RBA audits show no major deficiencies, with improvements made	Achieved	1. 1Key suppliers achieve 60% RBA VAP attainment rate 2. Share sustainability performance of outstanding suppliers	1. Key suppliers achieve 100% RBA VAP attainment rate 2. Share sustainability performance of outstanding suppliers
Risk Management	Implement sustainability risk surveys	1. Risk assessment and improvement 2. Supply chain resilience strategy	Supply chain due diligence survey	Achieved	1. Key suppliers achieve 100% verification coverage of ISO 45001 2. Complete supply chain due diligence	1. Key suppliers achieve 100% verification coverage of ISO 45001 2. Complete supply chain due diligence

Supply Chain Overview

In 2025, Simplo Technology collaborated with a total of 351 suppliers, of which 338 were local suppliers and 13 were non-local suppliers. The percentage of local procurement amount was 98%. To strengthen supply chain resilience and reduce the risk of supply disruption, Simplo Technology continuously optimizes its supplier selection mechanism. Through rigorous evaluation standards and review processes, the Company carefully introduces new suppliers while cultivating long-term partnerships.

- Definition of Key Suppliers: Suppliers that meet any of the following conditions of a. procurement volume, b. key components, c. irreplaceability, are classified as key suppliers, mainly including three major categories: battery cells, electronics, and mechanical components.
- Adjustment of Management Documents: With reference to the spirit of ISO 20400 sustainable procurement guidelines, sustainable factors should be incorporated into procurement policies and measures to assist enterprises in managing ESG risks and opportunities.
  1. Sustainable Procurement: In selecting suppliers and products, consider their impact on the environment and society, ensuring product quality, cost, technology, service, and delivery at the time of procurement, in order to reduce negative environmental impacts and enhance social and economic benefits within the supply chain.
  2. RBA Code of Conduct: Require the signing of the RBA Code of Conduct by suppliers at the time of contract signing to ensure that suppliers comply with relevant regulations during cooperation.

Simplo 2025 Local Procurement Percentages

Type	Procurement region	Percentage of procurement amount (%)	Percentage of non-local procurement amount (%)
Raw materials	Taiwan, China, Vietnam	98.00%	2.00%

Note1: Simplo Technology's main production locations are located in China, Taiwan, and Vietnam. Local means suppliers in China, Taiwan, and Vietnam, while non-local suppliers are not located in China, Taiwan, or Vietnam.
Note2: Procurement regions are determined based on the location of invoices for procurement.

Weight of Raw Materials in 2025

Material item	Weight (kg)
Battery cell	18,222,425.56
IC chip	3,763.23
Plastic	793,578.00

Note1: Battery cells are estimated by weight based on their average capacity conversion.
Note2: IC chip is the weight of the total parts.
Note3: Plastic is the total weight of the parts.



3.2 Supply Chain ESG Risk Assessment

Definition of Key Suppliers

Definition of key suppliers: Based on 1. procurement volume, 2. key components, and 3. irreplaceability, the selection criteria for key suppliers define three main categories: battery cells, electronics, and mechanical components.

Key supplier management

Simplo Technology will continue conducting sustainability surveys of its suppliers, implementing selection, evaluation, and engagement process. We following the ISO 20400 sustainable procurement principles, conducting regular audits to promptly assess supply chain risk conditions. Through communication, guidance, and training, we aim to collaborate with supply chain partners to enhance operational resilience together.

Selection of new suppliers

Simplo Technology adopts a rigorous review mechanism when selecting new suppliers. Suppliers with good market reputation and environmental management systems can be directly included in the list of new qualified suppliers; those who do not meet the criteria will be required to make improvements within a specified period and can only be formally included in the list after passing the reassessment.

In 2025, all 10 new suppliers filled out the ESG self-assessment form and were selected in accordance with the Supplier Management/Evaluation and Assessment Procedures. This demonstrates that the Company continues to apply high standards of sustainability criteria in the initial screening process for suppliers, ensuring that the supply chain is environmentally and socially responsible at the source.

Supplier code of conduct

Simplo Technology views suppliers as important partners. Specific methods and goals for sustainable supplier management have been established accordingly. Simplo Technology has adopted the RBA Code of Conduct as a reference and formulated the "Supplier Code of Conduct Commitment". For suppliers who have transactions with the company, they must sign the Code of Conduct Commitment, declaring their commitment to business integrity and compliance with environmental, economic, and human rights standards. Since 2022, suppliers have been required to sign the "Supplier Code of Conduct Commitment". Cumulative 246 signatures as of 2025, with a 94% signature rate.

Supplier sustainability management and ESG risk survey

Target: Tier-one suppliers accounting for the top 80% of the procurement amount

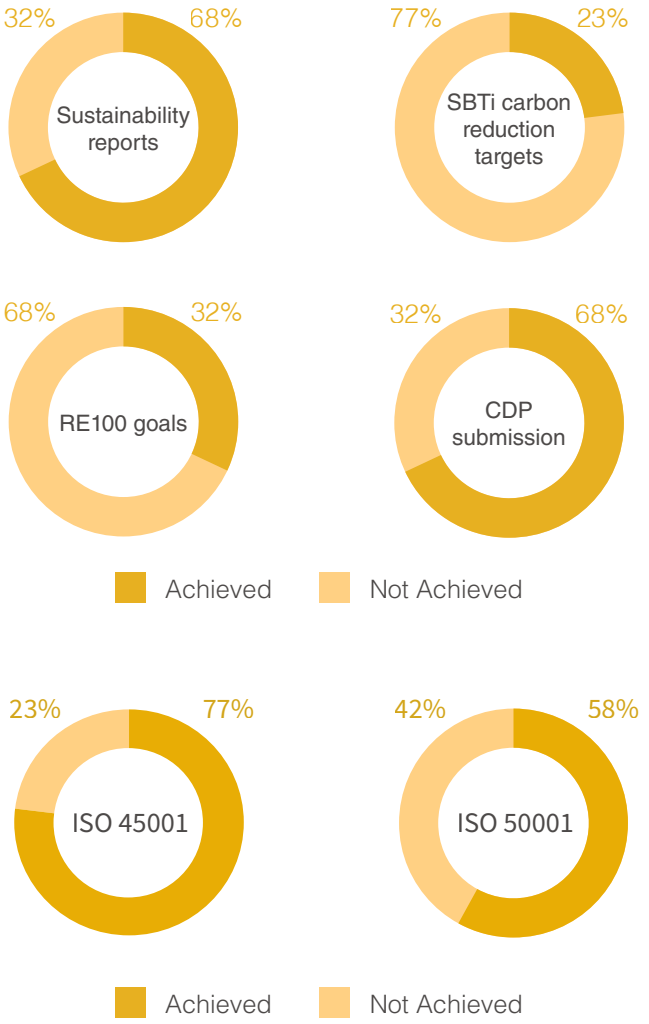
Survey Items	• Issuance of sustainability reports • Whether the RBA VAP has been obtained • Whether the CDP questionnaire has been submitted • GHG emissions • SBTi carbon reduction targets	• Renewable energy (RE) goals • ISO 27001 information security management system • ISO 45001 occupational health and safety management system • ISO 14001 environmental management system • ISO 50001 energy management system
Expected Addition	Operational continuity plan, supplier human rights due diligence, personal data protection, biodiversity	

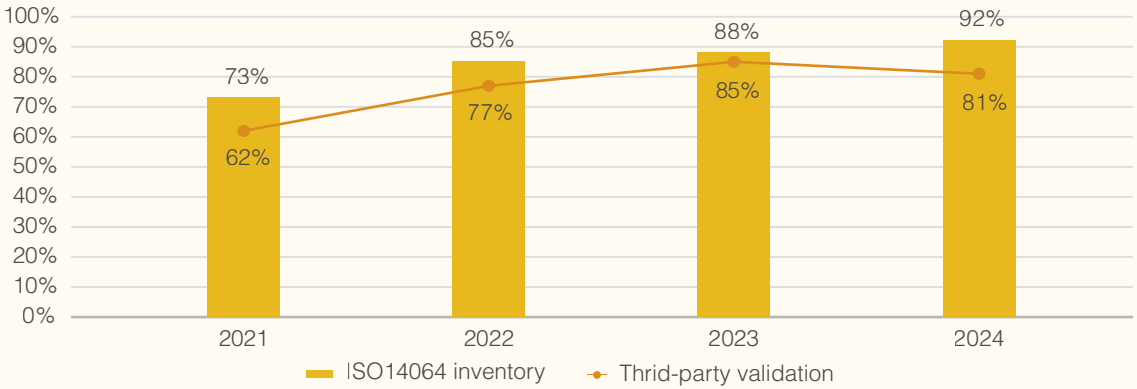
In 2025, sustainability questionnaires were distributed to a total of 22 suppliers, covering 6 battery cell manufacturers, 12 electronics manufacturers, and 4 mechanical component manufacturers. The results of this survey show that 68% of suppliers have published sustainability reports, demonstrating steady progress in information disclosure and transparency. In terms of climate action, 23% have set SBTi science-based carbon reduction targets and 32% have set RE100 renewable energy targets, showing that the supply chain's low-carbon transition continues to advance. An additional 68% completed the CDP climate questionnaire, reflecting suppliers' continued attention to climate risk management.

In terms of responsible supply chain management, 31% of suppliers have obtained RBA VAP validation, progressively strengthening compliance with international responsible business conduct standards. In terms of management system adoption, 50% have passed ISO 27001 information security management systems, 100% have passed ISO 14001 environmental management systems, 58% have adopted ISO 50001 energy management systems, and 77% have passed ISO 45001 occupational health and safety management systems, showing that the supply chain has established a certain foundation in environmental management, energy efficiency, information security, and occupational health and safety.

In addition, in promoting supplier greenhouse gas inventories, 92% of suppliers have completed GHG inventory work in accordance with ISO 14064-1, of which 82% have obtained third-party verification, enhancing the supply chain's carbon management capability.

Overall, the results of this survey show that the supply chain continues to make progress in sustainability information disclosure and management system adoption, with various sustainability issues progressively incorporated into supplier management and operational planning. Going forward, in addition to continuing to deepen supplier sustainability capacity building and climate governance collaboration, the Company will also invite suppliers recognized for outstanding sustainability performance to share practical experience at the Supplier Conference, using benchmark case exchanges to drive overall improvement in supply chain sustainability performance.





2025 Supplier RBA Audit Results

Simplo Technology conducted a total of 56 supplier audits in 2025. According to the audit results, they were divided into three levels of red, yellow, and green, and they were managed according to different levels. In the 2025 audit results, there were no red-light disqualified manufacturers. There were a total of 209 non-compliant issues identified, with the highest proportions found in the "labor" and "health and safety" aspects. These issues included overtime work violations, incorrect calculation of social security contribution base, inaccurate personal protective equipment allocation and fitting, and blocked emergency exits or evacuation routes. Regarding the non-compliant issues, suppliers have been requested to provide improvement plans and their implementation is being monitored to ensure all deficiencies are effectively addressed. In response to common deficiencies among suppliers, we have planned to conduct relevant courses to provide guidance and assistance for their improvement. This initiative aims to foster shared resources and mutual growth.

Findings in 2025 Supplier Audits

Category	Labor	Health & Safety	Environment	Ethic	Management System
Items	92	73	24	7	13
%	44%	35%	11%	3%	6%

3.3 Low-Carbon Supplier Engagement

2025 Supplier Conference: Advocating GHG Inventories in Alignment with Net-Zero Transition

In November 2025, two online supplier communication conferences were held under the theme "Sustainability at Core, Prosperity through Partnership," with approximately 250 supply chain partners attending online across the two sessions.

The conference focused on the four major strategic guidelines for a sustainable supply chain, including [Climate Action] Science Based Reduction Target (SBTi); [Environmental Sustainability] Introducing environmental sustainability certification; [Friendly & Co-Benefit] Complying with RBA standards and audits; [Risk Management] Implementing sustainability risk surveys.

Simplo Technology continues to communicate with supplier partners to strengthen social responsibility management and sustainability execution, advocating topics such as responsible minerals/restricted substances, human rights management, nature-related financial disclosure initiatives, and information security. As a member of the Responsible Business Alliance (RBA), Simplo also expects all supply chain partners to comply with the RBA Code of Conduct in order to meet international industry standards and societal expectations, working together to create a sustainable future.



3.4 Supplier Due Diligence

Responsible mineral management and due diligence

Simplo continues to focus on responsible mineral sourcing, upholding the principle of respect for human rights and committing to addressing human rights risks that may arise from business development. Our responsible mineral management originated from attention to the conflict minerals issue in the Democratic Republic of the Congo (DRC), initially focusing on the management of gold (Au), tin (Sn), tungsten (W), and tantalum (Ta) (collectively "3TG"), and has since progressively expanded to cover other responsible mineral sourcing categories that help reduce social and environmental risks.

Simplo conducts a reasonable level of mineral country-of-origin investigation every year, adopting the survey mechanism promoted by the Responsible Minerals Initiative (RMI) of the Responsible Business Alliance (RBA), and using the industry-standard Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) to conduct supply chain surveys. At the same time, we also require suppliers to conduct the same type of survey within their own supply chains, and encourage suppliers to sign a commitment not to use conflict minerals, in strict compliance with Simplo's responsible mineral sourcing policy, to ensure full disclosure of smelter source information. Through integrating information from both direct and indirect suppliers, we further advance and implement the due diligence program for responsible mineral sourcing.

In 2025, Simplo conducted due diligence on 163 major raw material suppliers. As of August 31, 2025, a 100% response rate had been achieved.

According to the survey results, a total of 242 3TG (gold, tin, tantalum, tungsten) smelters/refiners, 48 cobalt smelters, and 5 mica smelters were identified. Analysis shows that these smelters and refiners are distributed across 46 regions globally, mainly concentrated in Europe and Asia.

In addition, Simplo has further expanded the scope of responsible mineral management. In addition to the previously covered minerals of gold, tin, tantalum, tungsten, cobalt, and mica, copper, lithium, nickel, and graphite have been added, expanding the scope of responsible mineral management to a total of 10 minerals. Starting in 2026, all suppliers cooperating with Simplo must sign a responsible minerals commitment covering the 10 minerals above, pledging not to use minerals sourced from the Democratic Republic of the Congo and its adjoining conflict-affected areas, or obtained through illegal smuggling channels, in order to jointly implement responsible mineral sourcing and supply chain sustainability management.

2025 Conflict Minerals Due Dilligence Survey Report

File Name	Number of Suppliers Required to Sign	Number of Signed Responses	Ratio
CMRT CMRT Conflict Minerals Reporting Template (Survey subjects: Gold, Tin, Tungsten, Tantalum)	163	163	100%
EMRT Extended Minerals Reporting Template (Survey subjects: Cobalt, Mica)	163	163	100%



4 Environmental Sustainability

4.1 Net-Zero Transformation Strategy

4.2 GHG Inventory

4.3 Energy Management

4.4 Environmental Impact Mitigation



Performance Results

CDP Climate Change Questionnaire & Water Security Questionnaire

B management level

Renewable energy use

RE79

Scope 1&2 GHG emissions decreased compared to 2020

86%

Global production factories 100% completed GHG inventory and verification

Chongqing obtains Factory of Choice

Chongqing obtains the highest platinum-level UL 2799 certification

4.1 Net-Zero Transformation Strategy

Material Topics | Climate Action

Group-level Carbon Management → SBTi Near-term Target Approved → RE 100 Participation → Net-Zero Goals

2020

ISO 14064-1 Inventory

2023

SBTi 1.5°C Near-Term Targets Approved

- Implementation of an Energy Management System
- Enhancement of Energy Efficiency
- Installation of Rooftop Solar Energy Facilities
- Procurement of Renewable Energy Certificates (RECs)
- Execution of Power Purchase Agreements (PPAs)
- ISO 14067 Carbon Footprint Verification
- Disclosure of Sustainable Supply Chain Management Policies
- Completion of Carbon Emissions Surveys for Key Suppliers

2024

Reach RE79 Goal

- Assessment of Internal Carbon Pricing
- Implementation of an Energy Management System
- Enhancement of Energy Efficiency
- Installation of Rooftop Solar Energy Facilities
- Procurement of Renewable Energy Certificates (RECs)
- Execution of Power Purchase Agreements (PPAs)
- Carbon Reduction through the Use of Recycled Materials in Products
- Implementation of Eco-design

2025 / 2030 / 2040 / 2050

Reach RE100 Goal

Goals for Renewables

- In 2030, using 90% of renewable energy across all manufacturing sites
- In 2040, using 100% of renewable energy across all manufacturing sites

Goals for Decarbonization

- Reducing Scope 1 and 2 GHG emissions by 51%, and Scope 3 emissions from purchased goods and services by 25% by 2030 compared to the 2020 baseline year.
- Achieve Net-Zero Target in 2050.

Climate Change Adaptation

Since the Industrial Revolution, the massive use of fossil fuels has produced greenhouse gases such as carbon dioxide, leading to the greenhouse effect and global temperature rise. Climate change, a serious threat to the living environment of all living things, has led to a growing global focus on carbon management.

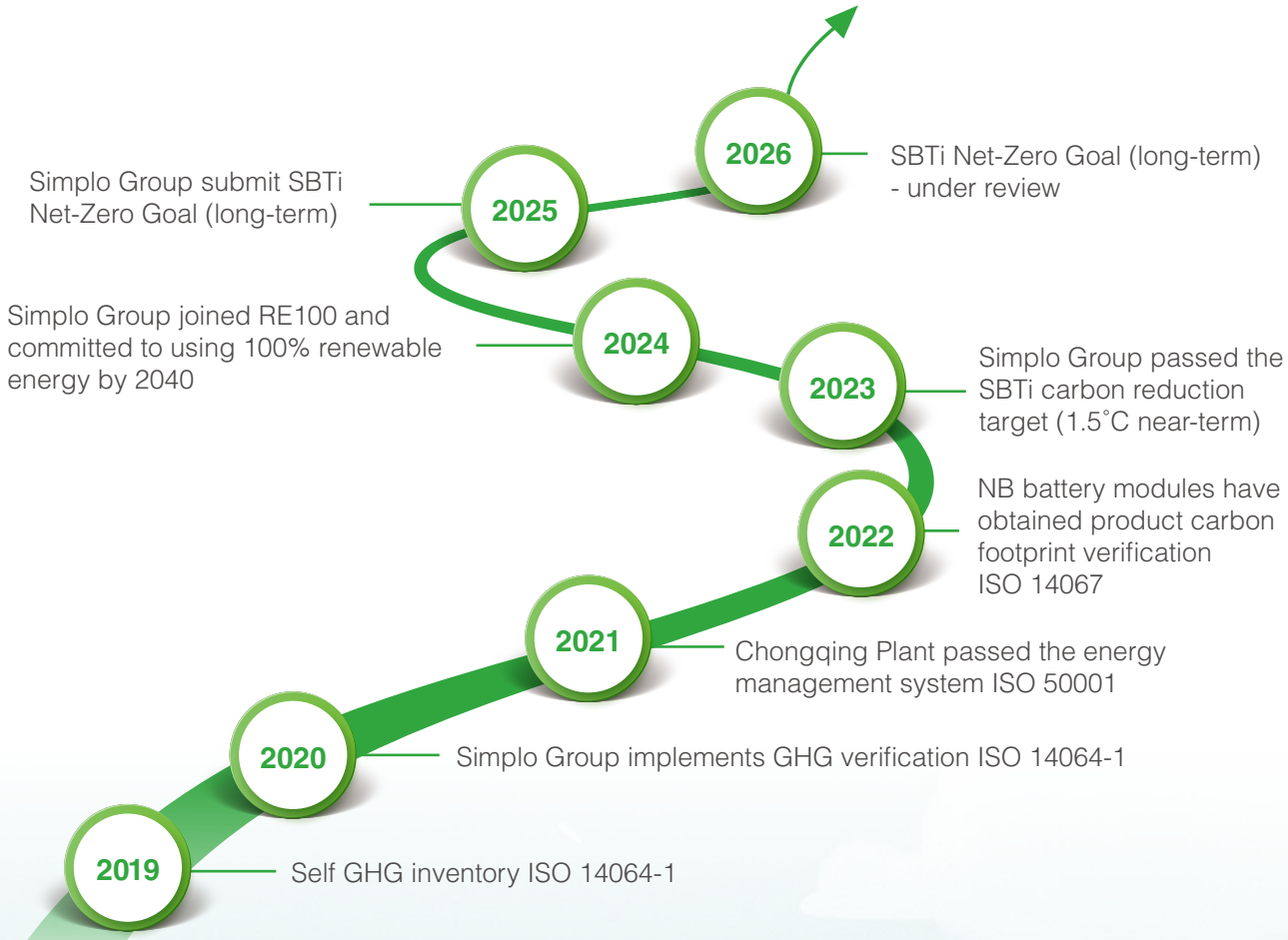
"Climate change adaptation" refers to adjustments made to natural or human systems in response to actual or anticipated climate shocks or their impacts, either to mitigate harm or to create beneficial opportunities.

