



2024 SIMPLO Sustainability Report



Be Your Best Battery Solution Provider



Contents

Foreword

About the Report	1
Message from the Chairman	2
Message from the Executive Vice President	3
2024 Annual Achievements	4
Honor and Glory	5

1 Sustainability Management

1.1 Company Profile	7
1.2 Sustainability Strategy	12
1.3 Communication with Stakeholders	16
1.4 Material Topics Analysis	18

2 Corporate Governance

2.1 Governance Operation	22
2.2 Business Integrity	26
2.3 Economic Performance	27
2.4 Risk Management	28
2.5 Information Security	30

3 Sustainable Supply Chain

3.1 Supply Chain Management Strategy	33
3.2 Supply Chain ESG Risk Assessment	34
3.3 Supplier Engagement	37

4 Environmental Sustainability

4.1 Net Zero Strategy	39
4.2 GHG Inventory	45
4.3 Energy Management	46
4.4 Environmental Impact Mitigation	49

5 Green Products and Innovation

5.1 Green Design	55
5.2 Product Carbon Footprint	56
5.3 Circular Economy	57
5.4 Product Quality and Responsibility	59

6 Inclusive Workplace

6.1 Employee Overview	66
6.2 Human Rights Management	73
6.3 Safety and Health	75
6.4 Talent and Education	80
6.5 Social Engagement	82

Appendix

Report Quality Management Process	84
GRI Index	85
SASB Index	89
United Nation Global Compact	90
TWSE-required Disclosure of Indicators	90
Independent Assurance Statement	91



About the Report

The 2024 Sustainability Report is prepared with reference to the GRI Standards and the hardware industry indicators issued by the Sustainability Accounting Standards Board (SASB) to disclose and present the environment, social, and governance three major aspects of strategies and actions to stakeholders. Simplo Technology adheres to a transparent, honest and objective stance, continues to communicate with stakeholders, and implements the company's sustainable development goals.

Reporting Period and Boundary

The disclosure period of this report is from January 2024 to December 2024. The boundary of disclosure mainly includes the headquarters of Simplo Technology Co., Ltd. in Taiwan ("Simplo (Taiwan)"), the production sites in China, namely Simplo Technology (Chongqing) Inc. ("Simplo (Chongqing)"), Simplo Technology (Changshu) Inc. ("Simplo (Changshu)" ^{Note 1}), Huapu Technology (Changshu) Inc. ("Huapu" ^{Note 1}), and Simplo Technology (Vietnam) Inc. ("Simplo (Vietnam)"). The scope of disclosure accounts for 89% of Simplo Group's consolidated net income, and the other 11% is its subsidiary AES, which will release a separate sustainability report.

Note 1: All the figures of Simplo (Changshu) in the Report include Huapu. Therefore, the presentation is "Simplo (Changshu) (including Huapu)". For any exceptions, additional explanations will be made.

Note 2: "Simplo" referred in the Report includes information related to Simplo (Taiwan), Simplo (Chongqing), Simplo (Changshu) (including Huapu). Where Trend Power, Trend Energy and Trend Power (Changshu) are involved, additional explanations will be made.

Note 3: The information disclosed by the Simplo Vietnam will be noted separately.

Reporting Basis

The financial data in this report are the Simplo Group's consolidated financial statements published in the 2024 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
- China Factories: ISO 14001、ISO 45001、ISO 50001 and IECQ QC 080000
- Vietnam Factory: IECQ QC 080000

Report Principles

This report is prepared in accordance with the GRI General Standards and refers to the hardware industry indicators issued by the SASB Sustainability Accounting Standards Board and the "Operation Methods for Preparing and Submitting Sustainability Reports for Listed Companies" to explain to stakeholders the company's economic and environmental performance, the strategies and actions of the three major aspects of society, and reveal management policies and performance results.

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.

Contact Us

This report is published on the official website of SIMPLO. If you have any comments or suggestions about the contents of this report, please contact us at the following information.

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Message from the Chairman



Chairman
Raymond Sung



In 2024, the global laptop market showed a sign of recovery. Despite the intensifying geopolitical impacts, the brand's proactive marketing efforts had stimulated end-consumer demand, supplemented by government subsidies across various countries, together with the rising trend of AI PCs. As a result, the annual IT lithium battery shipments of Simplo Technology met expectations, while the expansion into non-IT product lithium battery applications had made significant progress. Due to our robust R&D and manufacturing capabilities, we have reinforced our leadership position in the global market for laptop battery modules, ensuring continued stable profitability. On behalf of the Company, I would like to express my sincere gratitude to all our colleagues and value chain partners for their long-term support.

The global trend towards net-zero is driving low-carbon transformation. Simplo Group has mapped out a net-zero pathway, capturing sustainable risks and opportunities, strengthening the integrity of the supply chain, and optimizing production configuration to enhance the resilience of corporate operations. We continue to leverage on our existing core advantages and persist in investment and deployment in energy storage products, while actively developing new applications with growth potential, including lithium battery modules for electric bicycles and E-scooters. Additionally, in response to the demand for replacing lead-acid batteries with lithium batteries in large data centers, Simplo Group has been active in this area for many years, which will become an important growth engine for the Company in the future.

Simplo Technology upholds a people-oriented philosophy by fostering an ESG-driven corporate culture internally and enhancing communication with stakeholders externally. We consistently lead the industry in sustainability QBR (Quarterly Business Review) evaluations from customers. We actively align with international initiatives by setting science-based carbon reduction targets (Science Based Targets, SBT) and gradually reducing total carbon emissions each year. We are committed to achieving RE100 by 2040 and continue to strive towards a net-zero objective. At the same time, we also continuously cooperate with value chain partners to strengthen operational resilience, seek new business opportunities under climate change, and create sustainable business opportunities.

Simplo Technology values talent cultivation and development and has joined the "TALENT in Taiwan, Sustainable Talent Development Alliance". It is taking concrete actions toward the six key sustainability actions indicators: Meaning and Value, Diversity and Inclusion, Organizational Communication, Rewards and Incentives, Physical and Mental Health, and Talent Growth, to enhance the sustainable competitiveness of talent. Looking ahead, we will continue to enhance corporate governance based on our core business to lay the foundation for sustainable development, and reinforce the Group's sustainability capacity. Through creativity and actions, we are committed to creating greater corporate value for stakeholders and achieving sustainable corporate growth.

Message from the Executive Vice President



Executive Vice President

Paganini Lin



Sustainability issues have shifted from a "nice-to-have" to a "must-to-have". A company that lacks responsive measures will lose market competitiveness and even cause a loss in orders. ESG has clearly become a key factor in evaluating corporate resilience and competitiveness. We are deeply aware of this, as we keep our customers informed of sustainability progress every month and closely monitor updates in sustainability trends, adhering to a proactive deployment strategy in response to this challenging and ever-changing era.

2021 marked the first year of sustainability for Simplo Technology, followed by a foundation period. For us, 2024 served as an important milestone in our sustainability transformation. We have set more challenging objectives in strategic implementation. Through this report, we are excited to share our efforts and accomplishments promoting sustainability. We welcome feedback from our stakeholders to facilitate continuous growth and co-prosperity.

Keep Abreast with the International Community for Sustainable Initiatives

Simplo Technology leads the industry in joining the RE100 initiative and has passed the SBTi near-term target review. The Company is currently developing long-term strategies for the 2050 Net Zero target. As a member of the Responsible Business Alliance (RBA), it holds the Sustainable Supply Chain Conference annually, conducting supplier ESG questionnaires and RBA Code of Conduct training. Collaborating with supply chain partners to promote the science-based carbon reduction targets, it strengthens due diligence, manages operational risks and opportunities, and establishes a sustainable and prosperous ecosystem. By participating in international sustainability assessments, we evaluate our own practices in the field of sustainability, striving for continuous improvement and refinement. In 2024, we received a B rating on the CDP climate change questionnaire, and our water security questionnaire rating was upgraded to B.

Green Innovation, Energy Saving and Carbon Reduction

Simplo Technology adopts a lifecycle perspective, incorporating green design requirements from the source, including RoHS, PFAS, REACH, and enhancing the use of recycled materials. There has been significant progress in recycled cobalt (Co) and PCR recycled plastics, aiming for 100% recycled materials usage in designated models by 2025. In terms of building ISO 14067 carbon footprint capabilities, it not only meets customers' carbon footprint data inventory requirements, but also uses the self-developed Product Carbon Footprint tool (PCF tool) for carbon footprint hot spot analysis to capture carbon reduction opportunities.

Embrace Transformation, Strive Towards Net Zero

Achieving Net Zero Carbon Emissions (Net Zero) is closely related to the transformation of energy use and overall operations; cooperation with partner value chains is an even more crucial component. In the future, we will strengthen energy management in Scope 2 and the inventory mechanism in Scope 3, introduce smart manufacturing, and enhance the usage of renewable energy. We will also evaluate carbon neutrality and carbon offset strategies to gradually achieve the objectives of the net-zero roadmap.

Social Engagement, Environmental Protection

Simplo Technology continues to engage in social welfare by caring for the underprivileged and regularly organizing blood donation events. It also hosts the employee "Do For Green Beach Cleanup Day" event, contributing to the protection of the marine ecosystem.

Looking ahead, Simplo Technology, through ongoing promotion by the Sustainability Committee, will adhere to the belief of "beginning with the end in mind". We will refine our ESG practices, respond to external expectations, strive to meet stakeholders' expectations, and deepen ESG efforts with an aim of achieving the objective of sustainable operations.

2024 Annual Achievements

Governance

11th Corporate Governance Evaluation - **6~20%**

Operating revenue NT\$ **80 billion**,
EPS **NT\$ 28.8**

2024 Taiwan Corporate Sustainability Awards -
Silver Award

Ministry of Labor's "Sustainable Leading
Enterprise in Healthy Workforce **Award**"

CDP climate change questionnaire Rating **B**

Environmental

SBTi approved the near-term emissions
reduction targets

Submit **Net-Zero** commitment

Joined **RE100** initiative

Solar PV power cumulative electricity
generated **10,184 MWh**

Renewable energy **RE80**

Social

RBA Factory of Choice

NT\$ 5 million Early childhood education
grant (2019-2024)

471 people Early childhood education
grant (2019-2024)

NT\$ 3.03 million Scholarships* (2019-
2024)

1,752 people Scholarships* (2019-2024)

*Scholarships include employees and their children

Honor and Glory



CDP Climate Change and Water Security Questionnaire Achieves "B" Rating
CDP Supplier Engagement Assessment (SEA) Achieves "A" Rating



Join RE100 Initiative



Ecovadis Committed Badge



Sustainable Leading Enterprise in Healthy Workforce Award



2025 Lenovo Supplier Conference ESG Awards



2024 Taiwan Corporate Sustainability Awards - Silver Award



MSCI Rating of "BBB"



11th Corporate Governance Evaluation - 6~20%

1 Sustainability Management

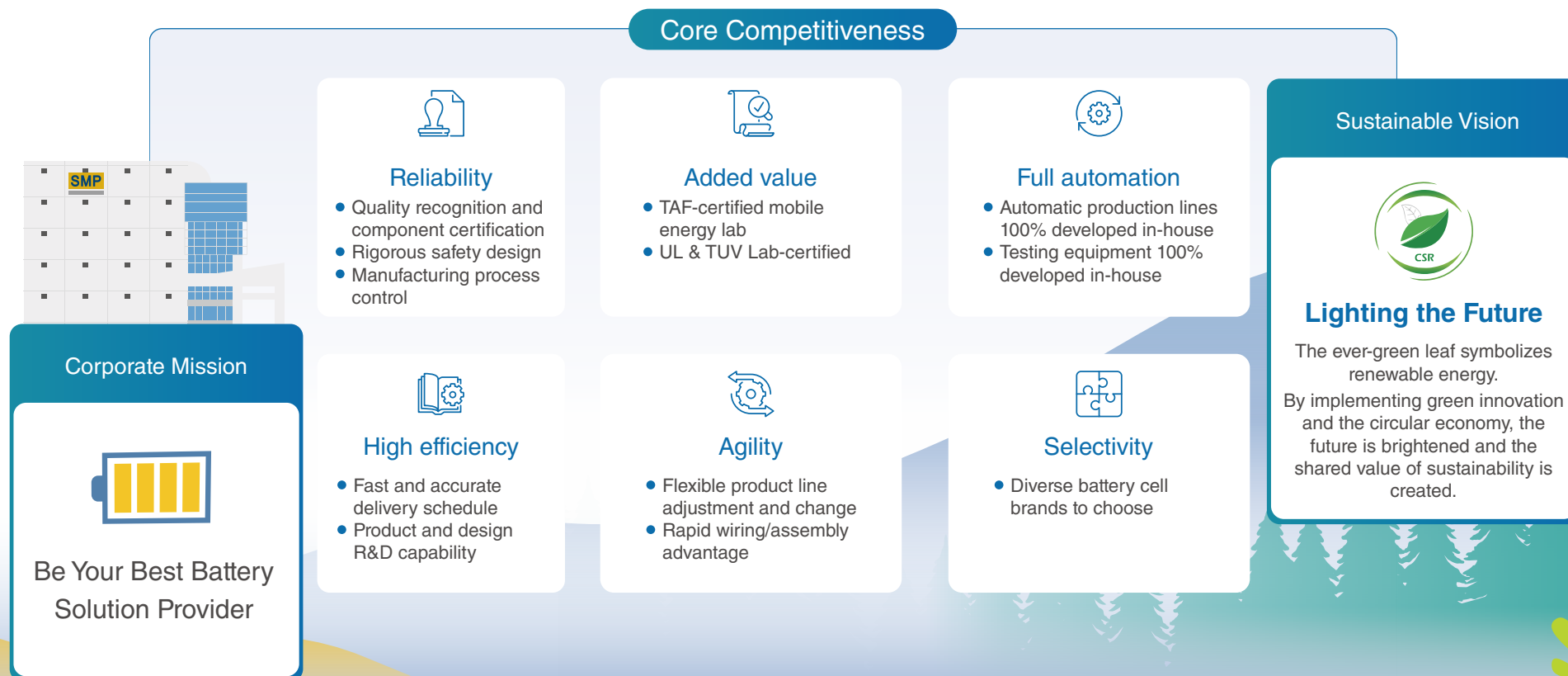
- 1.1 Company Profile
- 1.2 Sustainability Strategy
- 1.3 Communication with Stakeholders
- 1.4 Material Topics Analysis