Simplo Technology's climate change actions include conducting greenhouse gas inventories and verification, actively participating in the SBT and RE100 renewable energy targets, and conducting climate change risk and opportunity assessments based on the TCFD framework.

Task Force on Climate-Related Financial Disclosures (TCFD)

Simplo Group references the core elements of TCFD for disclosing information related to "climate governance, strategy, risk management, and goals". This helps assess climate-related risks and opportunities affecting business operations, formulate strategies and actions to address climate change, enhance transparency in disclosure, and implement corporate climate governance effectively.

Milestones in Climate Transition



1. Governance _ Disclose the organization's governance around climate-related risks and opportunities.

Item	Description
a) Board's oversight of climate-related risks and opportunities. b) Management's role	1. The Board of Directors serves as the highest decision-making body for the climate risk management mechanism, reviewing and guiding the Company's climate strategy and the progress of climate-related objectives. 2. Based on operational needs, a functional Sustainability Development Committee has been established under the Board, along with a Net-Zero Carbon Reduction Team responsible for carbon management. 3. Material issue management: the management regularly reviews climate risk issues, incorporating them into material issue management through the operation of the Corporate Sustainability Development Committee.

2. Strategy_Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Item	Description
a) Climate-related risks and opportunities b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Climate-related Scenarios	1. According to the internal risk control and management timeline, short-term is defined as 1 to 3 years, mid-term as 3 to 5 years, and long-term as 5 to 10 years. Collect stakeholder needs and climate change issues accordingly. 2. Assess climate change scenarios and evaluate related risks and opportunities based on the TCFD framework.

3. Risk Management_ Disclose how the organization identifies, assesses, and manages climate-related risks.

Item	Description
a) Assessment Process b) Management Process c) Risk Management Process	1. Referencing ISO 31000 risk management guidelines, establish a quantitative risk assessment method. Utilize the operation of a risk working group to conduct risk assessments, enabling risk monitoring and management. 2. Risk identification process • Establish a risk working group composed of managers and above from various departments. This group will report its operations to the Board of Directors. • Conduct inventory and verification of Scope 1, 2, and 3 GHG every year. • Launch product lifecycle inventory and improvement of critical areas.

4. Metrics and Targets_ Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Item	Description
a) Metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process b) GHG emissions c) Target and performance	1. Passed the review of the SBTi (1.5°C near-term) target, using 2020 as the base year, aim to reduce absolute Scope 1 and 2 GHG emissions by 51% by 2030. Additionally, reduce absolute Scope 3 emissions related to "purchased goods and services" by 25%. 2. Targeting review under SBTi (1.5° C NET-ZERO), using 2020 as the base year, committed to achieving net-zero emissions by 2050 3. Joining RE100 and committing to use 100% renewable energy in global operations of Simplo Group by 2040. 4. Conduct annual organizational ISO 14064-1 GHG inventory and verification to review progress towards carbon reduction targets. 5. Continuously engage with suppliers to achieve supply chain management goals. (refer to 3.1 Supply Chain Management Strategy)



Climate Scenerio Analysis

For transition risk, Simplo Technology references the International Energy Agency (IEA)'s latest World Energy Outlook 2024 (WEO 2024); for physical risk, it references the greenhouse gas emissions scenarios put forward in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).

Simplo Technology references the greenhouse gas emissions scenarios put forward in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), adopting ensemble models and Shared Socioeconomic Pathways (SSP) to conduct its physical risk analysis:

- Climate scenarios: taking into account the SSP1-2.6 and SSP5-8.5 (very high emissions) scenarios, projecting changes in Simplo (Taiwan)'s annual average temperature, daily maximum temperature, and precipitation through 2050. [Note: the 2025 source narrows the scenario set from all four SSPs used in 2024 down to just SSP1-2.6 and SSP5-8.5 - flagging this scope change for verification.]
- Using the observed annual average temperature of 22.4°C in 2020 as a baseline, by 2050, under the SSP2.6 scenario, Simplo (Taiwan)'s annual average temperature will rise to 23.3°C , and under the SSP8.5 scenario, it will increase to 23.9, with an increase ranging between 0.9°C and 1.5°C .

Scenario source	Climate Scenario	Description	Selected Scenerio
IPCC AR6	SSP1-1.9	Very low emissions scenario, global CO_2 emissions actively reduced, achieving carbon neutrality around 2050	
	SSP1-2.6	Low emissions scenario, world slowly moves toward sustainability goals, achieving net-zero emissions around 2075	V Physical Risk
	SSP2-4.5	Moderate emissions scenario, emissions remain at current levels through 2050 before gradually declining, reaching carbon neutrality by 2100	
	SSP3-7.0	High emissions scenario, environmental policy may exist only in middle- and high-income regions, CO_2 emissions double by around 2100	
	SSP5-8.5	Very high emissions scenario, global GHG emissions continue to rise, CO_2 emissions double by around 2050	V Physical Risk

Using the observed precipitation of 2.9 mm/day in 2020 as a baseline, by 2050, under the SSP2.6 scenario, Simplo (Taiwan)'s precipitation will decrease to 2.7 mm/day, and under the SSP8.5 scenario, it will increase to 4.2 mm/day. Without mitigation actions, the frequency of extreme rainfall events will gradually increase. Enhancing emergency response capabilities and maintaining operational resilience will become operational risk issues faced by the Company.

Analysis Scope	Scenarios Selected	Physical Risk Item	Assessment Target	simulation period	Short-term risk	Mid-term risk	Long-term risk
Taiwan	SSP1-2.6 SSP5-8.5	Temperature rise (annual average temperature, extreme high temperature)	Headquarters	2020-2050	Low	Low	Mid
Taiwan	SSP1-2.6 SSP5-8.5	Precipitation change (extreme rainfall)	Headquarters	2020-2050	Low	Low	Mid

For the risk of heavy rain and flooding, we adopt the 3D disaster potential map (inundation potential map) from the National Science and Technology Center for Disaster Reduction for estimation. The inundation potential simulation is conducted with 24-hour duration rainfall reaching 650mm, indicating that the headquarters is not at risk of flooding. In the past five years, there was no flooding investigation site near the headquarters.

Website： 3D disaster potential map https://dmap.ncdr.nat.gov.tw/1109/map/

Reacting to Climate Risks and Opportunities

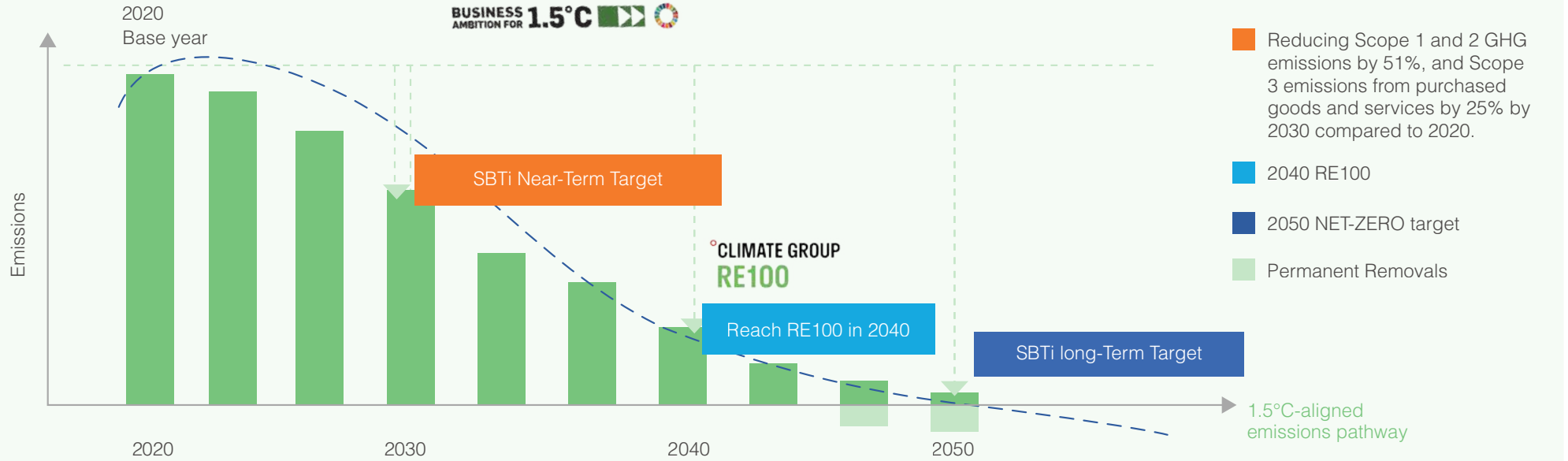
Financial impacts and response to climate-related risks

Type	Climate-related risks	Potential Financial impact	Response Action
Transition Risk	• Policies and Regulations 1.Carbon pricing: Carbon fees/taxes 2. GHG 3. Electricity conservation requirements for large consumers	Responding to regulatory requirements leading to increased operational costs.	• Energy conservation and carbon reduction solutions • ISO 50001 continuous improvement • Installation of renewable energy (PV) in the plant • Purchase renewable energy certificates
	• Technology 1.Investment in new technology 2. Costs of low-carbon transformation	1. Customers request the use of renewable energy 2. The increased cost of developing low-carbon products. 3. 3. Costs incurred from new process development	• Low-carbon technology transformation and introduction of low-carbon processes • Management of circular resource use and reuse • Responding to international ecolabelling requirements
	• Market 1.Changes in customer behavior 2. Market information uncertainty 3. Increased raw material costs	1. Customer and market demand changes affecting orders 2. Uncertainties such as green inflation	• Assessing new markets for green transformation • Developing energy storage business to meet market demand
	• Reputation Impact on the Company's Reputation	Inability to meet customer or stakeholder expectations leading to revenue decline.	• Increase stakeholder trust • Enhancing transparency of disclosure of sustainability information • Engaging deeply in external communication with stakeholders • Strengthening external ESG performance evaluations
Physical Risk	• Immediateness Extreme weather led to an increase in abnormal rainfall and droughts	1. Decreased production capacity or disruptions (e.g. shutdowns, transportation difficulties, supply chain interruptions) 2. Impact on the workforce (e.g. health and safety, absenteeism)	• Enhance emergency response capabilities • Ensuring safety inventory in the supply chain to avoid supply chain disruptions
	• Long-term Extreme variability in climate patterns	Chronic climate change (e.g. average temperature rise/sea level rise)	• Enhance emergency response capabilities • Ensuring safety inventory in the supply chain to avoid supply chain disruptions

Financial impacts and response to climate-related opportunities

Type	Climate-related Opportunities	Potential Financial impact	Response Action
Resource efficiency	Improve operational management efficiency	1. Enhance resource usage efficiency 2. Increase production capacity and increase revenue	• Introducing post-consumer recyclable plastic materials (PCR) and reusable packaging materials (Tray)
Energy sources	Using low-carbon energy and evaluate participation in the carbon trading markets	1. Reduce the risk of GHG emissions 2. Increased investor confidence, enhanced reputation, and higher demand for products and services	• Energy conservation and carbon reduction solutions • ISO 50001 continuous improvement • Installation of renewable energy (PV) in the plant • Purchase renewable energy certificates
Products and services	1. Increasing opportunities for low-carbon products and services 2. Enhancing R&D and innovation through a low-carbon economy 3. Diversification of business activities	Harnessing the advantages of new technologies to enhance the performance of various products and achieve market-leading energy efficiency	Meeting climate adaptation needs through innovative solutions to increase revenue
Resilience	1. Improve the adaptability and resilience of business operations 2. Use high-efficiency raw materials to reduce costs	1. Assess supply chain operational capabilities 2. Develop new products and services to increase revenue	• Increase R&D capacity and continuous innovation • Develop energy storage market

Carbon reduction roadmap of Simplo Group



Note：
1. The data coverage of Simplo Group includes the headquarters and subsidiaries of the consolidated financial statements.
2.*Purchasing goods and services classified according to the GHG protocol.

Science-Based Targets initiative(SBTi)

In May 2023, Simplo Group passed a near-term target review (Note 1), becoming the first company in the global battery modules manufacturing industry to do so. The goal is to reduce absolute GHG emissions by 51% in Scope 1 and 2 compared to the 2020 base year by 2030, and to reduce Scope 3 emissions for purchased goods and services by 25%. In addition, Simplo Group joined the RE100 initiative in 2024, with the goal of achieving 100% use of renewable energy in operational sites by 2040, and moving towards the goal of achieving Net Zero Emissions by 2050.

Internal Carbon Pricing (ICP) strategy

Simplo applies its carbon price in the form of a shadow price - a hypothetical cost of carbon emissions - incorporating the cost of emissions and the benefits of emissions reduction into investment analysis as a reference for internal investment decisions, driving various energy-saving projects and establishing incentive mechanisms to achieve the Company's carbon reduction goals.

Referencing carbon price estimates from global organizations and industry carbon prices, Simplo Group has set a shadow price range of USD 30-50 per metric ton of CO_2 equivalent, providing an important decision-making reference for all units when planning product design, process improvement, and energy-saving and carbon-reduction projects. The scope covers all plants, from Scope 1 (direct emissions) to Scope 2 (indirect emissions), and also assesses Scope 3 (other indirect emissions), in order to achieve the net-zero transition.

The IPCC Sixth Assessment Report indicates that to limit warming to 2 ° C, the marginal abatement cost would be approximately USD 90 in 2030 and USD 210 in 2050; to limit warming to 1.5° C, the marginal abatement cost would be approximately USD 220 in 2030, rising to approximately USD 630 by 2050.

* IPCC AR6 WGIII Chapter 03 (https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter_03.pdf)

Carbon Disclosure Project(CDP)

In 2025, Simplo Group was awarded a "B" rating by CDP. According to the CDP guidelines, a B rating indicates that a company is showing some evidence of managing its environmental impact.

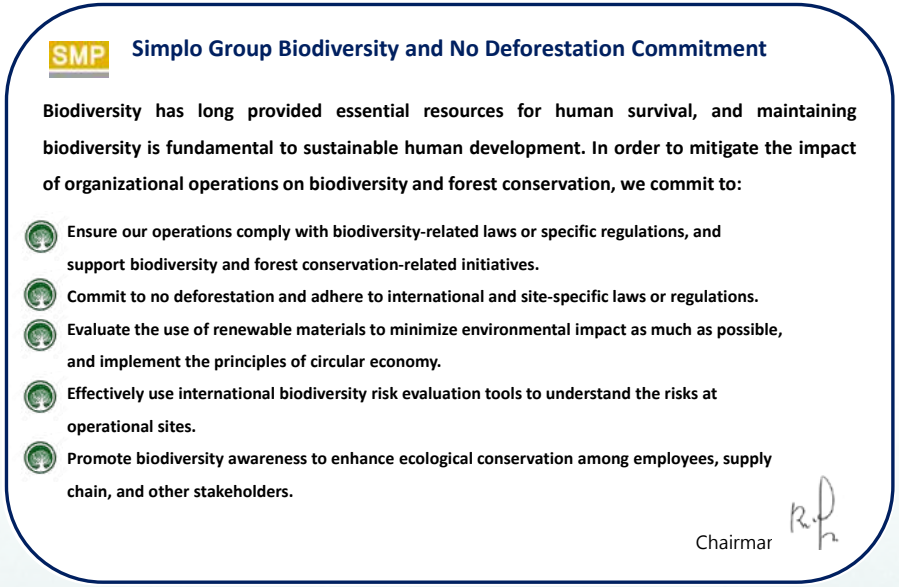
Simplo Technology has received the highest "A" rating in CDP's Supplier Engagement Assessment (SEA) for two consecutive years, 2024-2025.



Biodiversity Commitment

Simplo Group reviewed its operational sites and their surrounding areas, confirming that they are not located in natural ecological protection zones or environmentally sensitive areas. Therefore, there is no significant direct or indirect impact on biodiversity.

Simplo Group continues environmental management in its operations to reduce the impact on the natural ecosystem. Established the "Simplo Group Biodiversity and Forest Conservation Commitment". This commitment is promoted to emphasize the importance of biodiversity conservation. Additionally, communication with suppliers is planned to raise awareness of ecological conservation.


SMP

Simplo Group Biodiversity and No Deforestation Commitment

Biodiversity has long provided essential resources for human survival, and maintaining biodiversity is fundamental to sustainable human development. In order to mitigate the impact of organizational operations on biodiversity and forest conservation, we commit to:

- **Ensure our operations comply with biodiversity-related laws or specific regulations, and support biodiversity and forest conservation-related initiatives.**
- **Commit to no deforestation and adhere to international and site-specific laws or regulations.**
- **Evaluate the use of renewable materials to minimize environmental impact as much as possible, and implement the principles of circular economy.**
- **Effectively use international biodiversity risk evaluation tools to understand the risks at operational sites.**
- **Promote biodiversity awareness to enhance ecological conservation among employees, supply chain, and other stakeholders.**

Chairmar

Biodiversity Assessment

Simplo Technology uses the ArcGIS geographic information system to cross-reference the coordinates of its operational sites against the World Database on Protected Areas (WDPA), assessing whether each site (covering Simplo Taiwan, Simplo Chongqing (including Yibai), Simplo Changshu (including Huapu), and Simplo Vietnam) is located within or near a Key Biodiversity Area (KBA), in order to identify nature-related risks that operating activities may involve. The current assessment found that none of the sites are located directly within a Key Biodiversity Area.

4.2 GHG Inventory

Material Topics | Energy and GHG Management

Simplo Group refers to ISO 14064-1:2018 GHG inventory standards and guidelines such as the Greenhouse Gas Protocol published by the World Resources Institute (WRI) to establish a GHG inventory mechanism. Since 2019, annual GHG inventory have been conducted at each plant to comprehensively understand GHG usage and emissions. Starting from 2021, these data have been verified by third parties.

The greenhouse gases inspected include: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).

Simplo Technology has passed the SBTi near-term target review, committing to reduce Scope 1 and 2 emissions by 51% and Scope 3 "purchased goods and services" emissions by 25%, by 2030 compared to 2020.

Direct and energy indirect GHG emissions (Scope 1 and Scope 2)

Simplo Group's 2025 Scope 1 emissions totaled 2,834 metric tons of CO_2e, while Scope 2 (market-based) emissions totaled 15,859 metric tons of CO_2e. The main source was purchased electricity. The combined total emissions for Scope 1 and 2 amounted to 18,693 metric tons of CO_2e, with a carbon intensity of 0.23 metric tons of CO_2e per NTD million in revenue, 23% higher than the previous year. Scope 2 emissions calculated on a location-based basis totaled 69,447 metric tons of CO_2e; through continued deployment of solar power generation systems, Renewable Power Purchase Agreements (PPAs), and renewable energy certificate procurement, Simplo Group has effectively increased its proportion of renewable energy use, resulting in market-based Scope 2 emissions being significantly lower than the location-based figure.

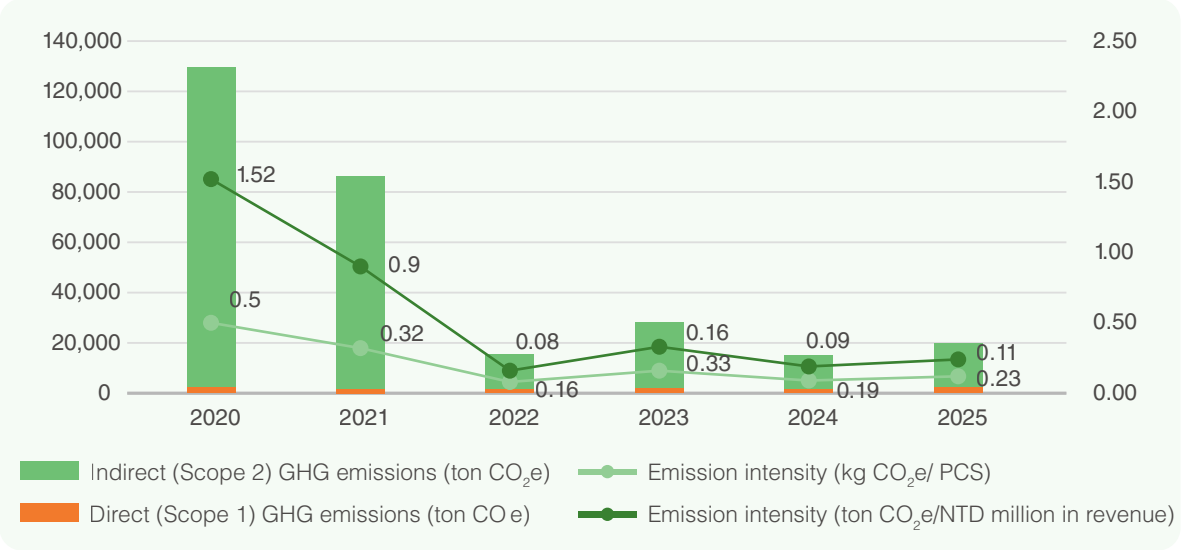
SBT Decarbonization Effectiveness

Scope 1 and Scope 2 GHG emissions decreased by 86% compared to the 2020 base year.