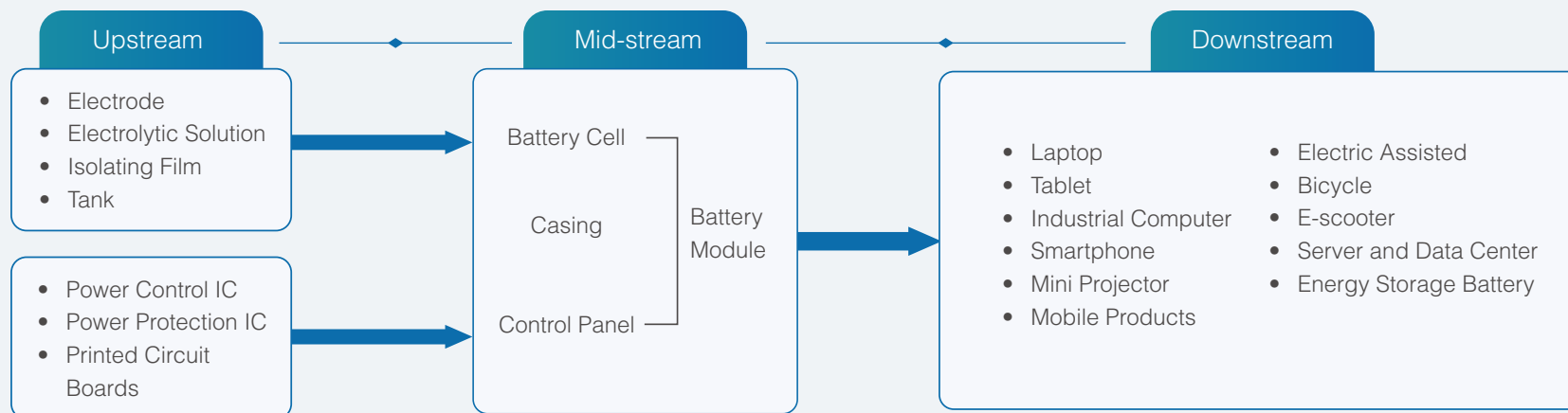
1.1 Company Profile

Simple Group has been deeply involved in lithium battery modules for many years and is a leader in providing battery modules for laptops, tablets, and smartphones. The company maintains stable profits and continues to accelerate its transformation into new businesses and overseas expansion, maintaining stable profits and growth through diversified product development and operations. Corporate sustainability is a crucial issue that enterprises must actively address. Simple Group aligns with the United Nations Sustainable Development Goals (SDGs) and implements ESG practices in its core business. While pursuing operational growth, the company also considers the three dimensions of Environmental, Social, and Governance (ESG) to strengthen corporate competitiveness.

Corporate Mission



Relationship between Upstream, Mid-stream and Downstream Companies



Corporate development future strategy



- Laptop battery module
- Tablet battery module
- Smartphone battery module
- Portable electronic product battery module
- Industrial computer battery module



- Lightweight power-type battery
- Mobile power bank
- Power and electric energy system integration service
- Enterprise-type server battery module



- Consumer home appliances battery module
- Indoor/outdoor mobile equipment battery module
- Battery Module for Commercial and Industrial Energy Storage Systems
- Drone-related battery module



Design, production, and sales of high-power lithium battery modules for electric bicycles



Increasing need for the replacement of lead-acid batteries with lithium batteries in large data centers



Design, production, and sales of high-power lithium battery modules for electric motorcycles



Established close communication and collaboration with leading international brand customers

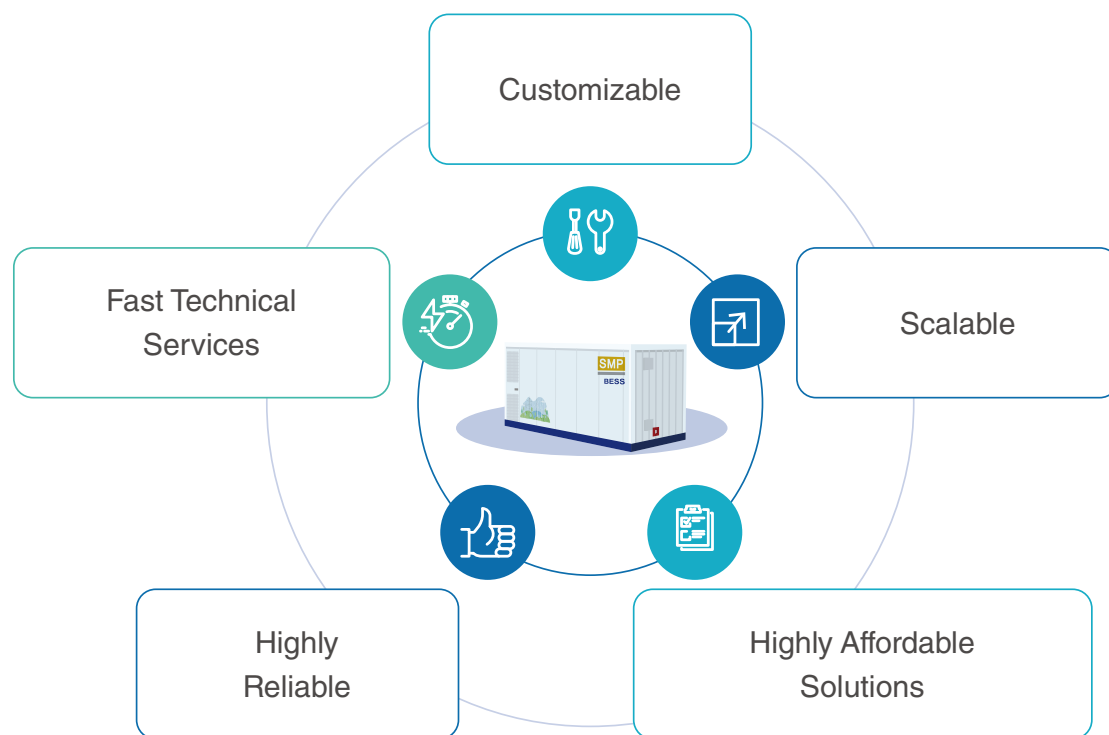


The market share of two-wheeled electric vehicles is steadily growing

Energy Storage System (ESS)

Value proposition

Simplo Technology has long been committed to developing lithium battery modules, researching on cell characteristics, and customizing battery management systems. The Company also possess a nation-level battery testing laboratory. In the past, we have collaborated with ITRI on large-scale energy storage system technology development, participating in numerous energy storage demonstration projects. We are capable of providing customized applications according to system requirements.



Professional advantages

Simplo Technology has over 30 years of dedicated expertise in lithium battery technology and management systems. The Company maintains comprehensive quality control across all aspects, including cell manufacturing, battery system software and hardware design, and lifecycle management. This includes in-depth development of technical details such as cell characteristics and lifespan assessment, battery balancing technology development, and safety protection mechanisms. This also encompasses the development and maintenance of communication protocols and maintenance mechanisms within the scope of development. AI algorithm can more accurately predict the battery lifespan, thereby extending usage duration and enhancing customer asset utilization rates.

Application scenarios

Simplo Technology's value proposition lies in integrating partners along the value chain to provide highly customized energy storage solutions. These solutions are scalable to meet diverse application scenarios, including peak shaving, load shifting, renewable energy smoothing, grid frequency regulations, standby power, and auxiliary power, catering to various customer needs.



Associations

Item	Association Name	Title
1	Hsinchu County Industrial Association	Member
2	Hsinchu County Nurses Association	Member
3	Taiwan Battery Association (TBA)	Member
4	Taiwan Climate Partnership (TCP)	Member
5	Business Council for Sustainable Development of the Republic of China (BCSD-Taiwan)	Member
6	The Electrochemical Society of Taiwan	Member
7	Taiwan Photovoltaic Industry Association (TPVIA)	Member
8	Advanced Battery Materials Industry Alliance	Member

Sales regions of major products in 2024

Unit: NT\$ Thousand

Area	Amount	Percentage
Taiwan	9,844,385	12.30
Asia	26,455,554	33.06
America	40,154,636	50.17
Europe	2,706,377	3.38
Oceania	853,540	1.07
Africa	16,696	0.02
Net revenue	80,031,188	100

Source: 2024 Annual Report, Simplo TecSology Co., Ltd.

Product sales in 2024

Unit: NT\$ Thousand

Product Category	Amount	Percentage
Lithium Battery Module	78,974,230	98.68%
Others Sales	1,056,958	1.32%
Total Operating Revenue	80,031,188	100.0%

Source: 2024 Annual Report, Simplo TecSology Co., Ltd.

Customer relationship

Quality management strategy

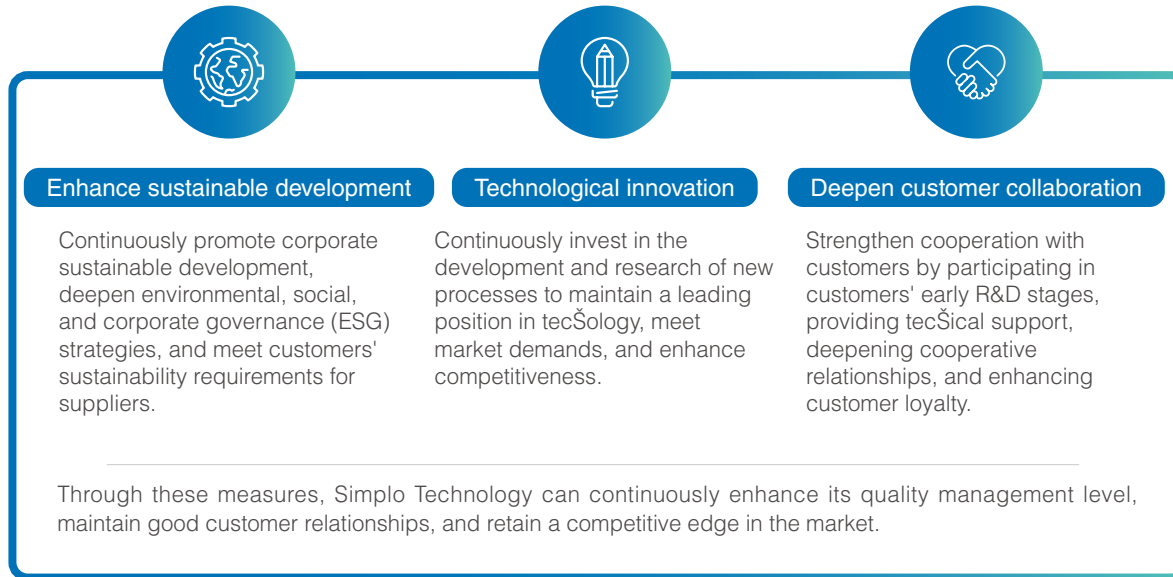
Simplo attaches great importance to customer satisfaction. In addition to frequent daily contact, we survey customer feedback and problem communication through regular formal meetings to analyze customer satisfaction in terms of delivery, quality, service, tecSology, cost, ESG, etc. This forms the key basis for the subsequent and continuous product and service improvement.

To understand the needs of customers in real time, Simplo actively responds to customers via diverse communication channels, covering communication at each level, regular and irregular meetings, quarterly business review meetings etc., which help to get closer to the needs of customers.

(For details on customer communication frequency, see 1.3 Communication with Stakeholders.)