GHG Emissions Across 2020 to 2025

Item	Unit	2020	2021	2022	2023	2024	2025
Scope 1	tCO_2e	2,355	1,997	1,911	1,949	1,766	2,834
Scope 2 (Market-based)	tCO_2e	127,178	84,391	13,568	26,179	13,482	15,859
Total Emissions	tCO_2e	129,533	86,388	15,479	28,128	15,248	18,693
Carbon Intensity (by revenue)	tCO_2e / NT$ million Revenue	1.52	0.90	0.16	0.33	0.19	0.23
Carbon Intensity (by product)	kg CO_2e /PCS	0.50	0.32	0.08	0.16	0.09	0.11

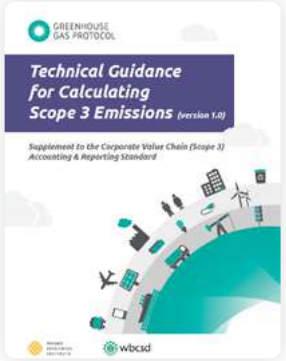
Note:
1. The disclosure scope of the data in the above table is the parent and subsidiary companies of Simplo Group's consolidated financial statements.
2. Simplo Vietnam commenced production at the end of 2025 and will begin conducting a full-year GHG inventory calculation starting in 2026.
3. The inventory is done with the operation control. The figures of the GHG inventory are certificated by third-party.
4. GWP value is taken from the IPCC 2021 Sixth Assessment Report.

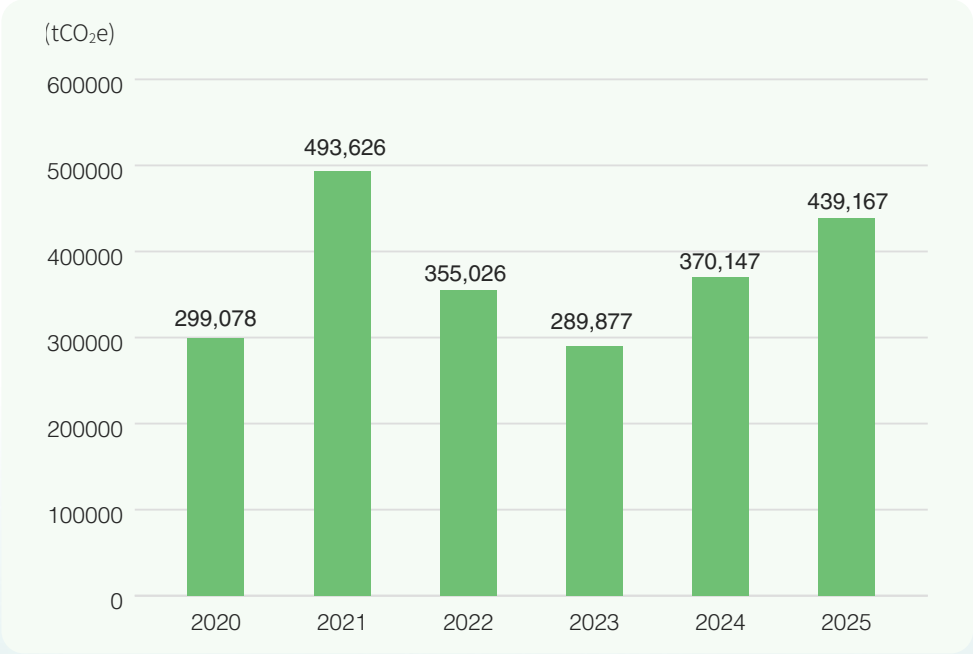


Other indirect GHG emissions (Scope 3)

Simplo Group has established a GHG inventory and assesses the significance of the items in the C1-C15 categories by GHG protocol. Based on the significance of the analysis results, seven categories were included in the inventory items, and verified by a third party in accordance with ISO 14064-1. The item with the highest emissions is the purchased goods and services, accounting for 93% in 2024, which is a key item for the subsequent reduction.

In 2025, in order to align with SBTi science-based carbon reduction targets, respond to supply chain carbon reduction requirements, and prepare for the implementation of the FSC's IFRS S2 standard, Simplo Technology launched an initiative to align with GHG Protocol inventory guidance. For the highest-emitting category, "purchased goods and services," the Company used the hybrid method under GHG Protocol Scope 3 Category 1 to re-scope the inventory, establish an emissions inventory, calculate and track its carbon footprint, paving the way for the long-term net-zero transition.





Scope3 Category	2022carbon pemissions (tCO_2e)	2023carbon pemissions (tCO_2e)	2024carbon pemissions (tCO_2e)	2025 carbon pemissions (tCO_2e)
C1 Purchased Goods and Services	323,909.19	261,635.00	341,940.00	410,186.77
C3 Fuel- and Energy-Related Activities	7,151.46	11,840.00	12,149.70	10,608.91
C4 Upstream Transportation and Distribution	8,118.50	5,559.00	5,681.07	6,616.24
C5 Waste Generated in Operations	188.97	70.00	0.00	91.40
C6 Business Travel	404.40	816.00	856.00	535.48
C7 Employee Commuting	1,238.61	1,000.00	1,070.00	1,095.05
C9 Downstream Transportation and Distribution	14,015.34	8,957.00	8,450.00	10,033.33

Note:
1. The disclosure scope of the data in the above table is the parent and subsidiary companies of Simplo Group's consolidated financial statements.
2. Including GHG protocol categories 1, 3, 4, 5, 6, 7, 9.
3. GWP value is taken from the IPCC 2021 Sixth Assessment Report.

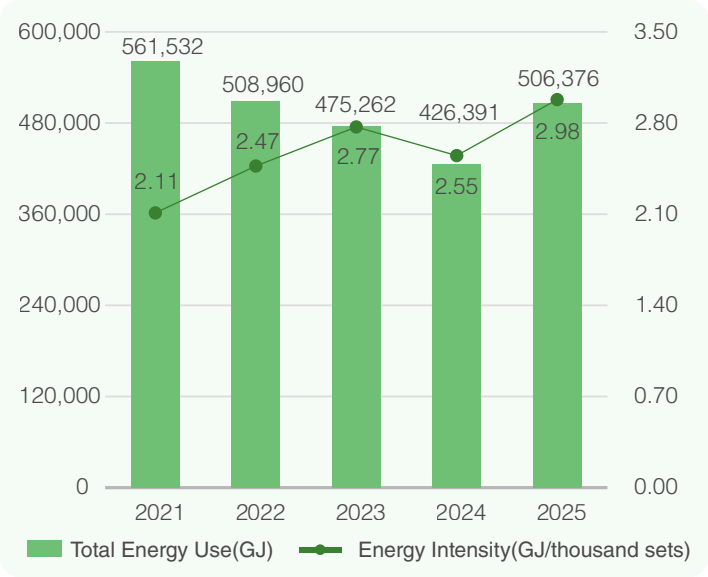
Please refer to 3.2 Supply Chain ESG Risk Assessment for C1's supply chain carbon reduction actions for purchasing products and services.

4.3 Energy Management

Energy Management Policy

1. Compliance with energy laws and regulations
2. Enhancement of all employees' communication mechanisms
3. Implementation of the energy management system
4. Continuous improvement of energy performance

Simplo Technology is a specialized lithium battery module manufacturer whose primary energy use is purchased electricity, followed by diesel and gasoline use. Total energy consumption in 2025 increased compared to the previous year, and energy intensity also rose 16.86% year-over-year. Simplo Chongqing, Simplo Changshu, and Huapu have introduced the ISO 50001 energy management system and obtained third-party certification; the Company will continue to monitor and develop energy-saving measures going forward to improve electricity use efficiency and achieve energy conservation and carbon reduction.



Energy Use and Intensity

Year	Diesel fuel (GJ)	Gasoline (GJ)	Electricity-nonrenewable energy (GJ)	Electricity-renewable energy (GJ)	Total energy consumption (GJ)	Output (thousand set)	Energy intensity (GJ/ thousand sets)
2021	626	1,887	400,363	158,656	561,532	266,600	2.11
2022	444	1,343	90,966	416,206	508,960	206,250	2.47
2023	438	1,661	167,058	306,105	475,262	171,300	2.77
2024	346	1,639	58,179	366,227	426,391	166,970	2.55
2025	462	1,649	103,062	401,202	506,376	170,064	2.98

Note:
1. Electricity conversion factor: 1 kWh=0.0036 GJ.
2. Heat conversion factors: diesel - Taiwan = 0.036133 GJ/L, Mainland China = 0.042705 GJ/kg; gasoline - Taiwan = 0.031764 GJ/L, Mainland China = 0.043124 GJ/kg.
3. Energy intensity formula: energy consumption (GJ)/ thousand sets of battery modules.
4. The disclosure scope of the data in the above table is the parent and subsidiary companies of Simplo Group's consolidated financial statements (Not included in Simplo Vietnam).

Energy saving plans and result

Although Simplo Technology is not an energy-intensive industry, the Company remains committed to improving energy efficiency on its production lines. In factory energy conservation, different energy-saving measures have been adopted for air compression systems, chiller systems, and other energy systems. During construction, Simplo Vietnam adopted energy-saving actions such as installing motion-sensor lighting in common areas, setting air compression pressure to match manufacturing gas demand, and scheduling chiller system supply to avoid peak periods, adjusting according to on-site temperature to effectively reduce energy use. In 2025, Simplo Group spent approximately NTD 27 million on energy-saving initiatives.

Solution	Energy saving measures	Energy savings (GJ/year)	Annual GHG reduction (tCO_2e)	Annualized
Air compression system	Replaced 1 air compressor	386	57.54	Yes
	Replaced high-energy-consumption desiccant dryers with low-loss adsorption dryers	4,390	654.35	Yes
Air conditioning system	Replaced 2008-vintage equipment	4,252	633.78	Yes
	Replaced 2 chillers, raising overall efficiency by 12%			
	Upgrade the water pump motor to energy efficiency class 1.			
	New replacement motors use variable-frequency control			

Note：
1. Taiwan region ROC year 114 (2025) electricity emission factor: 0.467 $kgCO_2e/kWh$; Mainland China regional electricity marginal emission factor: 0.5366 $kgCO_2e/kWh$. Data sources: Taiwan Ministry of Economic Affairs Energy Administration's ROC year 114 electricity carbon emission factor, and China's Ministry of Ecology and Environment.
2. Energy-saving measures and results: electricity savings and carbon reduction figures are estimated and annualized.

Useage of Renewables

Simplo Group is responding to the global transformation to low-carbon energy by installing rooftop solar photovoltaic systems, entering into renewable energy certificates to increase the proportion of renewable energy use. This gradual approach aims to achieve the RE100 target by 2040. In 2024, the Group's use of renewable energy accounted for 80% (note). The usage status of various renewable energy sources are explained below:

- Installing rooftop solar photovoltaic systems
  - » Since 2022, the main operational sites have installed rooftop solar photovoltaic systems, with a total capacity of 10.8 MW. The cumulative electricity generated amounts to 10,184 MWh, with a total investment of approximately NTD 250 million.
  - » Use solar energy facilities on the roof of our own factory buildings to generate electricity without affecting the natural ecology.
  - » A 2.565 MW solar photovoltaic installation at the Chongqing plant and a 1.755 MW installation at the Vietnam plant are expected to be completed by mid-2026, progressively increasing the proportion of renewable energy used and reducing carbon emissions from operations.

- Signing a Power Purchase Agreement (PPA) with an electricity supplier for purchasing renewable energy. Monthly verification of the usage of renewable energy (wind and solar) will be done through the Jiangsu Electricity Trading Platform to obtain Green Electricity Certificates (GECs).

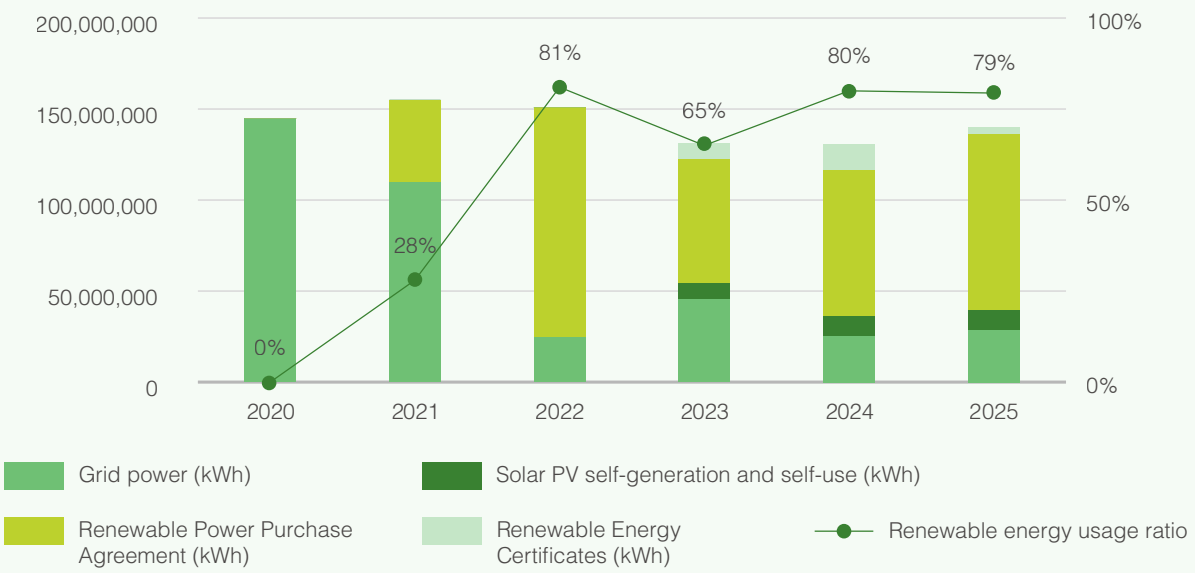
- Purchasing renewable energy certificates:
  Purchase locally sourced renewable energy certificates such as International Renewable Energy Certificates (I-RECs).

- Self-generated Renewable Energy Certificate application (T-REC): 146 renewable energy certificates obtained in 2025.

Electricity source	2020	2021	2022	2023	2024	2025
Grid powe (kWh)	146,094,701	111,212,018	25,268,396	46,405,049	25,821,050	29,497,828
Solar PV self-generation and self-use (kWh)	0	0	455,173	8,500,241	10,806,745	8,773,118
Renewable Power Purchase Agreement (kWh)	0	44,071,066	107,846,667	68,176,844	80,577,000	99,203,000
Renewable Energy Certificates (kWh)	0	0	0	8,352,000	13,800,000	3,686,402
Renewable energy usage ratio(%)	0%	28%	81%	65%	80%	79%

Note:
1. Categories include: solar panel self-generation and self-use / Renewable Energy Certificates / Renewable Power Purchase Agreements
2. Scope: Simplo Taiwan, Simplo Chongqing, Simplo Changshu (including Huapu), Trend Energy, Trend Power Taiwan, and Trend Power Changshu, consistent with the scope of the RE100 commitment.

Renewable energy usage ratio





Taiwan HQ


China Site


Vietnam Site

4.4 Environmental Impact Mitigation

Simplo Group's 2030 environmental goals

Item	Goal
Waste reduction	Reduce non-hazardous waste [Note] intensity by 10% by 2030 from a 2023 base year.
Water resource management	Reduce water consumption intensity by 20% by 2030 from a 2021 base year.

Note: Non-hazardous waste is defined as domestic waste, kitchen waste, iron, paper, plastic, etc.

Simplo Group Waste Reduction Progress

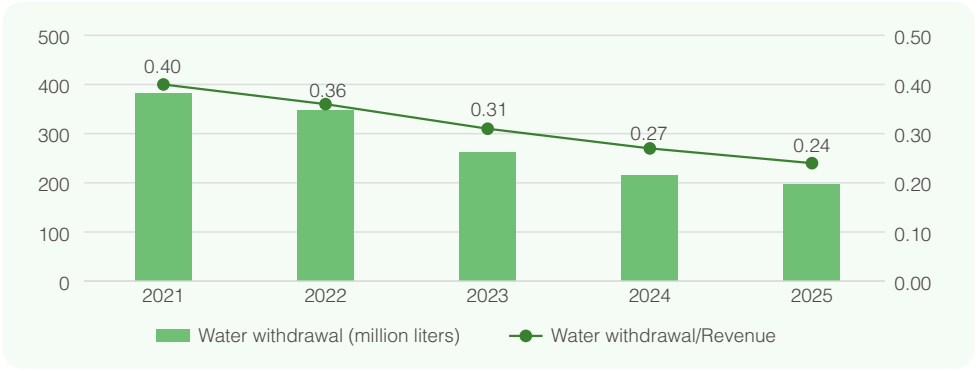


Note:
Data scope： Simplo Taiwan、Simplo Chongqing、Simplo Changshu

Simplo Group's Water Reduction

	2021	2022	2023	2024	2025
Water withdrawal (million liters)	381.62	347.88	262.73	214.98	196.76
Revenue (hundred million)	956	956	848	800	821
Water withdrawal/Revenue (million liters/revenue)	0.40	0.36	0.31	0.27	0.24

Note:
1. Data scope: Simplo Taiwan、Simplo Chongqing、Simplo Changshu
2. Water withdrawal volume is calculated based on water bills



Simplo Group does not use water for manufacturing, but mainly for the domestic use of employees in the factory. Water withdrawals and discharge are following local government regulations, and all waste water is piped and discharged into the sewer system designated by the municipal government for treatment. There is no interaction of shared water resources. The company regularly tracks water consumption, and regularly entrusts testing units to monitor the discharge of water bodies in the factory area, all of which compliance with local discharge standards and have no impact on the local environment.

To gain a deeper understanding of water stress and water-related risk at each of its plants, Simplo Technology uses the water risk assessment tool developed by the World Resources Institute (WRI) to identify the Water Stress status at each of its global plants' water withdrawal locations, supporting the development of water risk management strategies. The assessment found that only Simplo Changshu, located in Suzhou, Mainland China, falls within a higher water-stress area. However, as the manufacturing process does not require water resources and water use is mainly for domestic purposes, the impact is limited. The plant continues to implement water-saving measures, including installing sensor-activated faucets and using rainwater for irrigating green belts.

Water Risk Assessment

Site	Water source	Water Risk Level
Simplo Taiwan	Dahan River	Low - Medium (10%-20%)
Simplo Chongqing	Yangtze River	Low – Medium (10%-20%)
Simplo Changshu(including Huapu)	Yangtze River	High (40%-80%)
Simplo Vietnam	Cau River	Medium-high(20%-40%)

Note:
1. Refers to the ratio of total annual water withdrawal to the total available renewable water supply.
2. Water risk assessment website: https://www.wri.org/data/aqueduct-water-risk-atlas

Water Policy

In the face of the intensifying challenges of global climate change and extreme weather events (such as droughts and intense short-term rainfall), access to and management of water resources have become key issues for corporate sustainability. Simplo Technology upholds the original intention of fulfilling corporate social responsibility and addressing the global issue of water scarcity. It aims to enhance water stewardship resilience under climate change, improving its response and adaptation capabilities in the face of water stress. To strengthen operational resilience under climate change, Simplo Technology officially released the Water Policy in 2024 to enhance the Company's risk control in water stewardship and sustainability performance.