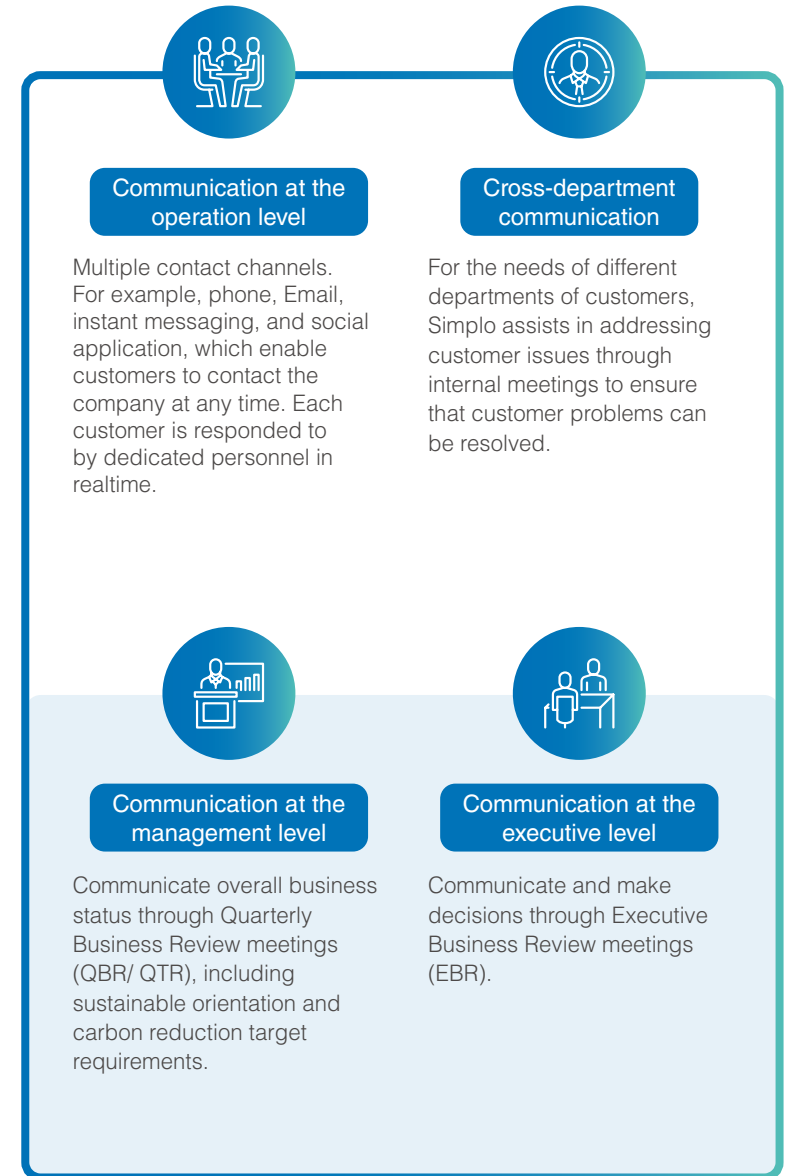
Customer relationship maintenance strategies



Customer relationship maintenance methods



Diverse communication channels



1.2 Sustainability Strategy

Simplo Group's Sustainability Strategy and Blueprint

Environmental Sustainability



E - ENVIRONMENT

Low-carbon Manufacturing
Circular Economy

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



Inclusive Grows



S - SOCIAL

Human Resources Development
Social Care

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



Sustainable Governance



G - GOVERNANCE

Business Integrity
Green Innovation

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



Sustainable Goals

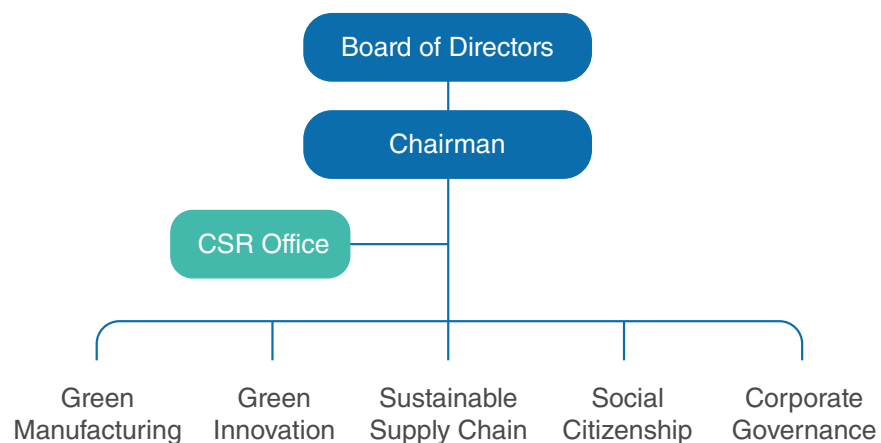
Sustainable Actions

2030 Sustainable 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.	- No major violations. - A total of 4,870 people received anti-corruption education and training, with a coverage rate of 99.5%.	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.	- A risk management training was held in 2024, with a total of 53 participants. - 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.	- Complete the key supplier management target setting. - Held one 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.	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. - Established an Information Security Committee.	- Zero major information security incidents. 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.	Implement eight actions to save 12,860 GJ, equivalent to reducing 2,348.3 tons of CO₂e.	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.	- The material recycling rate for PET film usage is 100%. - PC Film introduces 90% recycled materials. - 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.	100% verification coverage of ISO 14064-1. - Usage of renewable energy RE80.	
	Product Carbon Footprint	Established an ISO 14067 carbon footprint calculation center.	Completed 10 product carbon footprint lifecycle surveys.	Establish a carbon calculation sustainability platform.	
Communion Grows	Training and Development	Establish an "Education and Training Plan" to systematically integrate internal and external resources.	- Complete the general, professional and management functions training map. - Average training hours for executives is 111.9 hours, and for non-executives is 133.5 hours.	Implementation of learning platform, Individual Development Plans (IDP) for key talent.	

CSR committee

CSR committee organization



Responsibilities and authorities of promotion groups

Groups	Responsible Executive	Responsibilities
Green Manufacturing	General manager of the manufacturing site	Enhance energy usage efficiency, GHG Inventory, environmental and ecological conservation, chemical management
Green Innovation	R&D, project management, first-tier quality supervisors	Environmental design, evaluation of recycled materials, hazardous substance management
Sustainable Supply Chain	First-tier material management supervisor	Supply chain partner prosperity, supplier sustainability management, green sustainability, due diligence
Social Citizenship	First-tier administrative management supervisor	Promote employee benefits, protect human rights, occupational health and safety, social care, and labor-management communication
Corporate Governance	First-tier financial supervisor	Implement ethical management, improve the internal control system, manage sustainability risks, and protect shareholder rights

Item	Mode of operation	Reporting frequency
Board of Directors	Guide sustainable development implementation results	The CSR office reports to the Board of Directors at least once a year.
CSR Committee	Analysis international sustainability trends, formulate medium and longterm goals, review goal achievement	The CSR office reports to the Chairman at least once a year.
CSR Committee Task Forces	Execute sustainable proposals and review results	Meetings are held quarterly or as appropriate.