SMP

Water Resource Management Policy

Simplo Technology Group is striving to sustainable corporate development and pays close attention to water resource management. With the Board of Directors as the highest decision-making body for sustainability governance, Simplo Group collaborates with value chain partners to protect environmental resources, fulfill corporate social responsibility, and create sustainable value.

we commits to the following principles and actions:

- **Ensure compliance with regulations and implement effective water resource management.**
- **Promote water-saving measures and enhance water use efficiency.**
- **Strengthen stakeholder engagement to expand positive impact.**
- **Conduct regular assessments of water-related risks to improve operational resilience.**

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Water Risk Assessment



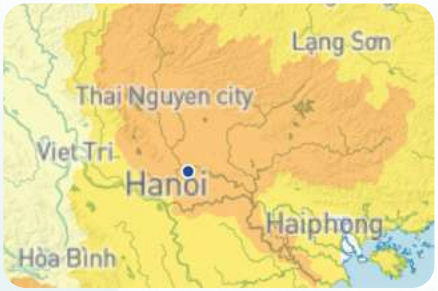
Simplo Taiwan
(Low-Medium 10%-20%)



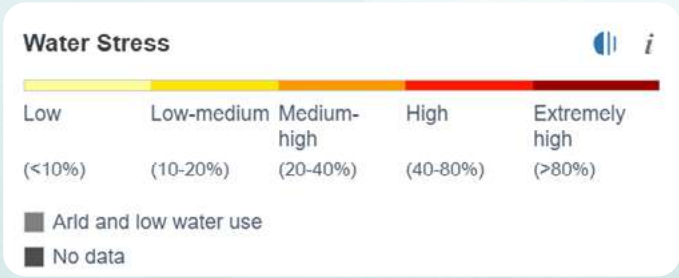
Simplo Chongqing
(Low-Medium 10%-20%)



Simplo Changshu
(Low-Medium 10%-20%)



Simplo Vietnam
(Medium-high 20%-40%)



Water sourcing of operating sites

Unit: million liters

Site	Year	2021	2022	2023	2024	2025
Simplo Taiwan	Water withdrawal	18	19	17	25	22
	Water withdrawal	1	1	2	3	7
	Water consumption	16	17	14	22	15
Simplo Chongqing	Water withdrawal	65	53	47	51	51.36
	Water withdrawal	59	47	43	46	46.23
	Water consumption	7	5	5	5	5.14
	Water reuse	13	13	12	15	13.55
	Water recycling rate	17%	19%	21%	23%	20.87%
Chongqing Trend Power	Water withdrawal	23	35	42	44	49
	Water withdrawal	21	32	38	40	44
	Water consumption	2	3	4	4	5
	Water reuse	0.844	1.386	1.653	1.857	1.95
	Water recycling rate	3.54%	3.81%	3.79%	4.05%	3.83%
Simplo Changshu(including Huapu)	Water withdrawal	440	411	322	284	258.13
	Water withdrawal	308	287	225	199	219.41
	Water consumption	132	124	97	85	38.72
	Water reuse	39	31	26	28	20.65
	Water recycling rate	8%	7%	7%	9%	7.41%
Water intensity (million liters / employees)		0.055	0.076	0.068	0.073	0.066

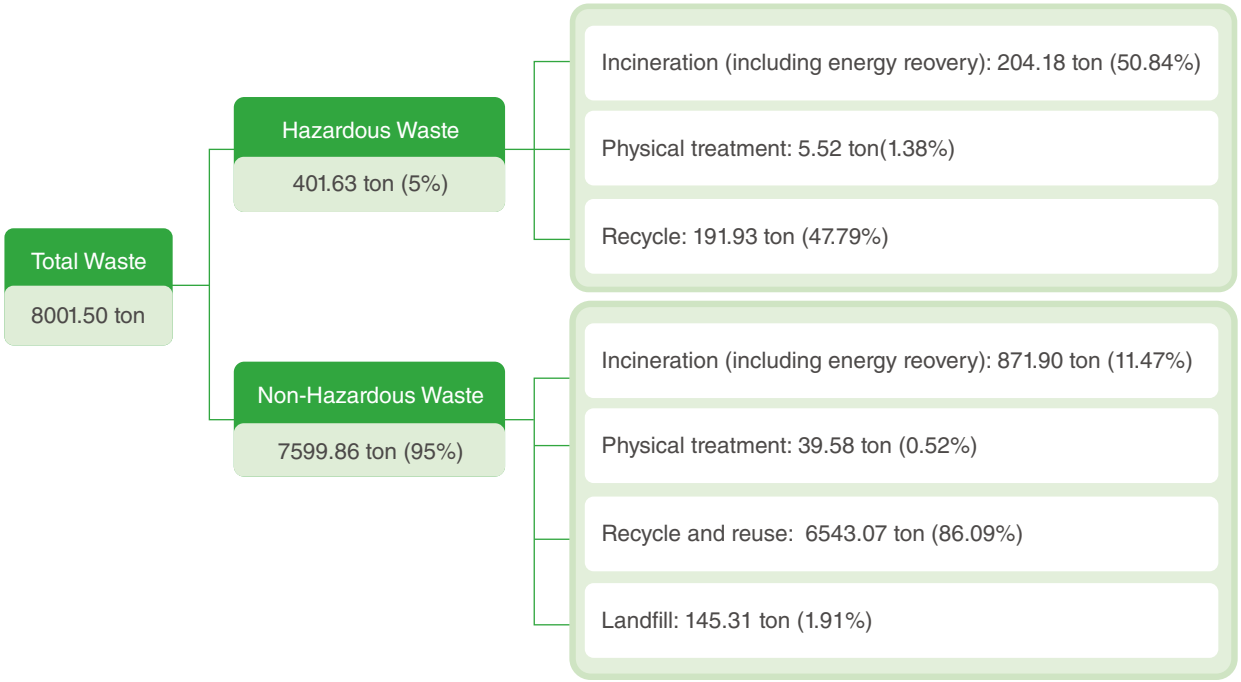
Note:
1. Water withdrawal = water discharge + water consumption.
2. Water recycling rate = water recycling / (water withdrawal + water recycling) * 100%
3. Water intensity = water withdrawal / number of employees at the end of 2024.
4. Water withdrawal is measured and water discharge is estimated.

Waste Management

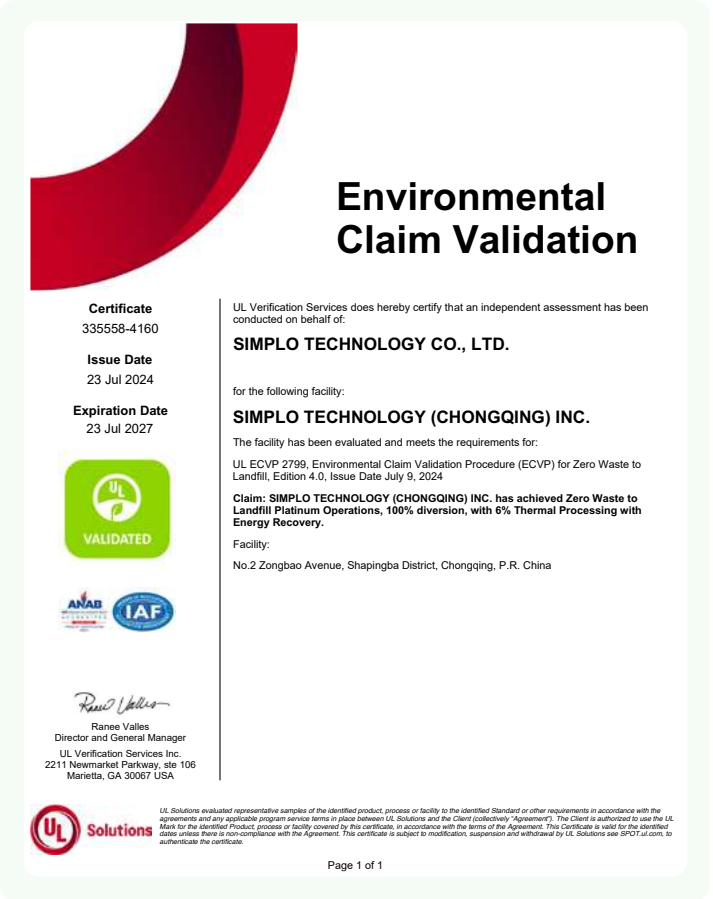
Simplo Technology establishes waste management regulations in accordance with local laws to ensure regulatory compliance, while upholding the concept of "Reduce at Source, Resourcefulness of Waste" to achieve waste reduction and resource recovery as the basis of its waste management. In 2026, Simplo Technology's Chongqing plant obtained the highest platinum-level UL 2799 Zero Waste to Landfill certification, achieving a "100% waste diversion rate, including 6% thermal energy recovery from incineration," putting into practice its commitment to environmental protection through green manufacturing.

Waste generated during operations process includes hazardous waste and general waste, all of which are managed and qualified local contractors for cleanup. Recyclable and household waste are sorted and then handed over to qualified contractors for cleanup and recycling. Waste management focuses on recycling and reuse. Waste that cannot be recycled is incinerated for energy recovery, and finally, any remaining waste will be disposed of in landfills.

In 2025, total waste generated was 8,001.50 metric tons, of which 6,735.00 metric tons were recycled and reused, a recycling rate of 84.17%. The Company continues to promote source reduction and in-plant waste recycling and reuse to reduce the environmental burden of production.



Data scope：Simplo Taiwan、Simplo Chongqing(including Chongqing Trend Power)、Simplo Changshu(including Huapu)



Environmental Claim Validation

Certificate
335558-4160

Issue Date
23 Jul 2024

Expiration Date
23 Jul 2027

VALIDATED

Ranee Valles
Director and General Manager
UL Verification Services Inc.
2211 Newmarket Parkway, ste 106
Marietta, GA 30067 USA

UL Verification Services does hereby certify that an independent assessment has been conducted on behalf of:

SIMPLO TECHNOLOGY CO., LTD.

for the following facility:

SIMPLO TECHNOLOGY (CHONGQING) INC.

The facility has been evaluated and meets the requirements for:

UL ECVP 2799, Environmental Claim Validation Procedure (ECVP) for Zero Waste to Landfill, Edition 4.0, Issue Date July 9, 2024

Claim: SIMPLO TECHNOLOGY (CHONGQING) INC. has achieved Zero Waste to Landfill Platinum Operations, 100% diversion, with 6% Thermal Processing with Energy Recovery.

Facility:

No.2 Zongbao Avenue, Shapingba District, Chongqing, P.R. China

UL Solutions

UL Solutions evaluated representative samples of the identified product, process or facility to the identified Standard or other requirements in accordance with the agreements and any applicable program service terms in place between UL Solutions and the Client (collectively "Agreement"). The Client is authorized to use the UL Mark for the identified Product, process or facility covered by this certificate, in accordance with the terms of the Agreement. This Certificate is valid for the identified dates unless there is non-compliance with the Agreement. This certificate is subject to modification, suspension and withdrawal by UL Solutions see SPOT.ul.com, to authenticate the certificate.

Page 1 of 1

UL SPOT database inquiry (https://spot.ul.com/)。

5 Green Products and Innovation

5.1 Green Design

5.2 Circular Economy

5.3 Product Quality and Responsibility

5.4 Product Carbon Footprint



Performance Results

R&D expenditure in the past four years

NTD 80 billion

Completed carbon footprint calculations for **11** products (cradle to gate)

Frame Tray recycling

100%

PET film material recycling has been

100% implemented

Simplo Technology complies with international standards and meets customer requirements for green products. We are fully committed to manufacturing products that meet environmental standards and reduce greenhouse gas and wastewater emissions, waste generation and chemical use to improve our ecological benefits and protect the environment. Simplo Technology's R&D expenditure in 2025 is 2,141,911 thousand dollars, accounting for 2.61% of revenue, continue to invest in the research and development of new technologies and products to maintain our competitiveness in the market.

R&D expenditure and results over the past three years:

Year	R&D Expenses (NT$ thousands)	Sales (%)	Major Achievements
2022	2,130,944	2.23	1. Panel migration and recognition automation equipment. 2. Energy Management and Monitoring System (EMS) integration and development. 3. Completed UL9540A safety certification for energy storage system.
2023	1,946,085	2.29	1. Research on dynamic capacity estimation algorithm for high voltage, high-power battery systems (using EKF method). 2. Research on static capacity calibration algorithm for high voltage, high-power battery systems.
2024	1,823,985	2.28	1. Development of online automatic calibration device and method for high-voltage, high-power battery backup system. 2. High-power battery sampling current detection board.
2025	2,141,911	2.61	1. Technical evaluation research on the architecture (action, protection scenarios, safety tripping) of high-voltage, high-power battery backup system. 2. Research on electric field and insulation risk simulation and evaluation of high-voltage, high-power battery backup system. 3. Development of hardware circuitry and firmware for high voltage, high-power battery backup system.

Source: Simplo Technology 2025 Annual Report, P.3

5.1 Green Design

Definition of "Design for Environment (DfE)": "Systematically considering the design performance in environmental, health, and safety objectives throughout the entire product and process lifecycle". Also known as green design and environmental design, Simplo Technology employs product lifecycle thinking to constantly enhance product value during the R&D phase. Simultaneously aiming to reduce resource waste and environmental impact, the Company enhances green competitiveness through the development of green products.

1. **Raw material management - environmentally friendly**
   Use of recycled materials (recycled cobalt, low-cobalt design, PCR recycled materials)
   evaluation of alternative materials (cobalt reduction, cobalt-free batteries)
   recycled-cobalt design being introduced into mass-production application, low-cobalt design being introduced into design/mass-production application.
2. **Green manufacturing**
   ISO 14001 environmental management system, ISO 14064-1 GHG inventory, ISO 50001 energy management system, UL2799 zero waste to landfill
3. **2026 lead-free substitution transition plan to be introduced, in compliance with RoHS requirements**
4. **Distribution and transportation: Packaging material recycling, green transportation**
5. **Use stage: Product energy consumption, safety during use**
6. **Scrap and recycling: Disassembly, recycling and reuse**

5.2 Circular Economy

Material Topics | Circular Economy

Introduce recycled plastic

In the past three years, Simplo Technology has collaborated with suppliers on recycled plastics, verifying post-consumer recycle material (PCR) from as many as 14 suppliers. Our products are certified with UL Yellow Card for fire protection and international authority for recycled content to ensure the quality and reliability of plastic materials. We will continue to cooperate with our customers and suppliers in the future to maximize the benefits of the circular economy.

According to the life-cycle assessment (LCA) data provided by suppliers, using 90 to 98% PCR plastic pellets is expected to reduce 49 to 90% of carbon emissions compared to using non-recycled plastic materials. Using recycled materials not only decreases the consumption of natural resources but also brings significant environmental benefits and contributes to the circular economy.

Introduction of Recycled Materials in Battery Modules and Current Mass-Production Status

In putting the circular economy into practice, Simplo Technology has been actively researching and developing recycled materials for battery modules and has successfully introduced them into mass production. Many of our suppliers' recycled materials have obtained third-party certifications, such as UL (Underwriter Laboratories Inc) recycling certification, TÜV (Technischer Überwachungsverein) recycling certification, SCS (Science Certified System Global Services) recycling certification, and GRS (Global Recycled Standard) recycling certification.

1	PET (polyethylene terephthalate) film	Currently using 100% recycled material by weight, already introduced into customer mass-production products.
2	Copper in battery electrode tabs and PCBA	Currently using 100% recycled material by weight, already introduced into customer mass-production products.
3	Solder paste	Currently using 100% recycled material by weight, already introduced into customer mass-production products.
4	PC (Polycarbonate) plastic	Depending on the customer, currently using 30%/50%/90%/97%/98% recycled material by weight, already introduced into customer mass-production products. To meet future PFAS (Per- and polyfluoroalkyl substances) regulatory requirements for PC plastic, material R&D and validation are underway; preliminary material verification and testing have been completed for PFAS-free formulations with 50% and 92% recycled content.PC(Polycarbonate)
5	PC (Polycarbonate) film	Currently using 60% and 90% recycled material by weight, already introduced into customer mass-production products.

Tray recycling

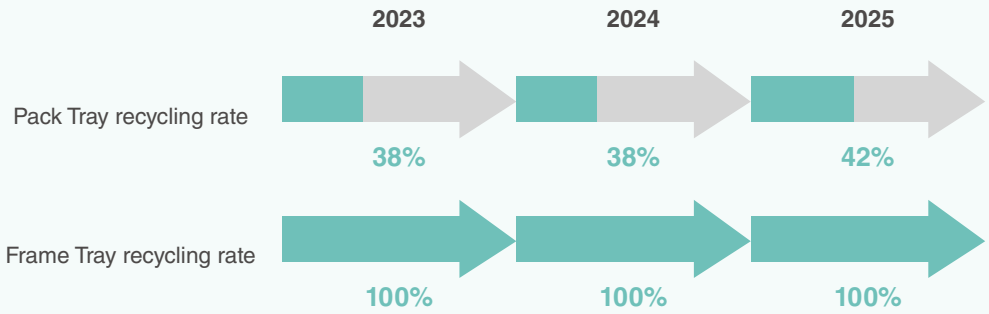
In order to reduce the amount of waste produced during the manufacturing process, we start from Tray recycling, including Pack and Frame Tray recycling.

Battery modules are provided to customers in Pack Tray. After receiving the battery module, the customer recycles the battery Tray to the entrusted recycling plant; the recycling plant inspects the recycled Pack Tray and then transports the reusable battery Tray back to Simplo Technology for reuse. The recycling volume was 17,058,550 PCS in 2023, 16,704,847 PCS in 2024, and 18,658,510 PCS in 2025. The Pack Tray recycling rate rose from 38% in 2023 to 42% in 2025, reflecting stronger circular-economy performance through a higher proportion of reuse. When a Pack Tray fails inspection at the recycling plant, it is entrusted to the recycling plant for disposal and use as secondary material.

After the upstream supply chain receives the Frame Tray, it recycles the Frame Tray and sells it to a recycling plant; after the recycling plant inspects the recycled Frame Tray, the supplier purchases reusable Frame Tray packaging products and ships them for reuse. In 2025, a total of 490,000 PCS were put into recycling, gradually implementing the circular economy.

Year	2023			2024			2025		
	Consumption	Recycling Volume	recycling rate	Consumption	Recycling Volume	recycling rate	Consumption	Recycling Volume	recycling rate
Pack Tray (pcs)	44,961,975	17,058,550	38%	44,473,142	16,704,847	38%	44,394,646	18,658,510	42%
Frame Tray (pcs)	12,000	12,000	100%	252,000	252,000	100%	490,000	490,000	100%

Tray recycling rate




Pack Tray


Frame Tray

Data scope: Simplo Chongqing and Simplo Changshu

Cobalt recycling

Cobalt is one of the elements used as a positive electrode material in lithiumion batteries, accounting for approximately a quarter of the total battery cell weight (the exact proportion varies depending on the positive electrode material used). In recent years, geopolitics has also driven cobalt prices steadily higher, making cobalt a strategic material; lithium battery recycling in the market is now in a key transition period, shifting from "waste disposal" to "resource refining." Most of Simplo Technology's customers regard cobalt recycling as an important issue. In 2025, we partnered with 4 battery cell suppliers to pass the UL 2809 Environmental Claim Validation Procedure (ECVP) for Recycled Content, verifying that post-consumer recycled cobalt content in battery cells reached 100%, mainly for use in notebook computer battery module products, continuing our progress toward a circular economy. In 2025, a total of 6,366,695 PCS of battery modules containing recycled cobalt were shipped, using a total of 320,448 kg of recycled cobalt.

Currently using 50% and 100% recycled material by weight, already introduced into customer mass-production products. Because cobalt accounts for approximately 21-27% of the total weight of a battery module, the use of recycled cobalt in calculating the overall battery recycling rate is a major milestone. Using 50% recycled cobalt, combined with contributions from other recycled materials, the overall recycled content of battery modules can reach 19-26%. Using 100% recycled cobalt, the recycled content of battery modules can reach as high as 38%.



5.3 Product Quality and Responsibility

Material Topics | Product Quality and Responsibility

Hazardous Substance Management

Simplo Technology has established a Green Product Management Platform (Supplier Relationship Management, SRM), which uses a product component approval mechanism and a green product survey process to implement source management of raw materials across the supply chain and strengthen product environmental compliance.

To continuously enhance the platform's functionality and control capability, the Company has completed a system upgrade, introducing the latest environmental regulatory control standards and adding an FMD (Full Material Declaration) material-content comparison and limit-control mechanism. When a material's content exceeds the system-defined limit, the supplier must proactively select an applicable regulatory exemption clause; if no supporting basis is provided, the system will automatically classify the part as non-compliant and halt the subsequent review process.

Through the FMD control mechanism and suppliers' complete and transparent disclosure of material composition, the Company is able to precisely track the material composition of its products, effectively preventing materials that do not comply with environmental regulations from entering the manufacturing process, and ensuring that products meet international environmental standards and customers' green product requirements. This not only improves the transparency and traceability of supply chain environmental management, but also demonstrates the Company's proactive commitment and management effectiveness in sustainable development and environmental responsibility.

Hazardous Substance Reduction Policy

Simplo Technology continues to promote and formulate hazardous substance reduction policies, focusing on the potential environmental impact of persistent, bioaccumulative, and toxic substances, as well as the potential risks that carcinogenic, mutagenic, reprotoxic, and endocrine-disrupting substances pose to human health and reproductive safety. The Company actively implements product environmental compliance and sustainable development goals through the introduction and strict control of alternative materials, ensuring that material selection balances environmental friendliness, application safety, and product performance.

In response to the potential risks of RoHS Directive lead (Pb) exemption materials and per- and polyfluoroalkyl substances (PFAS), the Company's R&D team has worked closely with suppliers and has successfully introduced lead-free and PFAS-free alternative materials into electronic components and other key materials. These alternative materials are currently in the final testing and validation stage; once validation is passed, they will be applied to products, effectively reducing environmental and health risks.

Hazardous Substance Control Process

Simplo Technology places great importance on product environmental safety and regulatory compliance, and continues to promote its Hazardous Substance Management (HSM) system, incorporating environmental risk management into product lifecycle management. All major manufacturing sites have obtained IECQ QC 080000 hazardous substance process management system certification, establishing a systematic hazardous substance control mechanism to ensure that products meet international environmental regulations and customers' green product requirements.

To implement hazardous substance control and ensure product environmental compliance, Simplo Technology has established the following management process:

Regulatory Monitoring and Standard Setting

Continuously track global environmental regulations and customer requirements, and establish internal hazardous substance management standards and limit-control mechanisms, ensuring that policies and operations comply with the latest regulatory requirements.

Supplier Environmental Management

Require suppliers to provide complete material composition information (FMD / SDS / test reports) and incorporate it into the supplier evaluation and management system, strengthening supply chain environmental compliance.

Material Composition Review and System Comparison

Compare and check material composition against limits through the green product management platform, ensuring that raw materials introduced into products comply with relevant regulations and Company standards.