■ 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 2024, a total of 2,123 employees participated in the health checkups	6.3 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 17,144 participants and a 99.7% participation rate	6.2 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	1.1 Company Profile 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 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.	- Promulgation of the sustainable supply chain management policies - Conducted ESG and human rights risk investigations across the supply chain 2024 Simpo Group ESG Sustainable Supply Chain Seminar, with nearly 200 supply chain partners participating online	3.1 Supply Chain Management Strategy 3.2 Supply Chain ESG Risk Assessment
	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 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 Supplier Engagement

1.3 Communication with Stakeholders

Stakeholder interaction

Simplo TecŠology 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. The implementation status for 2024 is as follows:

Stakeholders	Signi–cance to the Company	Issues of concern	Communication frequency and method	Implementations in 2024
 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	• Supply chain sustainability management • Product quality and service • Green products, product carbon footprint • Green production • Climate change response • Customer privacy and information security	[Regular] • TecŠical/business meetings (QTR/ QBR/MBR) [Occasionally] • Email • Company website • Customer Audit	1. Daily emails and customer visits 2. Participated in 45 QBR/QTR/MBR meetings 3. Responded to 36 customer questionnaires (7 online questionnaires) 4. Occasional customer sustainability issue exchange
 Suppliers	Collaborating with the supply chain to enhance supply chain resilience and build a coprosperity ecosystem	• Responsible procurement • Hazardous substance management • Conflict mineral management • Supplier sustainability rating/audit	[Regular] • Supplier evaluation [Occasionally] • Supplier RBA audit • Supplier conference • Supplier questionnaire	1. One sustainable supply chain communication conference, attended by 85 suppliers online 2. 17 suppliers received ESG evaluations 3. RBA audited 28 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 payment • Management policy • Information transparency • Investment plan • Ethical management	[Regular] • Annual shareholders meeting report and financial statements • Investor conference [Occasionally] • Company website • Email	1. One shareholders' meeting held 2. One investor conferences held 3. Publication of the Annual Report for the 2024 Shareholders' Meeting 4. 5 questionnaires from investment organizations

Stakeholders	Signi-cance to the Company	Issues of concern	Communication frequency and method	Implementations in 2024
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 health and safety - Employee benefits - Professional skills education and training - Labor-management communication - Green life	[Regular] - Employee health checkup - Labor-management meetings - Welfare Committee meeting [Occasionally] - Internal email, website bulletin board - Education and training - Company website	- One annual employee health checkup, four labor-management meetings, and twelve Welfare Committee meetings. 3 employee activity registration forms and 2 group meal satisfaction survey - Portal Announcements 29 issues of CSR e-newsletter, 45 issues of ESG e-newsletter, 2 issues of Group e-newsletter. - Simplo TecSology Environmental Protection Week
Government agencies	Compliance with laws and regulations to build a good corporate reputation	- Corporate governance - Risk management - Occupational health and safety - Legal compliance - Energy management	[Occasionally] - Official documents - Email - Briefings - MOPS	- MOPS reporting - Participate in governmental briefing sessions. - Regular checking of regulations - Announcement of monthly revenue to the MOPS and the Company's official website

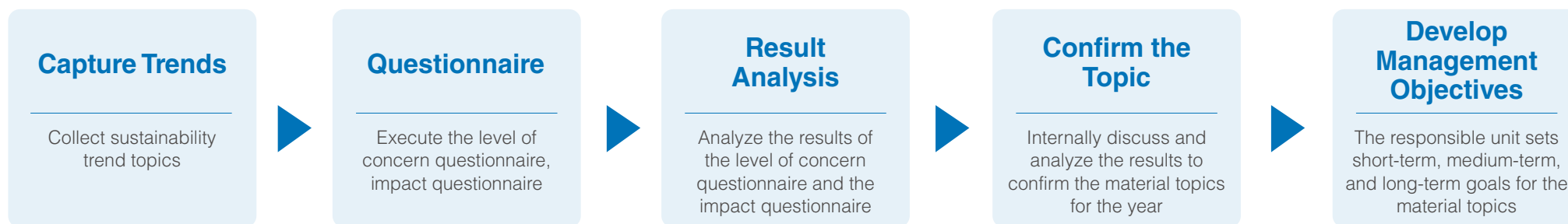
▪ ESG communication four-part series



1.4 Material Topics Analysis

Process to identify material topics

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.



Step One: Collect Sustainability Trend Topics

Simplo TecSology 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 TecSology's own operations.

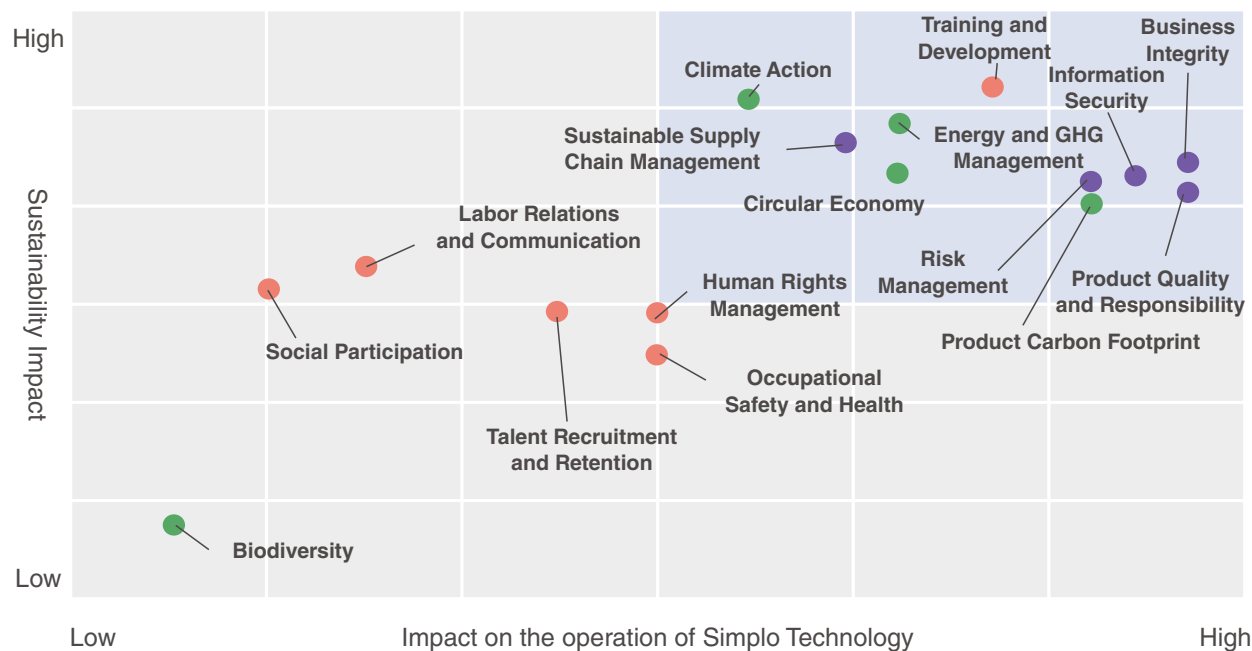
Step Three: Result Analysis/Confirm the Topic

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

The responsible unit sets short, medium-term, and long-term goals and strategies for the material topics. The CSR Committee regularly reviews and makes necessary adjustments, and reports the implementation progress to the Board of Directors.

Material Topics Matrix



Explanation of material topics differences

A total of 10 material topics have been identified for 2024, including five economic, three environmental, and two human (including human rights) issues. New topics include product quality and responsibility, and training and development, compared to 2023.