Testing and Verification Management

Based on the risk level of raw materials, incoming materials are spot-checked for hazardous substances using X-ray Fluorescence (XRF) analysis, enabling real-time identification and control of potentially risky materials. In addition, the Company regularly conducts third-party testing and internal verification of finished products to ensure that all materials comply with international environmental regulations and customers' green product requirements. Through this institutionalized testing and verification process, the Company can effectively track material composition and chemical substance risks, ensuring that production and shipment comply with environmental safety standards throughout.

Continuous Improvement and Training

Through internal audits, supplier communication, and participation in training courses on hazardous substance management, environmental regulations, and green product standards regularly held by partner manufacturers, the Company strengthens employees' and suppliers' understanding of the latest regulatory requirements and management processes. This ensures that every stage can respond promptly to regulatory changes and implement management measures, continuously improving hazardous substance management capability.

Halogen-Free Product Management

Halogen-free electronic and electrical products have become a global development trend, with the main goal of reducing or eliminating the use of halogen substances that pose potential hazards to the environment and human health, particularly brominated flame retardants (BFRs), chlorinated flame retardants (CFRs), and polyvinyl chloride (PVC) and related compounds.

To reduce the potential impact of products on the environment and human health, Simplo Technology actively promotes a Halogen-Free product management policy. In line with electronics industry standard definitions, the Company has established control mechanisms for halogen substances such as chlorine (Cl) and bromine (Br), and ensures that product materials meet halogen-free requirements through material review and a supply chain information disclosure system, progressively improving the environmental friendliness of its products.

In terms of management mechanisms, Simplo Technology requires suppliers to provide complete material composition information (Full Material Declaration, FMD) and third-party test reports at the product introduction stage, and compares and reviews substance content through a systematic management platform. When the halogen substance content in a material exceeds the Company's control limit, the supplier must propose improvement measures or alternative material solutions; parts that fail to meet the relevant requirements will not be permitted to enter the product design and manufacturing process.

In terms of process management, the Company has strengthened incoming quality control (IQC), using X-ray Fluorescence (XRF) equipment to screen and inspect incoming materials, confirming that they meet the Company's halogen-free management standards before they can be put into production and processing. At the same time, the Company avoids contamination from material mix-ups during the manufacturing process through clear material labeling and segregated production management, ensuring that products comply with halogen-free and related environmental regulatory requirements.

Full material disclosure (FMD)

Since 2016, Simplo Technology has been moving towards proactive material management and adopting the Full Material Disclosure (FMD) action. FMD helps to build trust, promote industry standards, and address consumer concerns about sustainability and health issues, which are part of corporate social responsibility and sustainable development.

EU chemical policy (REACH)

REACH stands for Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). As the name suggests, this directive requires chemical products entering the European market need to undergo registration, evaluation, authorization, and restriction based on their import status.

Simplo Technology has established management and control procedures, conducted supply chain risk assessment, and participated in supplier conferences organized by customers to ensure that the flow of value chain information meets relevant requirements.

EU RoHS directive

Simplo Technology's main manufacturing plant has implemented the IECQ QC080000 hazardous substance process management system since 2012 and obtained international certification. In addition to controlling raw material input according to RoHS processes, we occasionally conduct RoHS compliance testing on finished products. All products meet RoHS directive requirements, and to date, there have been no RoHS violations or customer coplaints.

Per- and polyfluoroalkyl substances (PFAS)

In response to the US "PFAS Management Action Plan" and the EU REACH-related requirements, Simplo Technology has incorporated these regulations into the Hazardous Substance Management Regulations for material control. Regarding the PFAS-related information of our products, we also work with manufacturers to seek fluorine-free alternative materials or improve process technology, striving to achieve green products with consistent regulations and quality, and reduce risks to the environment and human health.

Product safety

Simplo Technology strictly complies with each country's safety regulations for its lithium battery products, and additionally meets even more stringent safety and performance requirements set by individual customers. Products undergo multiple rounds of safety testing and performance verification before being submitted to customers. The main globally recognized safety regulations include the following:

- International safety regulations (e.g. IEC 62133-2, IEC 62368-1, IEC 62619, ISO 6469-1, etc.)
- European safety regulations [e.g. EN 62133-2, IEC 62368-1, 2014/35/EU LVD (Low Voltage Directive), (EU) 2023/988 GPSR (General Product Safety Regulation), etc.]
- North American safety regulations [e.g. UL 2054, UL 62133-2, UL 62368-1, ANSI/CAN/UL 1973, ANSI/CAN/UL 9540(A)]
- Mainland China safety regulations (mandatory CCC certification related to GB 31241).
- Safety regulations in Taiwan, Japan, Korea, India, and ASEAN countries mostly follow IEC 62133-2.
- nternational transport regulations UN 38.3, etc.

Regarding the EU's new Battery Regulation (EU) 2023/1542, which has taken effect and is being phased in, it imposes more comprehensive and specific requirements on the durability, sustainability, environmental performance, and safety of battery products, including restrictions on the use of certain substances, QR codes, and requirements for end users to easily remove and replace batteries, enhancing protection for consumers, the environment, and the planet.

Simplo Technology has a dedicated safety regulatory compliance department and a laboratory that has passed the ISO/IEC 17025 (CNS 17025) certification of the Taiwan Accreditation Foundation (TAF). As the Group's business continues to expand, a newly established high-energy battery testing laboratory has also officially begun operations and obtained TAF ISO/IEC 17025 certification in 2025, progressively increasing verification capability and certification scope to enable more comprehensive self-verification and strengthen the safety of the full range of battery products.



SMP Conflict Minerals' Procurement Policy

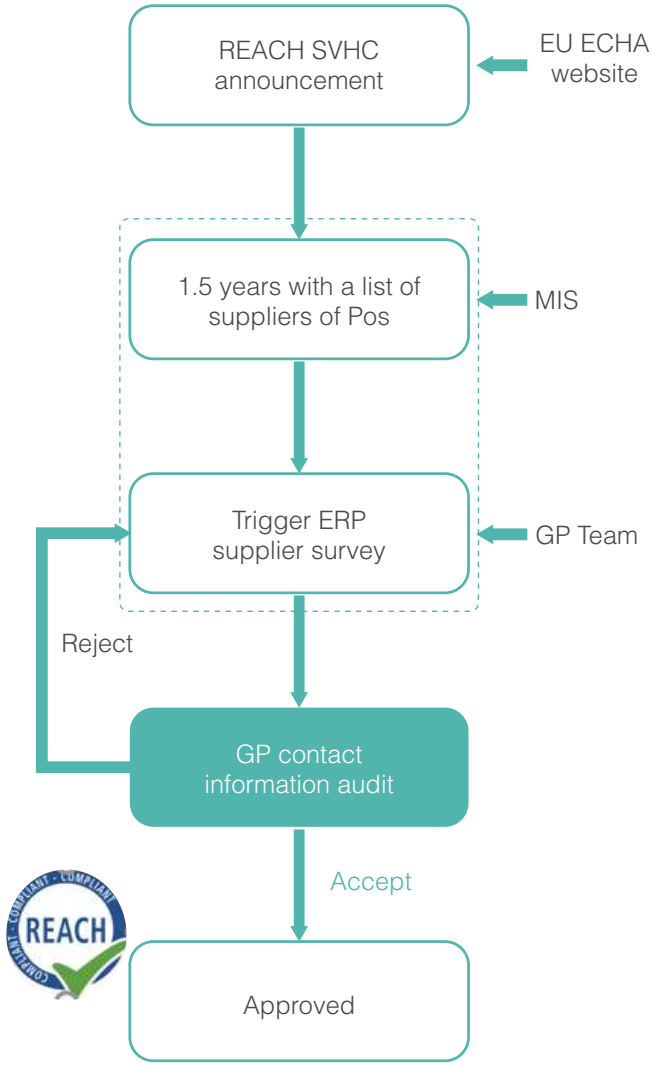
Simplo Technology is committed to conducting due diligence across its supply chain in accordance with the Organization for Economic Cooperation and Development (OECD) Guidelines for the responsible sourcing of minerals. This applies to ten specific minerals contained in our products: Tantalum (Ta), Tin (Sn), Tungsten (W), and Gold (Au) — collectively known as 3TGs — as well as Cobalt (Co), Mica, Copper (Cu), Natural Graphite (Gr), Lithium (Li), and Nickel (Ni).We have formally communicated to our suppliers that the procurement of the above 10 minerals must be exclusively sourced from conflict-free smelters and refiners that have been certified by internationally recognized third-party organizations, such as the Responsible Business Alliance (RBA) through the Responsible Minerals Initiative (RMI), formerly known as the Conflict-Free Sourcing Initiative. In alignment with our responsible sourcing strategy, Simplo Technology will also assist and encourage suppliers to actively engage with smelters and refiners not yet recognized by RMI to undergo verification under the Responsible Minerals Assurance Process (RMAP). This initiative reflects our long-term commitment to ethical sourcing, risk management, and building a sustainable, transparent, and accountable supply chain ecosystem.

Requirements for Suppliers

1. Suppliers should conduct due diligence on tungsten, tantalum, tin, gold, cobalt, mica, and their derivatives within the supply chain.
2. Suppliers should establish due diligence policies and management systems to identify relevant risks and take appropriate measures to mitigate such risks.
3. Suppliers should achieve 100% completion of supply chain due diligence.
4. Suppliers should submit due diligence reports (CMRT & EMRT) within the specified deadline.
5. Suppliers' due diligence report should 100% disclose the due diligence results, and the contents must be completely true, comprehensive, with no falsification or omissions.
6. The tungsten, tantalum, tin, gold, and cobalt smelters/refiners disclosed by suppliers should be validated by RMI or LBMA.
7. The template version for supplier due diligence reports (CMRT, EMRT) should be the latest version released by RMI.
8. The supplier due diligence reports should cover all products/components supplied to Simplo.
9. Supplier due diligence reports should not contain duplicate smelters or refiners, nor entities that do not meet the definition of a smelter or refiner.
10. New suppliers must sign the Conflict Mineral Declaration.
11. When introducing new products or changing smelters, a conflict minerals survey report must be proactively submitted.
12. When receiving system notifications of smelter update information, suppliers must promptly update CMRT/EMRT information and submit it to Simplo.
13. Smelters or refineries are subject to change and may sometimes be removed from the qualified list. Please stay updated with the official website

RMI website link: https://www.responsiblemineralsinitiative.org/smelters-refiners-lists/

SMP RoHS & REACH control: REACH supplier survey



Chemical management strategy

Simplo Technology ensures compliance with regulations and the spirit of REACH, regularly collects information on major international environmental regulations, stays abreast of the latest trends, and continuously promotes hazardous raw material (chemical) substitution programs.



Chemical Policy



Specific Measures

1. Before chemical procurement:

   Identify qualified chemical suppliers and obtain the chemical's MSDS and safety label for review.

2. Chemical incoming inspection:

   Suppliers must provide relevant permits (e.g. transport/import registration certificates) for review, confirming that the chemical's safety label is complete and the container is intact.

3. On-site chemical storage conditions:

   All chemicals must have an MSDS and safety label, and be equipped with the relevant emergency measures in accordance with the "Regulations on the Safety Management of Hazardous Chemicals" and related regulations.

4. Storage leak-prevention measures:

   Appropriate structures or devices must be provided to isolate incompatible hazardous chemicals; incompatible chemicals must not be stored in the same location and must be kept separate. Chemicals must be clearly labeled and properly packaged.

5. Chemical management training:

   Annual training and drills on emergency response capability for hazardous chemical leaks are conducted, with required protective equipment such as chemical protective gloves and respiratory protection worn.

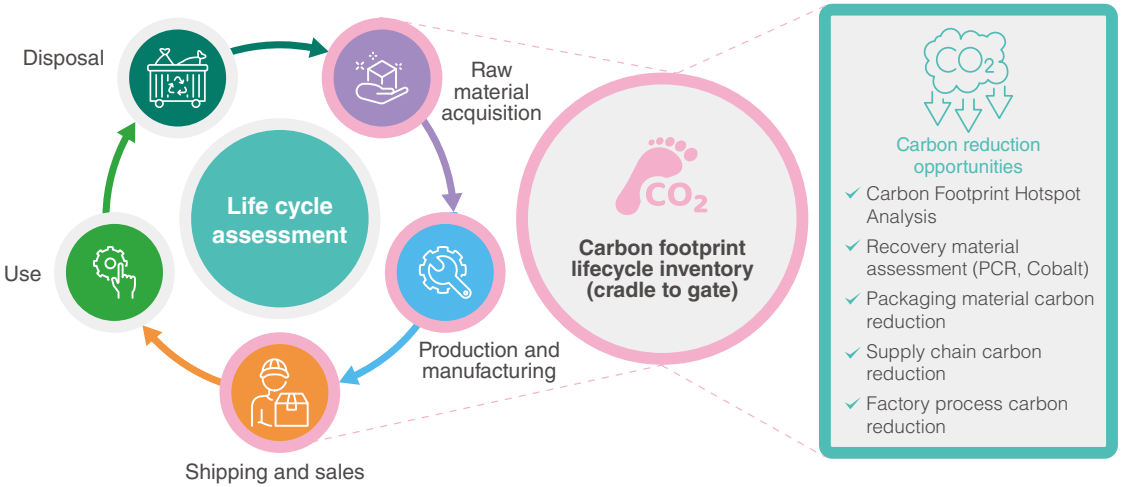
6. Disposal of all chemicals must comply with the "Hazardous Waste Management Regulations."

5.4 Product Carbon Footprint

Material Topics | Product Carbon Footprint

Customers (including ODM): Carbon Footprint Survey

Simplo Technology completed the carbon footprint verification of two NB battery modules in 2022 in accordance with the ISO 14067 standard. We have since established internal capabilities and tools for calculating carbon footprints, enabling us to provide customers with product carbon footprint information and to assess reduction opportunities at each stage of the product lifecycle, thereby reducing the environmental impact of product carbon emissions.



Project origin and benefits

Major international laptop manufacturers are launching "carbon neutrality" laptops. As a battery module supplier, Simplo Technology collaborates with customers on carbon footprint projects. Since 2023, a cumulative total of 31 product life cycle inventories (cradle to gate) have been conducted, building up the internal carbon footprint task force's related skills and helping the Company respond to customers' product carbon footprint requirements.

Project Implementation

Simplo Technology uses its self-developed Product Carbon Footprint System (PCF System) to independently conduct carbon footprint inventories and data management. In 2025, 6 product carbon footprint calculations (cradle to gate) were completed, bringing the cumulative total to 11 product inventories. Depending on differences in product Bill of Materials (BOM), product carbon footprints fall in the range of approximately 4-9 kg CO_2e.

Further analysis of carbon emission hotspots shows that the raw material stage is the main source of emissions, with PCBs, battery cells, and ICs being the top three contributors to total carbon emissions; carbon emissions are also clearly influenced by differences in PCB weight. These results indicate that the product design stage holds significant potential for carbon reduction through material reduction and the selection of alternative materials.

To continue reducing product carbon footprints, Simplo Technology incorporates environmental design thinking into the product R&D stage, using environmentally friendly materials, improving energy efficiency, and extending product lifecycles, moving toward the development of low-carbon products. (See the 5.1 Green Design section for details)

Carbon reduction opportunities

Simplo Technology identifies carbon reduction opportunities at each stage of the product's full life cycle:

- Raw material stage - Promoting environmentally friendly materials (RoHS, REACH) and the use of recycled materials (recycled cobalt, recycled plastics) to reduce the use of virgin resources and carbon emission intensity.
- Manufacturing stage - Implementing the ISO 14001 environmental management system and the ISO 14064-1 greenhouse gas inventory system, and promoting UL 2799 zero waste to landfill, to improve resource use efficiency and reduce process emissions.
- Distribution and transportation - Packaging material recycling and green transportation, to reduce carbon emissions during the logistics process.
- Use stage - Improving product energy efficiency and strengthening use safety, to reduce the environmental impact during the product's period of use.
- Scrap and recycling - Improving disassembly and reuse capability, to reduce the environmental burden of final disposal.

In response to the EU Battery Regulation's requirements for product environmental information disclosure, Simplo Technology continues to strengthen its product carbon footprint inventory capabilities and continuously optimize its calculation tools and data management mechanisms.

6 Inclusive Workplace

6.1 Human Rights Management

6.2 Talent Attraction and Retention

6.3 Talent Cultivation and Development

6.4 Safety and Health

6.5 Social Engagement



Performance Results

2,280 employee joined Employee Mental Health & Wellness Training

The proportion of female managers is **29%**

Total of **36** emergency hazard drills were conducted

Non- executive average training **32 hours**

"Guidance on OSH indicators for CSR reporting towards SDGs"_Reference Index

403-1 Occupational health and safety management system

- All operating sites have obtained third-party certification to ISO 45001:2018.
- Long-term goal of "Zero Safety and Health Accidents"

403-2 Hazard identification, risk assessment, and incident investigation

- Conduct annual hazard identification and risk and opportunity assessments on a regular basis.
- Conduct regular emergency drills, including fire evacuation and chemical spill response drills, with a total of 36 drills conducted.

403-3 Occupational health services

- Provide an onsite medical room, nursing room, and one dedicated occupational health nurse
- Publish special health columns, with a total of 31 articles published.

403-4 Worker participation, consultation, and communication on occupational health and safety

- The audit scope covers Simplo Technology, visitors, and contractors.
- Maintain ISO 45001 Occupational Health and Safety Management System certification.
- Provide accessible communication channels, including worker representatives, an onsite occupational safety hotline, and the official LINE account.

403-5 Worker training on occupational health and safety

- In 2025, a total of 45,388 person-attendances participated in training programs, totaling 100,026 training hours.
- Conduct regular first-aid training for designated personnel.

403-6 Promotion of worker health

- Arrange onsite health consultations with contracted physicians on a monthly basis, totaling 12 sessions.
- Provide a recreation and fitness center and subsidies for employee clubs, including golf, badminton, yoga, and aerobics.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

- Held two Sustainable Supply Chain Communication Conferences in 2025.
- Conducted ESG audits of 22 key suppliers.
- Provide training and hazard communication.

403-8 Workers covered by an occupational health and safety management system

- The audit scope covers Simplo Technology, visitors, and contractors.
- The Occupational Health and Safety Management System is ISO 45001 certified.

403-9 Work-related injuries

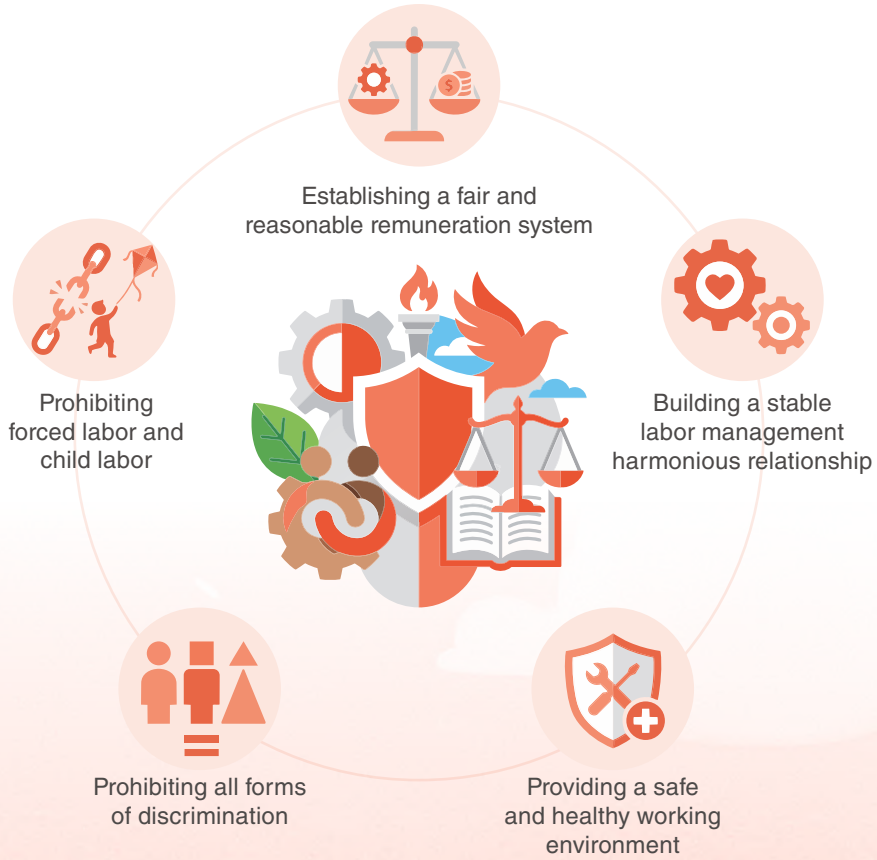
- 2024 no major occupational safety accidents and no disability injuries
- Accumulated injury-free working hours: 3,576,688 hrs (2021/8~2025/12)

6.1 Human Rights Management

Human rights policy

Simplo supports and complies with the principles and spirits of related international regulations such as the "Universal Declaration of Human Rights", the "United Nations Global Compact", the "Responsible Business Alliance Code of Conduct", and the "ILO Declaration on Fundamental Principles and Rights at Work" as well as the local laws and regulations of various countries. Simplo Technology has established the "Human Rights Policy Statement of Simplo Technology Co., Ltd. and Group Affiliates" for common compliance, in order to eliminate any violation and infringement of human rights, so that the rights and interests of stakeholders are protected.





Human Rights Due Diligence

Simplo Group has formulated the human rights policy and conducted due diligence on human rights at the operational sites and subsidiaries through questionnaires. Formulate improvement plans and preventive measures by reviewing the status of human rights management and assessing risk factors.



Simplo Group considered the characteristics of its own industry, and referred to the GRI Standards, RBA, the United Nations Global Compact, and ISO 26000 to design surveys. These surveys help identify human rights risks, categorizing issues into labor, occupational health and safety, environment, and ethical categories, totaling 17 issues.

Labor	Occupational and Safety	Environment	Ethics
• Human trafficking • Compulsory or forced labor • Child Labor • Working hours • Salary and Benefits • Diversity	• Health and safety • Emergency preparedness • Occupational injuries and occupational diseases • Machine safety protection	• Pollution control and waste management • Climate change mitigation and adaptation	• Anti-corruption • Identity protection and protection against retaliation • Personal data and privacy protection • Value chain engagement • Responsible mineral procurement

Through the questionnaire, ratings from 1 to 5 points are given according to the actual "probability" and "severity" to assess the potential impact.

Probability

Level	Level of classification	Description
1	Unlikely	Under normal circumstances, it is unlikely to occur, happening less than once a year
2	More likely	Extremely rare occurrence, happening more than once a year
3	Possibly	Occasionally occurs, happening more than once per quarter
4	High possibility	Frequently occurs, happening more than once per month
5	Very likely	Occurs very often, happening more than once per week

Severity

Level	Level of classification	Description
1	Very slight	No violation of local laws and regulations and no negative impact on stakeholders (government, employees, customers, suppliers, shareholders/investment institutions)
2	Minor	No violation of local laws and regulations, but may cause impact on certain stakeholders (2 or more categories)
3	Medium	No violation of local laws and regulations, but impacts the majority of stakeholders (3 or more categories)
4	Major	Violation of local laws and regulations, affecting the majority of stakeholder groups (4 or more categories)
5	Very severe	Violation of local laws and regulations, affecting all stakeholder groups

Assessment results and countermeasures

The assessment is conducted by each plant's management department based on current conditions, including customer requirements, RBA VAP results, labor-related regulations, and Ethical Corporate Management principles. The assessment results indicate that "working hours" is identified as a high-risk issue, while other issues are considered low-risk.

To mitigate these issues, measures include regularly reviewing employee attendance, enhancing working hours management mechanisms, setting up overtime alerts in the attendance and overtime management system, and continually promoting adherence to regulations regarding working hours.

Simplo Technology reports the results of human rights due diligence to management, diverse mitigation and remedial measure for effective control, evaluates the effectiveness of corrections made, and implements human rights management mechanisms effectively.

Risk assessment and management for human rights

Simplo Technology has been a member of the Responsible Business Alliance (RBA) since 2021, committed to complying with the RBA Code of Conduct. Simplo Technology fills out the RBA Self-Assessment Questionnaire (SAQ) every year to identify the risks related to labor, health and safety, environment, ethical codes and management system in operations.

In addition, in response to customer demands, Simplo Technology conducts thirdparty certification agency audits by following the RBA Validated Audit Process (VAP) to identify the implementation of sustainable management in each plant regarding the environmental and social aspects, including the implementation of management mechanisms and the performance thereof. The audits serve as a basis for subsequent improvements.

To enable employees to understand the Responsible Business Alliance, online courses are recorded to train employees with tests (passing score ≥ 80 points, the course can only be included in the personal learning record after passing). Simplo Taiwan, Simplo Chongqing (including Chongqing Trend Power), Simplo Changshu (including Huapu), had a total of 5,424 participants, and the passage rate (80 points or higher) of the course was 100%.

2025 Human rights review

Site	Number of audits	Audit form	Audit results
Simplo Chongqing	Customer audit：0 time Internal audit：1 time	On-site & remote On-site	Passed, no major defects
Simplo (Changshu& Huapu)	Customer audit：2 times Internal audit：1 time	On-site	Passed, no major defects
Simplo Vietnam	Internal audit：4 times	On-site	Passed, no major defects

Human rights education and training

Simplo Technology has established a human rights policy. Related information promoted to employees throughout the Company via pre-employment training for new recruits, and e-learning online courses for legal compliance. In 2025, Simplo Chongqing and Simplo Changshu (including Huapu) conducted human rights training through employee ethics courses. Some employees who joined at the end of December attended training in early January of the following year, while others who were stationed abroad for extended periods did not receive training. The plant zones did not experience any incidents of discrimination, child labor, forced labor, or other human rights violations.



6.2 Talent Attraction and Retention

Human resource

As of the end of 2025, Simplo employs a global workforce of 6,000 full-time employees with no part-time, temporary, or non-hours guaranteed employees, an increase of 731 compared to 2024. Among them, 41.0% of the employees are female, and 59% are male. Approximately 59.0% of the main human resources are distributed in China's major operational sites. In 2025, the proportion of women in supervisory positions was 29.0%.

Employee Overview

Gender		Male			Female			Total
site \ age		Under 30	Between 30-50	Over 51	Under 30	Between 30-50	Over 51	
Simplo Taiwan	Indirect employees	31	167	46	24	93	32	393
	Direct employees	0	0	0	1	1	2	4
	Subtotal	31	167	46	25	94	34	397
Simplo Chongqing	Indirect employees	84	188	17	48	130	3	470
	Direct employees	475	337	2	333	378	0	1,525
	Subtotal	559	525	19	381	508	3	1,995
Chongqing Trend Power	Indirect employees	17	97	5	8	49	0	176
	Direct employees	52	44	6	49	83	0	234
	Subtotal	69	141	11	57	132	0	410
Simplo (Changshu&Huapu)	Indirect employees	318	679	23	149	303	6	1,478
	Direct employees	434	373	4	283	388	0	1,482
	Subtotal	752	1,052	27	432	691	6	2,960
Simplo Vietnam	Indirect employees	23	43	4	29	20	0	119
	Direct employees	33	27	0	29	29	1	119
	Subtotal	56	70	4	58	49	1	238
Total		1,467	1,955	107	953	1,474	44	6,000

Note:
1. Based on active employees at the end of 2025, without any assumptions about the data.
2. Simplo (Taiwan) are all permanent employees with indefinite contracts. For the first time in China, the principal employees are on fixed-term contracts, and the subsequent contracts are indefinite contracts.

Executive / Non-executive in 2025

Category	Executive		Non-executive	
Site	Male	Female	Male	Female
Simplo Taiwan	104	45	140	108
Simplo Chongqing	46	15	1,057	877
Chongqing Trend Power	12	5	209	184
Simplo (Changshu) &Huapu	101	47	1,730	1,082
Simplo Vietnam	9	2	121	106
Total	431	176	3,257	2,357
%	71%	29%	58%	42%

Note: Executive refers to assistant managers (including) and above, excluding non-executive such as senior engineers.

Diverse employment

New recruitment rate in 2025

Age/ Gender	Under 30				Between 30-50				Over 51				Total	
	Male		Female		Male		Female		Male		Female			
Site	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Simplo Taiwan	17	55%	8	32%	32	19%	17	18%	2	4%	2	6%	78	20%
Simplo Chongqing	138	25%	115	30%	36	7%	59	12%	1	5%	1	33%	350	18%
Chongqing Trend Power	28	41%	24	42%	13	9%	15	11%	0	0%	0	0%	80	20%
Simplo (Changshu & Huapu)	566	75%	388	90%	323	31%	413	60%	0	0%	0	0%	1,690	57%
Simplo Vietnam	23	41%	23	40%	32	46%	21	43%	1	25%	1	100%	101	42%
Subtotal	772	53%	558	59%	436	22%	525	36%	4	4%	4	9%	2,299	38%

Note：
1. The turnover rate of male (female) employees in the age group at each site = the number of male (female) employees in the age group at each site in 2025/the total number of male (female) employees in the age group at each site at the end of 2025.
2. The factories in China and Vietnam consider the employee turnover rate, so the table excludes employees who resign within four months.
3. Turnover employees include those who left the company voluntarily or due to dismissal or retirement.
4. The calculation is based on the full-time employees at each site.

Turnover rate in 2025

Age/ Gender	Under 30				Between 30-50				Over 51				Total	
	Male		Female		Male		Female		Male		Female			
Site	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Simplo Taiwan	22	71%	3	12%	25	15%	20	21%	4	9%	2	6%	76	19%
Simplo Chongqing	181	32%	129	34%	76	14%	64	13%	1	5%	2	67%	453	23%
Chongqing Trend Power	24	35%	14	25%	14	10%	8	6%	0	0%	5	45%	65	16%
Simplo (Changshu & Huapu)	466	62%	323	75%	342	33%	378	55%	1	4%	0	0%	1,510	51%
Simplo Vietnam	23	41%	30	52%	29	41%	30	61%	1	25%	0	0%	113	47%
Subtotal	716	49%	499	52%	486	25%	500	34%	7	7%	9	20%	2,217	37%

Note：
1. The turnover rate of male (female) employees in the age group at each site = the number of male (female) employees in the age group at each site in 2025/the total number of male (female) employees in the age group at each site at the end of 2025.
2. The factories in China and Vietnam consider the employee turnover rate, so the table excludes employees who resign within four months.
3. Turnover employees include those who left the company voluntarily or due to dismissal or retirement.
4. The calculation is based on the full-time employees at each site.

In 2025, the company's turnover rate, observed from the perspective of gender composition, showed that the total number of male departures was 1,209, while female departures were 1,008, with males representing the primary group of resignations. Compared to 2024, the number of departures in 2025 decreased slightly by approximately 0.5%. Simplo Technology has established a comprehensive welfare system, competitive employee remuneration, and a secure retirement plan, as detailed in section 6.2 Talent Attraction and Retention.

Simplo Technology adopts a policy of non-discrimination in the recruitment of talents and abides by laws and regulations. When hiring employees, they will not be based on race, social status, nationality, class, language, ideology, religion, party affiliation, place of origin, gender, marital status, sexual orientation, discrimination due to appearance, facial features, disability or former trade union membership, and one of the executives is a minority.

Minority employees

Age/ Gender	Under 30				Between 30-50				Over 51				Total	
	Male		Female		Male		Female		Male		Female			
Site	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Simplo Taiwan	0	0%	0	0%	1	1%	0	0%	0	0%	0	0%	1	0%
Simplo Chongqing	31	6%	49	13%	30	6%	21	4%	0	0%	0	0%	131	7%
Chongqing Trend Power	8	12%	6	11%	4	3%	6	5%	0	0%	0	0%	24	6%
Simplo (Changshu&Huapu)	123	16%	73	17%	71	7%	39	6%	0	0%	0	0%	306	10%
Simplo Vietnam	21	38%	25	43%	39	56%	18	37%	3	75%	0	0%	106	45%
Subtotal	183	12%	153	16%	145	7%	84	6%	3	3%	0	0%	568	9%

Disabled employees

Age/ Gender	Under 30				Between 30-50				Over 51				Total	
	Male		Female		Male		Female		Male		Female			
Site	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Simplo Taiwan	0	0%	0	0%	1	1%	0	0%	0	0%	1	3%	2	1%
Simplo Chongqing	24	4%	17	4%	32	6%	12	2%	1	5%	0	0%	86	4%
Chongqing Trend Power	3	4%	4	7%	5	4%	0	0%	0	0%	0	0%	12	3%
Simplo (Changshu&Huapu)	7	1%	1	0%	9	1%	3	0%	3	11%	3	50%	26	1%
Simplo Vietnam	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Subtotal	34	2%	22	2%	47	2%	15	1%	4	4%	4	9%	126	2%

Note：
1. Male (Female) gender of minority employees in the age group at each site = Male (Female) gender number of minority employees in the age group at each site/total number of GenderAge group in each site at the end of the year.
2. Male (Female) sex of employees with disabilities in the age group at each site = Male (Female) sex number of employees with disabilities in the age group at each site / Total number of gender age groups at each site at the end of the year.
3. Minorities employees: Mainly the minorities known locally at each site.
4. Employees with disabilities: Simplo (Taiwan) refers to employees with disabilities, Simplo (Chongqing), Chongqing Trend Power, Simplo (Changshu) & Huapu and Simplo Vietnam refer to employees with disabilities.
5. Employees with disabilities in Taiwan whose Number is insufficient shall pay the difference subsidy on a monthly basis.
6. The above information is calculated by the human resources system based on the employees in service on December 31, 2025, without any data assumptions.

Number of non-workers in 2025

Site	Outsourced worker	Dispatched worker	Contractor worker	Total
Simplo Taiwan	12	7	84	103
Simplo Chongqing	72	0	17	89
Chongqing Trend Power	4	0	0	4
Simplo (Changshu& Huapu)	0	433	0	433
Simplo Vietnam	14	0	0	14

Note:
1.Outsourced workers refer to security, cleaning and catering staff;
2.dispatched workers refer to temporary worker employees;
3.the number of contractors refers to the number of people entering contract cases for project needs.

Quality employee remuneration

Simplo Technology's salary policy adheres to the principle of equal pay for equal work, ensuring that the salaries of new employees are higher than the local minimum wage and avoiding differences due to region or gender. The company evaluates salaries based on the internal salary structure corresponding to the job grade, as well as factors such as education, experience, and professional ability, in order to avoid gender discrimination. To motivate employees and the management team, in addition to cash remuneration, there are retirement benefits or severance pay, various allowances, and other substantial incentive measures. In terms of the remuneration system, to motivate employees and the management team, according to the Company's articles of association, if the Company has profits in any given year, no less than three percent should be allocated as employee compensation. The distribution, as decided by the Board of Directors, can be in the form of shares or cash. The recipients include employees of subsidiaries who meet certain conditions, ensuring that the compensation of colleagues is at the market level, while also enhancing the Company's operational performance, creating a win-win situation. Please refer to page 54~55 of the 2025 Annual Report for details.

Average Employee Compensation and Median Employee Compensation in 2025

	2023	2024	2025
Number of Full-Time Non-Executive Employees	362	355	365
Average Employee Compensation	1,410	1,345	1,359
Variance from Prior Year	2.03%	-4.61%	1.04%
Median Employee Compensation	1,246	1,183	1,134
Variance from Prior Year	6.31%	-5.06%	-4.14%

*Scope: Simplo Taiwan
*Source: Market Observation Post System: https://mopsov.twse.com.tw/mops/web/t100sb15

Well-established welfare system

Provide a comprehensive welfare system and a good working environment to promote the career development and life balance of employees. The Employee Welfare Committee regularly handles various welfare measures and plans annual welfare activities to create a friendly working atmosphere, allowing employees to achieve a healthy balance between work and life. The Company's Welfare Committee received 37 applications for "Employee Marriage, Funeral, and Birth Subsidy," totaling NT$93,000; 2,044 applications for "Children's Scholarship," totaling NT$554,000; and 525 applications for "Child Subsidy," totaling NT$554,000.

Welfare measures

- Employee travel allowance
- Employee family day
- Employee group insurance
- Gift vouchers for three major festivals and the International Worker's Day
- Complimentary lunch/dinner provided
- Gym/Aerobics classroom/ Comprehensive stadium

Family-Friendly Marriage and Childcare Support

- Marriage Allowance
- Newborn Child Gift Allowance
- Scholarship for children
- Early childhood education allowance
- Partnered Childcare Facilities

Enriching employee activities

Green Living Week

Environmental protection is more than just a slogan—it is an integral part of the Simplo way of life. During this year's Green Living Week, employees were encouraged to incorporate sustainable practices into their daily lives through e-newsletters promoting the use of reusable cups and proper waste sorting. A series of engaging onsite activities was also organized, including a green market and interactive ESG challenges. Most notably, employees demonstrated remarkable commitment by collectively recycling more than 1,600 used batteries. We sincerely thank every employee who participated and contributed to bringing sustainability into everyday life and making a positive contribution to the planet.



Diverse Employee Clubs

Simplo provides a variety of employee clubs, including cultural and arts, sports, and recreational activities, encouraging employees to pursue diverse interests and enrich their lives outside of work. Available clubs include the Badminton Club, Golf Club, and Yoga Club, among others, providing employees with opportunities to develop diverse interests and promote work-life balance.



Badminton Club


Golf Club


Yoga Club

Annual Dinner

Annual dinner provides an opportunity to review the past year's achievements, express appreciation for employees' contributions, strengthen team cohesion, and foster motivation for the year ahead.


Simplo Taiwan



Simplo Changshu


Simplo Vietnam

Employee Family Day

The Employee Welfare Committee thoughtfully organized a variety of weekend activities, allowing employees to relax and recharge through culinary experiences and cultural excursions. Employees were offered diverse itineraries and the flexibility to select activities based on their interests. A total of 559 employees and their family members from Simplo Taiwan registered to participate, while 114 employees and their family members from China operations took part in the activities. These initiatives promote mutual engagement between the Company and employees while enriching their lives outside of work.





Festival Activities

Lantern Festival – Lantern Riddle Challenge

Simplo Changshu organized a festive Lantern Festival event featuring a lantern riddle challenge, creating an opportunity for employees to celebrate together and experience traditional culture. The event also helped strengthen employee engagement and foster a sense of belonging within the Company. On February 12, 2025, a total of 200 employees participated in the event.



International Women's Day

Simplo organized a warm and meaningful celebration for International Women's Day to recognize and appreciate employees from diverse nationalities and the contributions of women in the workplace. The activity promoted an inclusive and harmonious multicultural work environment



Mid-Autumn Festival Activities

In September 2025, Simplo organized a series of online and onsite activities to celebrate the Mid-Autumn Festival. The online program featured an engaging knowledge quiz combining traditional cultural knowledge with company regulations, while the onsite activities included hands-on DIY workshops where employees could experience traditional crafts.



Harmonious labor relations

The Company selects representatives from both labor and management sides in accordance with labor-related regulations. The internal establishment of a smooth communication mechanism, each employee can understand the company's latest news through the internal E-portal platform bulletin board, combined with physical mailboxes, Email, official line @ account and other ways to reflect immediately. In the event of significant operational changes, Simplo Technology adheres to local labor laws to notify employees in advance, ensuring the protection of their rights. For the grievance mechanism, please refer to 2.3 Business Integrity

Robust pension system

The Company has established the "Labor Retirement Fund Supervisory Committee" to supervise employee pension expenditures, and has formulated the "Employee Retirement Procedures" in accordance with the "Labor Pension Act." Employees within the establishment who meet the criteria outlined in these procedures may apply for retirement benefits in accordance with these regulations. The retirement benefit system follows the provisions of both the new and old version of retirement benefit methods as stipulated by the Labor Standards Act.The pension is calculated based on years of service and the average salary at retirement. According to the Labor Standards Act, 6% of each employee's monthly salary is allocated to their individual retirement pension account managed by the Bureau of Labor Insurance. Operational sites in China adhere to relevant provisions of the Social Security Act for retirement benefits. The participation rate of regular employees in the retirement plan is 100%. Please refer to page 71~72 of the 2025 Annual Report for details.



Parental leave

Pursuanting to the "Gender Equality Act" and the "Regulations for Implementing Unpaid Parental Leave for Raising Children", Simplo (Taiwan) provides substantial care to employees who need parental leave. The China operating sites provide breastfeeding leave pursuant to local regulations.

Factories in China provide breastfeeding leave in accordance with local regulations. For children under one year old, mothers are given one hour of breastfeeding leave per day during working hours (excluding lunch time). The breastfeeding leave time for twins or more will be doubled correspondingly to the breastfeeding time for one pregnancy.

Two of female in Simplo (Taiwan) applied for babysitting jobs in 2025. The above numbers are based on the maternity leave and parental leave numbers. In that year, 1 colleague took maternity leave, 8 applied for maternity leave and 5 applied for paternity leave.