Comparison with prior year's variance

	2023	2024
Economic	Corporate Governance	Business Integrity
	Business Integrity	Risk Management
	Supply Chain Management	Supply Chain Management
	Compliance	Product Quality and Responsibility
	Risk Management	Information Security
Environment	Green Product	Product Carbon Footprint
	Climate Change	Climate Action
	Cleantech Opportunities	GHG
	Material Circular Economy	Circular Economy
Social	Occupational Safety and Health	Training and Development

Material Topics

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

*Remark as major material topics

Value chain impact description

Material topics	Impact on the value chain (Positive Impact/ Negative Impact)	Corresponding to GRI	Impact on the value chain			
			○ Indirect impact ● Direct impact			
			upstream	Operation	downstream	
			Supplier	Headquarter	Factory	Client
Economic						
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 Theme	○	●	●	○
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, 308-1, 308-2, 414-1, 414-2	●	●	●	●
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 Theme	●	●	●	●
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, 302-3, 305-1~305-5	○	●	●	●
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	●	●	●	○
Society						
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	○	●	●	○

2 Corporate Governance

- 2.1 Governance Operation
- 2.2 Business Integrity
- 2.3 Economic Performance
- 2.4 Risk Management
- 2.5 Information Security



Performance Results

4 Independent Directors

**11th Corporate Governance
Evaluation 6~20%**

**Average attendance rate
of the Remuneration
Committee 100%**

**No major information
security incidents**

2.1 Governance Operation

Operation of the board of directors

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 2024, with an overall attendance rate of 96.43%.

Management objectives	Achievement status
More than half of the total number of independent directors	Achieved
There shall not be less than one director of different gender	Not yet achieved ^{Note}
Directors who also serve as company managers should not exceed one-third of the total board seats	Achieved

Note: The proportion of female directors will be increased the expiration of the term (2026).

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
Seven members	Four members	Three members
4 meetings were held	4 meetings were held	2 meetings were held



Diversity of the board of directors

Names of directors	Basic composition							Industry experience				Professional capabilities	
	Nationality	Gender	Holding employee position	Age				Battery module industry	Management and decision-making skills	Marketing and business promotion	Financial management	Lawyer	Accountant
				41 to 50 years old	51 to 60 years old	61 to 70 years old	71 to 80 years old						
Sung, Fu-Hsiang	R.O.C.	Male	V				V	V	V	V	V		
Bon Shin International Investment Co., Ltd. Representative: Wu, Yi-Zuo	R.O.C.	Male			V			V	V	V	V		
Chen, Tai-Ming	R.O.C.	Male			V			V	V	V	V	V	
Independent Director Wang, Chen-Wei	R.O.C.	Male					V	V	V	V	V		
Independent Director Lin, Pi-Jung	R.O.C.	Male				V		V	V	V	V		V
Independent Director Chiu, Kuan-Hsun	R.O.C.	Male		V				V	V	V	V		
Independent Director Chu, Chih-Hao	R.O.C.	Male			V			V	V	V	V		

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, two meetings were convened in 2024, with an overall attendance rate of 100%.

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 "Procedures of Manager Performance Evaluation", which effectively assess the manager performance, enhance operational efficiency, strengthen responsible management, and serve 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.
2. 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.

3. 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.

Simplo TecŠology 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 2024, with a total attendance rate of 93.75%.



For relevant information,
please refer to the 2024
annual shareholders' report
of Simplo TecŠology



Directors training

Simplo TecSology has seven directors in 2024, who have participated in 45 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 2024 Annual Report for details.

Title	Name	Training date	Organizer	Course name	Training hours
Director	Sung, Fu-Hsiang	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	Chen, Tai-Ming	2024/09/12	Taiwan Project Management Association	The Continuing Education Program for Listed and Public Company Directors - ESG Project Management and Sustainable Development	3
		2024/09/12	Taiwan Project Management Association	The Continuing Education Program for Listed and Public Company Directors - From Digital Transformation to AI Empowerment	3
Independent Director	Chu, Chih-Hao	2024/08/07	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2024/11/13	Taiwan Institute of Directors	Economic Trends for Business Executives: What You Need to Know for the Short and Long Term	3
Independent Director	Chiu, Kuan-Hsun	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
		2024/07/09	Taipei Exchange	AI Strategy and Governance	3
Independent Director	Wang, Chen-Wei	2024/10/28	Independent Director Association Taiwan	AI for All Industries - From Trends to Practical Implementation and Challenges	3
		2024/11/08	Taiwan Corporate Governance Association	Insider Trading Prevention: Updates on Compliance and Enforcement	3
		2024/11/08	Taiwan Corporate Governance Association	Fair Trade Act and Reporting Integration - Recent Case Updates	3
		2024/11/13	Taiwan Corporate Governance Association	Trends in Digital TecSology and Artificial Intelligence and Risk Management	3
Independent Director	Lin, Pi-Jung	2024/04/17	Corporate Operation and Sustainable Development Association	Corporate Sustainability and Net-Zero Strategies in the Era of Climate Change	3
		2024/04/19	Corporate Operation and Sustainable Development Association	Independent Directors and Functional Committees	3

Performance evaluation

To enhance the functionality and operational efficiency of Simplo TecSology's Board of Directors, the "Board of Directors Performance Evaluation Procedures" 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 2024 were all rated as "excellent" and were reported to the Board of Directors on March 5, 2025. For more information and results of the board performance evaluation, please refer to the 2024 shareholders meeting annual report and the Company's website.

2.2 Business Integrity

Simplo TecSology 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 of the Company 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. In 2024, the Company did not experience any bribery or corruption incidents.

Internal audit system

Simplo Technology conducts internal audits in accordance with the "Internal Control System" and other relevant regulations. In accordance with the annual audit plan approved by the Board of Directors, audits are conducted monthly on various operational aspects of the Company. Audit results are reported monthly to the independent directors (Audit Committee members) 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, they undergo education and training that emphasizes the importance of ethical corporate management and integrity in operations. They also sign a "Commitment to Integrity and Honesty Policy" as part of the communication and training on anti-corruption policies and procedures.

In the China Plant zones, annual anti-corruption training is provided to all employees, including two courses of "RBA Introduction Training" and "Code of Ethics Training". The "RBA Training" is part of the onboarding training for new employees, while "Code of Ethics Training" is a mandatory annual training for departments, with a training coverage rate of 99.5%. Learning effectiveness is assessed by tests, and the training is completed when the employees reach the score of each factory.

▪ Anti-corruption training in 2024

Site	Number of trainees	Proportion of trained employees
Simplo (Taiwan)	356	100%
Simplo (Chongqing)	2,254	100%
Simplo (Changshu) (including Huapu)	2,260	99%

Note: Percentage of trained employees = number of trainees ÷ total number of employees at the end of the year

Whistleblowing and appeal channels

Simplo Technology has established a 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

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 2024, the Ministry of Labor's inspection found that an employee who transitioned from an intern to a permanent position had the salary adjusted due to the change in status. However, as a result of an operational oversight, the labor insurance premium category was not adjusted, resulting in the discovery during the inspection that the labor insurance premium category did not match the current salary. Consequently, a fine of NT\$25,000 was imposed by the Ministry of Labor's Bureau of Labor Insurance and the labor pension contribution unit.