Parental leave statistics of Simplo (Taiwan) in the past three years

Year	2023			2024			2025		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave (A)	10	8	18	21	12	33	5	8	13
Actual number of applicants for parental leave in the year (B)	0	0	0	1	1	2	0	2	2
Number of employees who should be reinstated after parental leave in the year (C)	0	0	0	0	0	0	0	0	0
Actual number of people reinstated after parental leave in the year (D)	0	0	0	0	0	0	0	0	0
Actual number of employees reinstated after parental leave in the previous year (E)	0	3	0	0	0	0	0	1	1
Number of employees who have continued to work for one year after reinstatement after parental leave in the previous year (F)	0	3	3	0	0	0	0	1	1
Reinstatement rate of parental leave in the current year (D/C)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Retention rate for reinstatement after parental leave in the current year (F/E)	NA	100%	100%	NA	NA	NA	NA	100%	100%

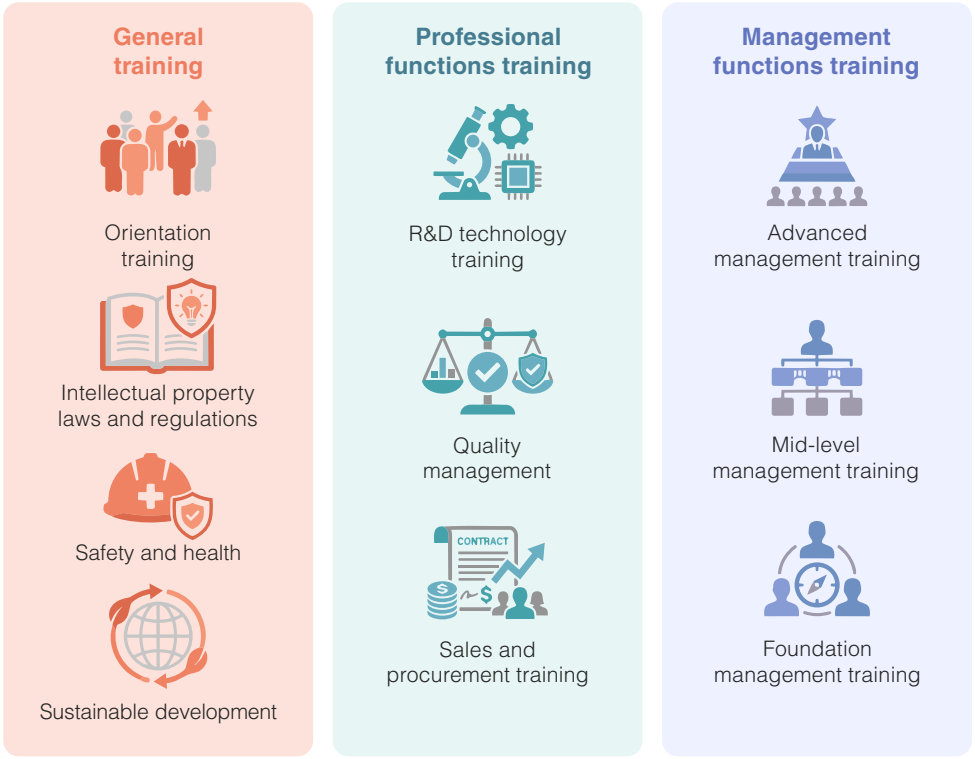
Note:
1. Eligibility for unpaid parental leave is defined as employees who have applied for maternity leave or paternity leave in the past three years.
2. The above form displays Simplo (Taiwan) maternity leave information.

6.3 Talent Cultivation and Development

Material Topics | Training and Development

Learning and development

Simplo Technology provides a variety of learning channels, including internal and external training, job rotation, and overseas study. We have established a comprehensive learning system and provided abundant resources to build sustainable competitiveness for our employees. The company continuously identifies and cultivates key talent and strengthens the diversity of its curriculum to ensure continuous learning for its employees. We hope that both the company and employees can grow together and create a win-win business philosophy.The company provides different training for employees at different stages. The planned training system blueprint is as follows:



The actual training implemented in 2025

Item	Total Number of Employees	Total Hours	Total Expenses (NT$)
Professional Competency Training	2,001	2,670	893,619
New Employee Training	235	750	209,060
Safety and Health Training	861	3,548	967,029
Quality Management	79	79	22,036
Management Functions	86	445	264,258
Total	3,262	7,492	2,356,002

Source: Simplo Technology 2025 Annual Report, P.71

The main components of the Company's internal training system include:：

- Orientation Training：The education and training management unit and the employing unit must arrange different orientation training courses within one month of the new employee's onboarding. The content includes common courses such as Company introduction, regulations and benefits system, quality awareness, environmental safety and health, and work operation description; to help new employees quickly understand the Company and integrate into the organizational culture.
- Professional Functions：Each department plans and conducts different professional functions courses for personnel with various functional responsibilities to promote the enhancement of professional capabilities across different job categories.
- Management Functions：According to the organization's operational strategy and management objectives, education and training courses required for enhancing management functions are conducted for the Company's management level to strengthen the concepts and capabilities of supervisors at all levels.
- Quality Management:：Classes are organized internally by each department based on the requirements of the quality system.
- Safety and Health Training：Courses are conducted in accordance with relevant safety and health regulations, and handled according to the [HSE Education and Training Management Procedure].

China sites provide a series of personalized leadership development programs

Simplo Changshu provides a series of personalized leadership development programs focused on employee development within the supply chain. Through education and training, these programs empower employees to foster self-awareness, develop a sound professional outlook, build confidence, and enhance workplace performance.





In addition to human resources training, Simplo provides annual training programs covering quality management systems, occupational health and safety, and other relevant areas. These programs are designed according to the knowledge and skills required by employees across different business functions, ensuring safe operations, consistent product design and manufacturing quality, and the effective implementation of key corporate policies. The 2025 employee training statistics are presented in the table below.

Education and training in 2025

Site	Simplo Taiwan				Simplo Chongqing				Chongqing Trend Power				Simplo (Changshu&Huapu)				Total	
Category	Executive		Non- executive		Executive		Non- executive		Executive		Non- executive		Executive		Non- executive		Executive	Non- executive
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Number of employees	104	45	140	108	46	15	1057	877	12	5	184	209	101	47	1,730	1,082	375	5,387
Training hours	1953.5	830	2,795	1873	2,202	800.5	43,722	37,186	509	259	7,329	8,669	1,923	1,041	42,314	27,256	9,518	171,143
Average training hours	18.78	18.4	19.96	17.34	47.86	53.37	41.36	42.40	42	52	40	41	19	22	24	25	25.38	31.77

Note:
1. The data includes full-time employees, and excludes non-workers.
2. Average training hours = total training hours of male (female) employees by job at each site / total number of male (female) employees by job at each site at the end of year.
3. Executive refers to assistant managers (including) and above, excluding non- executive such as senior engineers.

Performance appraisal

Simplo is committed to establishing a forward-looking performance appraisal and remuneration system. Performance appraisal is conducted across the aspects of work performance, attendance status, competency and development potential, and teamwork. All permanent employees in Simplo (Taiwan), Simplo (Chongqing), Simplo (Changshu& Huapu), Simplo Vietnam are entitled to participate in performance appraisal.Simplo (Taiwan)、Simplo (Chongqing). Employees who have been employed for less than three months, Simplo (Changshu& Huapu), Simplo Vietnam employees who have been employed for less than six months will not be subject to performance appraisals. Other employees will be subject to performance appraisals in accordance with regulations.

Performance appraisal ratio in 2025

Site	Male (%)	Female (%)	Frequency of assessment	Reason for Exclusion
Simplo Taiwan	58%	25%	2 appraisals per year	New employees with less than three months of service
Simplo Chongqing	97%	98%	1 appraisals per year	New employees with less than three months of service
Chongqing Trend Power	97%	98%	1 appraisals per year	New employees with less than three months of service
Simplo (Changshu&Huapu)	75%	73%	4 appraisals per year	Taiwan-assigned employees and employees with less than six months of service
Simplo Vietnam	57%	43%	1 appraisals per year	Taiwan-assigned employees and employees with less than six months of service

Note:
1. Ratio of the appraised employees = actual number of male (female) employees appraised / total number of male (female) employees at the end of the year.
2. Simplo (Changshu) requires a long time of 6 months to be included in the assessment, and the turnover rate of front-line employees is relatively high, resulting in a low ratio.
3. The number of performance appraisals is calculated for the month of December at the end of the year.

6.4 Safety and Health

Safety and health management system

Simplo Technology's main operational sites have all been certified to ISO 45001:2018 by third-party verification. The Company maintains a long-term goal of "zero health and safety incidents", continually ensuring and developing a safe and comfortable workplace environment. The OHS management system, including internal and external audits, covers both employees and non-employees, with a comprehensive coverage rate of 100%.

ISO 45001 OSH Management Systems

Site	ISO 45001 OSH Management Systems
Simplo Taiwan	2028/8/12
Simplo Chongqing	2028/4/5
Chongqing Trend Power	2026/10/9
Simplo Changshu	2028/3/19
Huapu	2027/12/9

Occupational safety and health management

Simplo (Taiwan) has established the "Occupational Safety and Health Committee". It is responsible for planning, supervising and promoting occupational safety and health related business. The top manager of the factory serves as the chairman of the committee. In compliance with local regulations, it is composed of designated occupational safety and health managers, department heads, dedicated nurses and labor representatives. The committee convenes quarterly and reviews performance through the occupational safety and health management system to continuously improve.

Simplo (Chongqing) has a "Production Safety Committee", which is composed of the general manager, department heads and safety officers. It meets every two months. It also has " Worker Representative Conferences " which meets once a year, including labor representatives accounts for 25%. Simplo (Changshu) also has a "Production Safety Committee" that holds weekly meetings with first-level supervisors to discuss occupational safety and health issues, in which labor representatives account for 25%.Simplo Vietnam has a " Safety and Health Committee " which meets Every two months, including labor representatives accounts for 43%.

Occupational safety and health management organization

Site	Organization	Number of member	Number of labor representatives	Labor representation	Meeting frequency
Simplo Taiwan	Occupational Safety and Health Committee	31	13	42%	Quarterly
Simplo Chongqing	Worker Representative Conferences	154	39	25%	Quarterly
Chongqing Trend Power	Worker Representative Conferences	34	5	15%	Quarterly
Simplo (Changshu & Huapu)	Production Safety Committee	118	29	25%	Weekly
Simplo Vietnam	Safety and Health Committee	7	3	43%	Every two months

Hazard identi cation and risk assessment

Each operating site of Simplo complies with the local regulations and the provisions of the ISO 45001 to establish procedures and approaches related to hazard identification, as well as risk and opportunity assessment, for annual and irregular hazard identification and development, tracking, and control of the follow-up actions. If the assessment results show that the hazard is an unacceptable risk, the corrective, improvement, and preventive measures will be taken to reduce risk that can be effectively managed.



Incident prevention, investigation and reporting

occurring, each operating base of Simplo establish relevant systems for incident prevention, investigation and reporting, corrective measures for non-conformities, and the management of preventive measures. are used to investigate, review, correct, and prevent false alarm incidents, industrial incidents, and commuting traffic accidents, while actively implementing the safety and health policies and various standard operating procedures.

To enhance employee emergency response capabilities and minimize the severity of potential workplace hazards, Simplo Technology conducts annual emergency drills across diverse operational risk scenarios. In 2025, the company executed a total of 36 emergency response exercises, which included 13 fire evacuation drills, 7 chemical leakage drills, 3 utility disruption exercises (water outage, power outage, and gas supply interruption), 2 forklift accident drills, 2 elevator failure drills, 2 electric shock drills, 2 food poisoning incident exercises, 2 occupational injury response drills, 1 power distribution room incident exercise, 1 confined space operation emergency drill, and 1 energy storage site emergency response drill.

Occupational disasters statistics

In 2025, a total of 27 recordable occupational safety accidents, 0 major occupational safety accidents, 0 disabling injuries, and 0 fatal accidents occurred at Simplo Technology's global sites. For each occupational accident, the company's safety and health department conducts a work-related injury review and proposes a summary report and improvement plan to control the accident from the source as much as possible to reduce the probability of occupational accidents.

Occupational disaster in 2025

Site	Fatalities as a result of work-related injury	Highconsequence work-related injuries	Recordable work-related injuries
Simplo Taiwan	0	0	0
Simplo Chongqing	0	0	23
Chongqing Trend Power	0	0	4
Simplo (Changshu&Huapu)	0	0	0
Simplo Vietnam	0	0	0

Note: High-consequence work-related injuries means work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

OSH performance in 2025-Employee

Site	Total working hours		Fatalities as a result of work-related injury		Highconsequence work-related injuries		Recordable work-related injuries	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Simplo Taiwan	488,456	303,640	0	0	0	0	0	0
Simplo Chongqing	3,785,656	2,868,225	0	0	-	-	12	11
Chongqing Trend Power	623,593	522,588	0	0	0	0	3	1
Simplo (Changshu&Huapu)	4,275,838	2,696,116	0	0	0	0	0	0
Simplo Vietnam	0	0	0	0	0	0	0	0

OSH performance in 2025-Non-employee worker

Site	Total working hours		Fatalities as a result of work-related injury		Highconsequence work-related injuries		Recordable work-related injuries	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Simplo Taiwan	1,032	6,688	0	0	0	0	0	0
Simplo Chongqing	94,544	60,096	0	0	0	0	-	-
Chongqing Trend Power	-	8,448	0	0	0	0	0	0
Simplo (Changshu&Huapu)	914,120	451,167	0	0	0	0	0	0
Simplo Vietnam	0	0	0	0	0	0	0	0

Note:
1. The total working hours of employees and non-employees in Taiwan are based on the statutory filing data of each plant. Working hours of employees in Simplo Chongqing and Changshu are the system data; the working hours of non-employees are mainly provided by suppliers.
2. Rate of fatalities as a result of work-related injury = number of fatalities as a result of work-related injury / total working hours * 1,000,000.
3. Rate of high-consequence work-related injuries = number of high-consequence work-related injuries (excluding fatalities) / total working hours * 1,000,000.
4. High-consequence work-related injuries means work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.
5. Rate of recordable workrelated injuries = Number of recordable work-related injuries (including fatalities as a result of work-related injury and high-consequence work-related injuries) / total working hours * 1,000,000.

Types of occupational injuries in 2025

Site	Cuts, Lacerations, and Abrasions	Contusions Injuries	Pinch Injuries	Impact Injuries	Exposure to Hazardous Substances	Commuting Accidents	Burns	Other	Total
Simplo Taiwan	0	0	0	0	0	-	0	0	4
Simplo Chongqing	0	1	1	1	0	14	0	6	23
Chongqing Trend Power	0	0	1	0	0	3	0	0	4
Simplo (Changshu&Huapu)	0	0	0	0	0	0	0	0	0
Simplo Vietnam	0	0	0	0	0	0	0	0	0
Total	0	1	1	1	0	18	0	6	27
%	0%	4%	4%	4%	0%	67%	0%	22%	100%

Disabling injury severity

Site	Male	Female
Simplo Taiwan	0	0
Simplo Chongqing	105.40	68.68
Chongqing Trend Power	89.80	1.91
Simplo (Changshu & Huapu)	0	0
Simplo Vietnam	0	0

Note: Disabling injury severity = number of days lost due to disabling injury / working hours * 1,000,000

Accident correction actions

To effectively prevent occupational accidents and illnesses, Simplo Taiwan has established comprehensive management protocols for incident prevention, investigation, reporting, and corrective and preventive action (CAPA). These procedures govern the investigation, review, correction, and prevention of near-misses, workplace injuries, and commuting accidents, demonstrating the company's proactive commitment to implementing occupational health and safety policies and standardized operating procedures (SOPs).

At Simplo Chongqing, in the event of an occupational incident, the responsible department is required to complete an investigation within 48 hours and submit an "Employee Injury Incident Report." This document details the incident description, root cause analysis, accountable personnel, corrective actions, implementation timelines, and key takeaways. Proposed corrective measures are subsequently evaluated and voted on by managers during industrial safety meetings to ensure their feasibility and effectiveness; an incident case is closed only upon official approval of these verified measures.

To mitigate risks, Simplo Changshu has implemented targeted safety enhancements across its operations: upgrading machinery and equipment to achieve intrinsic safety against mechanical hazards; conducting safety warning and awareness training to prevent struck-by injuries; and refining procedural documentation and SOPs across other operational areas to ensure complete alignment with actual workplace practices.

Safety and health education and training

Simplo Technology with the local laws and internal management measures of each operating site, continuously implements occupational safety and health education and training, establishes comprehensive employee safety training strategies, and provides employees with the safety and health education and training required for work and disaster prevention.

OSH training courses in 2025

Site	Total trainees	Total hours
Simplo Taiwan	906	3,934
Simplo Chongqing	34,950	75,390
Chongqing Trend Power	7,816	17,602
Simplo (Changshu&Huapu)	1,275	1,364
Simplo Vietnam	441	1,736
Total	45,388	100,026

Fire Safety Awareness Month Initiatives

Simplo's China manufacturing facilities launched a Fire Safety Awareness Month campaign themed "Every Citizen for Fire Safety, Prioritizing Life: Safe Use of Fire and Electricity." The campaign featured diverse interactive activities, including online knowledge quizzes and an offline interactive game titled "Make the Right Choice" (selecting the appropriate fire extinguisher based on hazard diagrams). Engaging over 1,500 employees, these interactive initiatives effectively heightened workforce fire safety awareness and deepened operational safety knowledge.

Simplo Vietnam actively collaborated with local fire police authorities in filming an educational fire safety video. This joint effort showcased the facility's fire safety systems and equipment, highlighting their full compliance with relevant statutory regulations and technical specifications.



Operational sites in China



Operational sites in Vietnam

Training items for professional certification in each plant area

Site	Professional certification training items
Simplo Taiwan	Occupational safety and health operations supervisors, management specialists, management personnel, organic solvent operations supervisors, first aid personnel, forklift operators with a load of more than one metric ton, labor health service nurses, radiation safety training, fire management personnel, and crane operators engaged in lifting operations
Simplo Chongqing	First aid personnel, forklift operators, electricians, pressure vessel operators, chemical safety operators, chemical management personnel, fire safety facility operators, occupational health and safety personnel.
Simplo (Changshu &Huapu)	Safety production management personnel, occupational health management personnel, radiation equipment operators, high and low voltage electrician operators, special equipment management personnel, forklift drivers, chemical management personnel, and fire room control system operators.
Simplo Vietnam	Occupational safety and health operations supervisors, First aid personnel, radiation equipment operators, high and low voltage electrician operators, elevator operations supervisor, forklift operator, air compressor and pressure vessel operator, chiller system operator, elevating work platform operator, fire control room system operator

OSH education system

1. New recruits: General education on occupational safety and health before entering the workplace.
2. On-the-job employee safety and health training: Strengthen training and publicize relevant occupational safety and health education.
3. Management system training: Implement the management system cycle (PDCA) through training programs to build a complete and systematic occupational safety and health management system.



Contractor management

Simplo Technology has established contractor management procedures for contractors entering the plant zones. In addition to complying with local regulations at each operational site, contractors must apply for entry before entering the plant zones. They are required to undergo hazard notification and education and training. Entry into the plant zones is granted only after obtaining construction permits. After entering the plant, contractors must abide by the Safety and Health Work Regulations of Simplo Technology's contractors and related regulations.



Employee health care

Simplo Technology promotes a comprehensive health care program and hires dedicated nurses to be responsible for the implementation of health promotionrelated businesses, including health care, employee assistance, health promotion, and occupational disease warning. They exceed legal requirements by offering annual free health checkups for employees, regular first aid training, and facilities including lactation rooms, medical rooms, and AED installations on site. Simplo (Taiwan) invites contracted medical personnel monthly to provide free health counseling at the plant, totaling 199 sessions from 2020 to 2025, enhancing employee health care.

Healthcare services

1. Health checkup: Physical examination for new employees, annual health checkup for general employees, and health checkup for special operations.
2. Health promotion: Health lectures, promotion of sports clubs, gym and table tennis room.
3. Health management: Tracking of abnormalities in the health checkup report, care for medium and high-risk individuals, maternity protection plan, and onsite medical consultation services.
4. In the health column of the infirmary, regular features on health convenience stations are published. In 2025, a total of 31 special features were published.

Health Corner: Deep Vein Thrombosis	2025/7/28
Health Corner: Managing High Blood Pressure	2025/4/23
Health Corner: What to Do About Headaches	2025/3/20

"Healthy Weight Loss, LOHAS Life" Initiative

To encourage employees to prioritize health alongside their professional responsibilities, Simplo Technology launched the "Healthy Weight Loss, LOHAS Life" campaign in 2025, featuring a maximum cash reward of NT$15,000. A total of 68 employees (57 male and 11 female) participated in the three-month program, achieving a collective weight reduction of 232.7 kilograms. Beyond promoting weight management, the initiative actively fosters health awareness, empowering staff to maintain a balanced, active, and confident lifestyle despite busy work schedules.



"Safeguarding Your Pulmonary Health" Screening Program

In collaboration with the Center for Lung Cancer Diagnosis and Treatment at Chung Shan Medical University Hospital, Simplo Technology offered complimentary Low-Dose Computed Tomography (LDCT) lung cancer screenings at National Taiwan University Hospital (NTUH). The initiative targeted employees aged 40 to 80 with a history of smoking or a family history of lung cancer. Following a survey completed by 14 employees, 6 eligible individuals were selected and underwent screenings at NTUH.



Employee Mental Health & Wellness Training

Simplo Technology places a high priority on the holistic physical and mental well-being of its workforce. Simplo Changshu hosted health care training sessions in 2025, conducting two training programs that reached a total of 2,280 participants.



Number of health examination

	2023		2024		2025	
Site	General health examination	Special health examination	General health examination	Special health examination	General health examination	Special health examination
Simplo Taiwan	363	11	301	9	307	7
Simplo Chongqing	463	774	526	645	539	429
Chongqing Trend Power	211	110	211	165	184	137
Simplo (Changshu&Huapu)	1,150	1,574	1,296	851	1,275	1,364
Simplo Vietnam	-	-	-	-	64	14
Total	2,187	2,469	2,334	1,670	2,369	1,951

6.5 Social Engagement

Simplo gives back to society with the sustainability spirit of corporate operation and cares for disadvantaged groups in society and communities that require assistance. In addition to sponsoring relevant funds and equipment, Simplo encourages all employees to devote themselves to public welfare and community activities, seeking to promote local economic development and cultural activities through their own influence and create shared social values.

Organizing public welfare blood donation events

"Donate a bag of blood to save multiple lives." To show the spirit of great love and establish a good image of public welfare, Simplo continued to cooperate with a blood donation center in 2023 to hold a blood donation event in the plant, inviting all employees to roll up their sleeves and donate blood. A total of 280 people participated in the blood donation public welfare event during 2021-2025.





Do For Green_ Beach Cleanup

Simplo Technology consistently organizes beach cleanup events to safeguard marine environments. In 2024, 83 employees participated in a cleanup at Fung Hang beach in Xinfeng Township, Hsinchu County. In 2025, nearly 70 employees joined the initiative at Yongan Fishing Port in Xinwu District, Taoyuan City. Together, participants collected a total of 772 kilograms of marine waste, demonstrating the company's commitment to ocean conservation.





Do For Green_ Mountain Cleanup

Simplo Changshu Organizes Mountain Cleanup to Drive Environmental Action. Upholding core principles of sustainable development and corporate social responsibility, Simplo Changshu actively encourages employees to translate environmental awareness into concrete action. A total of 60 employees participated in a mountain cleanup initiative, demonstrating deep care for the local ecosystem and a firm commitment to environmental stewardship.





Care for local disadvantaged groups

Simplo's manufacturing facilities in China actively fulfill corporate social responsibility by engaging in government-organized charitable donation initiatives.



Film Screening: A Chip Odyssey

Simplo Technology hosted an exclusive film screening of A Chip Odyssey for employees. The documentary chronicles the critical history of Taiwan's semiconductor industry, illustrating how an island covering merely 0.02% of the world's landmass navigated turbulent times to become a global semiconductor hub. A total of 102 employees attended the event to reflect on this pivotal industrial journey.



Appendix

Appendix I. Report Quality Management Process

Appendix II. GRI Index

Appendix III. SASB Index

Appendix IV. United Nation Global Compact

Appendix V. Climate-Related Information of TWSE/TPEx Listed Company

Appendix VI. TWSE-required Disclosure of Indicators

Appendix VII. ESG-related Certification and Assurance Statement



Appendix I Report Quality Management Process



Stakeholder engagement

Send out questionnaires on material issues

Drawing the impact matrix

Ranking of issues of concern



Content editing

Report preparation education and training

Articles written according to the 8 major writing principles

- Standardization
- Balance
- Clarity
- Completeness
- Timeliness
- Sustainability context
- Comparability
- Verifability



Content review

Department head
Review information quality and content correctness

Third-party verifcation
Provide audit improvement items

Sustainable Development Committee
Review and finalize the draft

Sustainability report submitted to the board of directors for approval



Internal and external communication

Disclosed on company website

Set up a mailbox for comments from stakeholders

Internal e-newsletter and conference promotion

Appendix II GRI Index

Statement of Use	Simplo has reported the information for the period from January 1, 2025, to December 31, 2025, in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

Topic	Disclosure	Page
2-1 Organizational details	1.1 Company Profile	7
2-2 Entities included in the organization's sustainability reporting	About the Report	2
2-3 Reporting period, frequency and contact point	About the Report	2
2-4 Restatements of information	No restatement of information	-
2-5 External assurance	About the Report	2
2-6 Activities, value chain and other business relationships	1.1 Company Profile	7
2-7 Employees	6.2 Talent Attraction and Retention	72
2-8 Workers who are not employees	6.2 Talent Attraction and Retention	72
2-9 Governance structure and composition	2.1 Governance Operation	23
2-10 Nomination and selection of the highest governance body	2.1 Governance Operation	23
2-11 Chair of the highest governance body	2.1 Governance Operation	23
2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainability Strategy	14
2-13 Delegation of responsibility for managing impacts	1.2 Sustainability Strategy	14
2-14 Role of the highest governance body in sustainability reporting	1.2 Sustainability Strategy	14
2-15 Conflicts of Interest	2.3 Business Integrity	28
2-16 Communication of Critical Concerns	1.4 Communication with Stakeholders	21
2-17 Collective knowledge of the highest governance body	2.1 Governance Operation	23

Topic	Disclosure	Page
2-18 Evaluation of the performance of the highest governance body	2.1 Governance Operation	23
2-19 Remuneration policies	2.1 Governance Operation	23
2-20 Process to determine remuneration	2.1 Governance Operation	23
2-21 Annual Total Compensation Ratio	Incomplete data collection	-
2-22 Statement on sustainable development strategy	Message from the Chairman Message from the Chief Sustainability Officer	3 4
2-23 Policy commitments	2.3 Business Integrity 3.1 Supply Chain Management Strategy 6.1 Human Rights Management	28 34 69
2-24 Embedding policy commitments	2.3 Business Integrity 3.1 Supply Chain Management Strategy 6.1 Human Rights Management	28 34 69
2-25 Processes to Remediate Negative Impacts	2.3 Business Integrity	28
2-26 Mechanisms for seeking advice and raising concerns	2.3 Business Integrity	28
2-27 Compliance with laws and regulations	2.3 Business Integrity	28
2-28 Membership associations	1.1 Company Profile	7
2-29 Approach to stakeholder engagement	1.4 Communication with Stakeholders	21
2-30 Collective bargaining agreements	6.2 Talent Attraction and Retention	72

GRI 3: Material Topics 2021

Topic	GRI Standards	Disclosure		Response Chapter	Page
Business Integrity	3-3 Management of material topics				
	GRI 205: Anti-corruption 2016	205-2	Communication and training aboutanti-corruption policies and procedures	2.3 Business Integrity	28
Risk Management	3-3 Management of material topics				
	Custom Theme			2.4 Risk Management	30
Supply Chain Management	3-3 Management of material topics				
	GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.1 Supply Chain Management Strategy	34
	GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.2 Supply Chain ESG Risk Assessment	36
		308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Supply Chain ESG Risk Assessment	36
	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	5.3 Product Quality and Responsibility	61
		414-2	Negative social impacts in the supply chain and actions taken	5.3 Product Quality and Responsibility	61
Product Quality and Responsibility	3-3 Management of material topics				
	GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	5.3 Product Quality and Responsibility	61
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5.3 Product Quality and Responsibility	61
Information Security	3-3 Management of material topics				
	GRI 418：Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5 Information Security	31
Product Carbon Footprint	3-3 Management of material topics				
	Custom Theme			5.4 Product Carbon Footprint	66
Circular Economy	3-3 Management of material topics				
	GRI 301: Materials 2016	301-2	Recycled input materials used	5.2 Circular Economy	59
GHG	3-3 Management of material topics				
	GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 GHG Inventory	48

Topic	GRI Standards	Disclosure		Response Chapter	Page
GHG	GRI 302: Energy 2016	302-3	Energy intensity	4.2 GHG Inventory	48
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 GHG Inventory	48
		305-2	Energy indirect (Scope 2) GHG emissions	4.2 GHG Inventory	48
		305-3	Other indirect (Scope 3) GHG emissions	4.2 GHG Inventory	48
		305-4	GHG emissions intensity	4.2 GHG Inventory	48
		305-5	Reduction of GHG emissions	4.2 GHG Inventory	48
Climate Action	3-3 Management of material topics				
	GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Net-Zero Transformation Strategy	41
Training and Development	3-3 Management of material topics				
	GRI 404：Training and Education 2016	404-1	Average hours of training per year per employee	6.3 Talent Cultivation and Development	80
		404-3	Percentage of employees receiving regular performance and career development reviews	6.3 Talent Cultivation and Development	80

GRI Topic-specific Disclosures: Voluntary Disclosure Indicator

GRI Standards	Disclosure		Response Chapter	Page
GRI101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	4.1 Net-Zero Transformation Strategy	41
	101-2	Management of biodiversity impacts	4.1 Net-Zero Transformation Strategy	41
	101-4	Identification of biodiversity impacts	4.1 Net-Zero Transformation Strategy	41
	101-5	Locations with biodiversity impacts	4.1 Net-Zero Transformation Strategy	41
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.1 Supply Chain Management Strategy	34

GRI Standards	Disclosure		Response Chapter	Page
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3 Energy Management	50
	302-2	Energy consumption outside of the organization	4.2 GHG Inventory 4.3 Energy Management	48 50
	302-3	Energy intensity	4.3 Energy Management	50
	302-4	Reduction of energy consumption	4.3 Energy Management	50
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.4 Environmental Impact Mitigation	53
	303-3	Water withdrawal	4.4 Environmental Impact Mitigation	53
GRI 306: Waste 2020	303-4	Water discharge	4.4 Environmental Impact Mitigation	53
	303-5	Water consumption	4.4 Environmental Impact Mitigation	53
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Environmental Impact Mitigation	53
	306-2	Management of significant waste-related impacts	4.4 Environmental Impact Mitigation	53
	306-3	Waste generated	4.4 Environmental Impact Mitigation	53
	306-4	Waste diverted from disposal	4.4 Environmental Impact Mitigation	53
	306-5	Waste directed to disposal	4.4 Environmental Impact Mitigation	53
GRI 405: Diversity and Equal Opportunity2016	405-1	Diversity of governance bodies and employees	6.2 Talent Attraction and Retention	72
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	6.1 Human Rights Management	69
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	3.1 Supply Chain Management Strategy 6.1 Human Rights Management	34 69
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	6.1 Human Rights Management	69
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Human Rights Management	69
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews	6.1 Human Rights Management	69

Appendix III SASB Index

Indicator Number	Topic	Description
	Product Security	
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Simplo passed the ISO 27001 information security management system certification in 2025. Products of Simplo passed verification pursuant to the mandatory or voluntary safety regulations of various countries, are required to be labeled with danger and explosion warnings on the outside. For the implementation details, please refer to 2.5 Information Security、5.3 Product Quality and Responsibility。
	Employee Diversity & Inclusion	
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (a) executive management, (b) non-executive management, (c) technical staff, and (d) all other employees	Please refer to 6.2 Talent Attraction and Retention
	Product Lifecycle Management	
TC-HW-410a.1	Percentage of products, by revenue, that contain substances requiring declaration under IEC 62474	The product hazardous substance management regulations are regularly updated in accordance with banned substances regulations. For details on implementation, please refer to 5.3 Product Quality and Responsibility
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting EPEAT registration or equivalent criteria	As all of Simplo's products are in the B2B category, it is difficult to collect such information currently.
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting energy efficiency certification requirements	As all of Simplo's products are in the B2B category, it is difficult to collect such information currently.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	As all of Simplo's products are in the B2B category, it is difficult to collect such information currently.
	Supply Chain Management	
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited through	(a) In 2025, a total of 22 suppliers had audited, with a total implementation rate of 11.8% (b) The audit rate of high-risk factories is 80%.
TC-HW-430a.2	the Responsible Business Alliance (RBA) Validated Audit Process (VAP) or an equivalent audit, broken down by (a) all facilities and (b) high-risk facilities.	(1) The non-conformance rate of RBA VAP/CMA is 10.7% (2) The associated corrective action rate for priority non-conformances are 100% and other non-conformances are >90%.
	Description of the management of risks associated with the use of critical materials	
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Simplo requires suppliers to sign the Conflict Mineral Declaration and perform due diligence of conflict minerals in the supply chain to ensure that the products do not use minerals from conflict areas. In 2025, responsible mineral investigations were conducted for 163 suppliers, achieving a 100% response rate. For the implementation details, please refer to 3.4 Supplier Due Diligence
	Activity Metrics	
TC-HW-000.A	Number of units produced by product category	170,064 thousand sets
TC-HW-000.B	Area of manufacturing facilities	Trade secrets will not be disclosed.
TC-HW-000.C	Percentage of production from owned facilities	100%

Note: Using SASB standards, the Technology & Communication sector's Hardware industry guidelines, version 2023-12.

Appendix IV United Nation Global Compact

Category	Topics	Response Chapter
Human Rights	Initiatives to promote more environmentally responsible practices	6.1 Human Rights Management
	Encourage the development of environmentally friendly technologies	3.2 Supply Chain ESG Risk Assessment
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	6.1 Human Rights Management
	The elimination of all forms of forced and compulsory labor	6.1 Human Rights Management
	The effective abolition of child labor	6.1 Human Rights Management
	The elimination of discrimination in respect of employment and occupation	6.1 Human Rights Management
Environment	Businesses should support a precautionary approach to environmental challenges	4.1 Net-Zero Transformation Strategy 4.2 GHG Inventory
	Initiatives to promote more environmen-tally responsible practices	4.3 Energy Management 4.4 Environmental Impact Mitigation
	Encourage the development and promotion of environmentally friendly technologies	CH.5 Green Products and Innovation
Anti- Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	2.3 Business Integrity

Appendix V TWSE-required Disclosure of Indicators

Status	Response Chapter
1. Describe board and management oversight and governance of climate-related risks and opportunities.	2.1 Governance Operation
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	4.1 Net-Zero Transformation Strategy
3. Describe the financial impact of extreme climate events and transition actions.	4.1 Net-Zero Transformation Strategy
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	4.1 Net-Zero Transformation Strategy
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described	4.1 Net-Zero Transformation Strategy
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	4.1 Net-Zero Transformation Strategy
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	4.1 Net-Zero Transformation Strategy
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).	4.3 Energy Management
9. GHG inventory and verification.	4.2 GHG Inventory

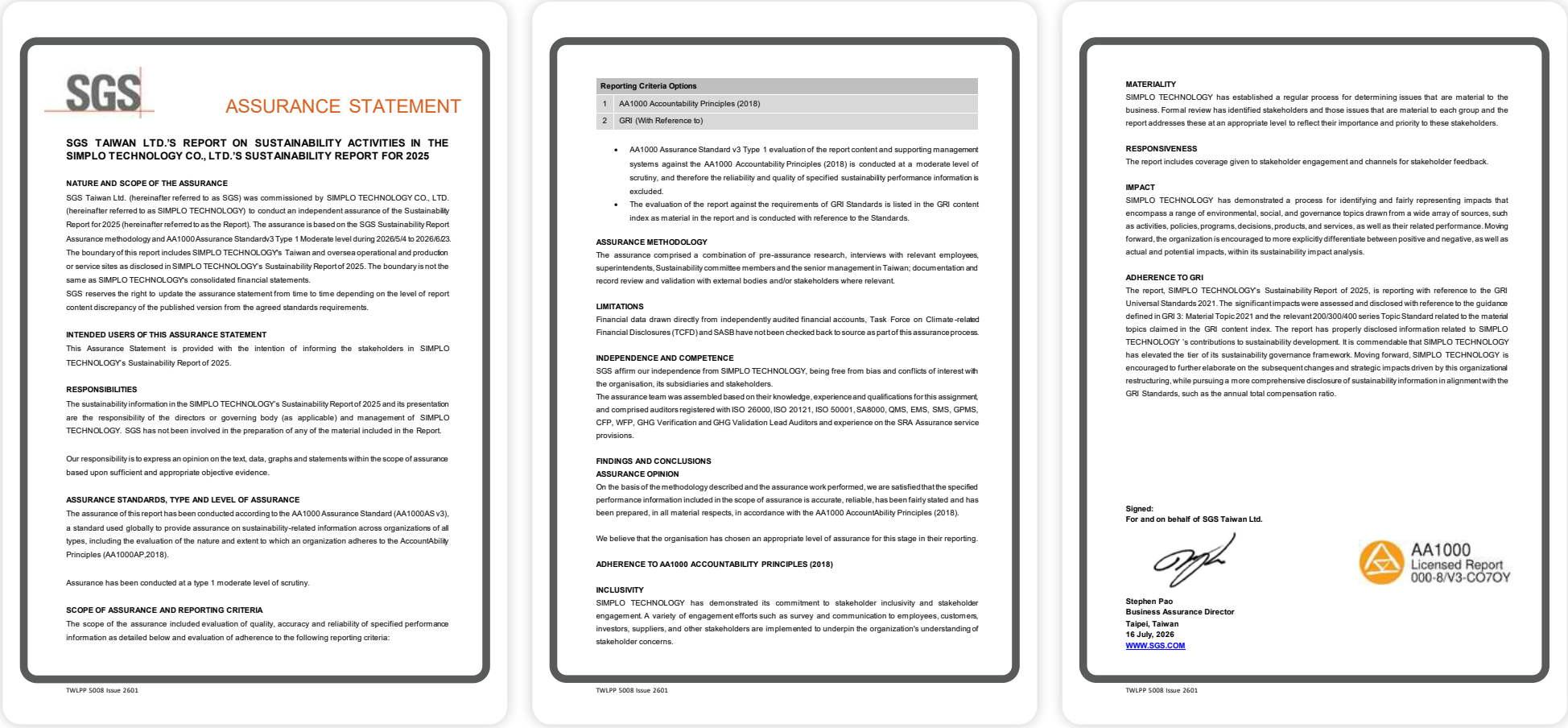
Appendix VI Sustainability Disclosure Indicators

Sustainability Disclosure Indicators- Electronic Components Industry

No.	Indicator	Indicator Type	Unit	Response	Note
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Gigajoules (GJ), percentage (%)	Total energy consumption:506,376GJ percentage of purchased electricity：93.80% renewable energy usage rate:79.00%	
2	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (1,000m^3)	Total water withdrawal： 380,870.00m^3 total water consumption：64,224.62m^3	
3	Weight of hazardous waste generated and recycling percentage	Quantitative	Metric tons (t), percentage (%)	Weight of hazardous waste generated:401.63 t recycling percentage：47.79%	
4	Description of types, number, and rate of occupational injuries	Quantitative	Number, rate (%)	Number of Cases: 27 employees (all general work related injuries) Injury Rate: 0.45% (the number of cases divided by the total number of Group employees)	
5	Disclosure of product lifecycle management, including weight of scrapped products and e-waste and percentage recycled	Quantitative	Metric tons (t), percentage (%)	Not applicable. Simplo's products are B2B components and not sold directly to end consumers. Therefore, product end-of-life disposal, recycling services, and reporting (including recycled weight) are planned and executed by customers.	
6	Description of risk management related to the use of critical materials	Qualitative Description	Not applicable	Please refer to 3.4 Supplier Due Diligence	
7	Total monetary losses resulting from legal proceedings associated with anti-competitive behavior regulations	Quantitative	NT	NT$0	Simplo has not received any penalties from regulatory authorities for violations of anti-competitive practices.
8	Primary production volume by product category	Quantitative	Thousand pieces	Trade secrets will not be disclosed.	

Note: If scrap materials were sold or otherwise recycled, relevant details should be provided

Appendix VII Independent Assurance Statement



SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SIMPLO TECHNOLOGY CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SIMPLO TECHNOLOGY CO., LTD. (hereinafter referred to as SIMPLO TECHNOLOGY) to conduct an independent assurance of the Sustainability Report for 2025 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 1 Moderate level during 2026/5/4 to 2026/6/23. The boundary of this report includes SIMPLO TECHNOLOGY's Taiwan and oversea operational and production or service sites as disclosed in SIMPLO TECHNOLOGY's Sustainability Report of 2025. The boundary is not the same as SIMPLO TECHNOLOGY's consolidated financial statements.
SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing the stakeholders in SIMPLO TECHNOLOGY's Sustainability Report of 2025.

RESPONSIBILITIES

The sustainability information in the SIMPLO TECHNOLOGY's Sustainability Report of 2025 and its presentation are the responsibility of the directors or governing body (as applicable) and management of SIMPLO TECHNOLOGY. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

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Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

SGS affirm our independence from SIMPLO TECHNOLOGY, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.
The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

SIMPLO TECHNOLOGY has demonstrated its commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

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MATERIALITY

SIMPLO TECHNOLOGY has established a regular process for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

SIMPLO TECHNOLOGY has demonstrated a process for identifying and fairly representing impacts that encompass a range of environmental, social, and governance topics drawn from a wide array of sources, such as activities, policies, programs, decisions, products, and services, as well as their related performance. Moving forward, the organization is encouraged to more explicitly differentiate between positive and negative, as well as actual and potential impacts, within its sustainability impact analysis.

ADHERENCE TO GRI

The report, SIMPLO TECHNOLOGY's Sustainability Report of 2025, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to SIMPLO TECHNOLOGY 's contributions to sustainability development. It is commendable that SIMPLO TECHNOLOGY has elevated the tier of its sustainability governance framework. Moving forward, SIMPLO TECHNOLOGY is encouraged to further elaborate on the subsequent changes and strategic impacts driven by this organizational restructuring, while pursuing a more comprehensive disclosure of sustainability information in alignment with the GRI Standards, such as the annual total compensation ratio.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-8/V3-CO7OY

Stephen Pao
Business Assurance Director
Taipei, Taiwan
16 July, 2026
WWW.SGS.COM

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SMP

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