2.3 Economic Performance

Financial information

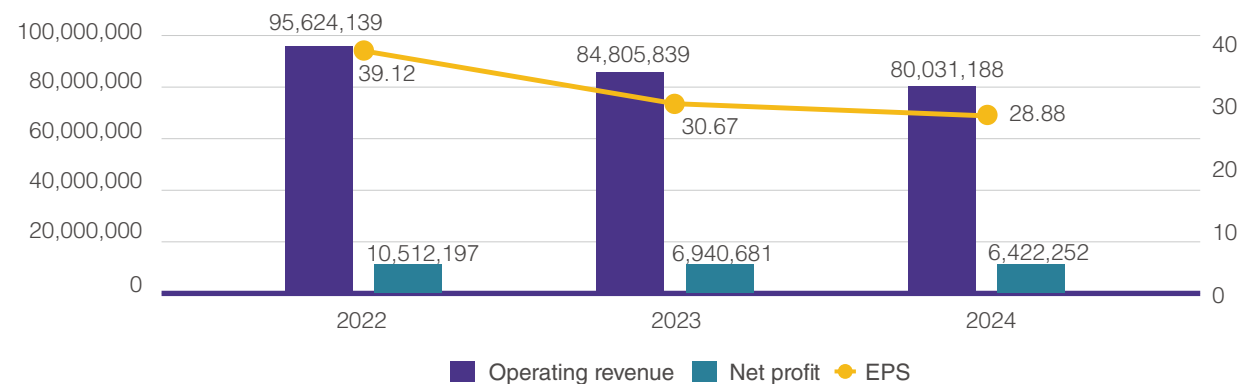
Unit: NT\$ Thousand; EPS: NT\$

Item	Detail	2022	2023	2024
Direct economic value generated	Operating revenue	95,624,139	84,805,839	80,031,188
	Operating costs	80,297,761	73,138,812	68,695,725
Economic Value of Distribution	Employee salary and bene-ts	6,152,531	4,670,416	4,324,004
	Dividends to shareholders	5,105,186	4,013,860	3,791,896
	Income tax expenses	3,380,576	1,851,182	1,783,285
	EPS	39.12	30.67	28.88

Note:

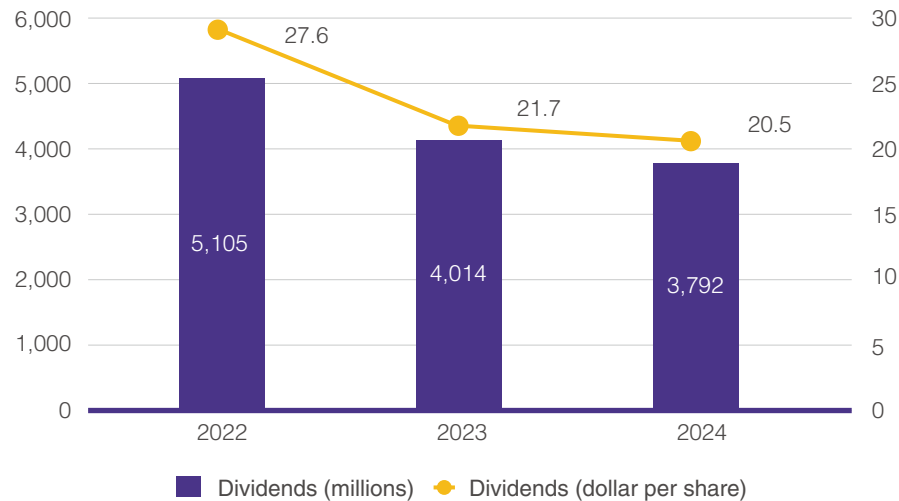
- The table above is of the data from the consolidated condensed statements of comprehensive income, including subsidiaries of the Group.
- Source: 2024 Annual Report of Simplo Technology Co., Ltd.

Unit : NT\$ Thousand



Unit : NT\$ Thousand

Unit : dollar per share



Source: 2024 Annual Report of Simplo TecSology Co., Ltd.

Tax information

Item	Unit	2022	2023	2024
Net income before tax for the period	NT\$ Thousand	12,073,485	8,414,464	8,105,840
Income tax expenses	NT\$ Thousand	3,380,576	1,851,182	1,783,285
Effective tax rate	%	28%	22%	22%
Payment of income tax	NT\$ Thousand	2,646,882	2,673,425	3,237,982
Cash tax rate	%	22%	32%	40%

Source: 2024 Annual Report of Simplo TecSology Co., Ltd.

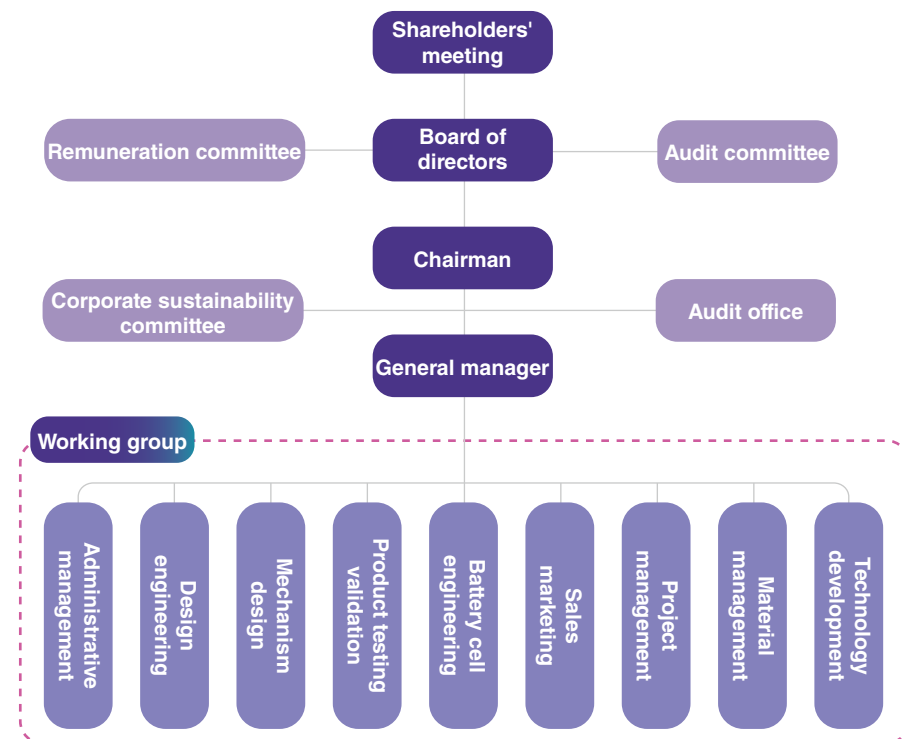
2.4 Risk Management

Risk policy and organization

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

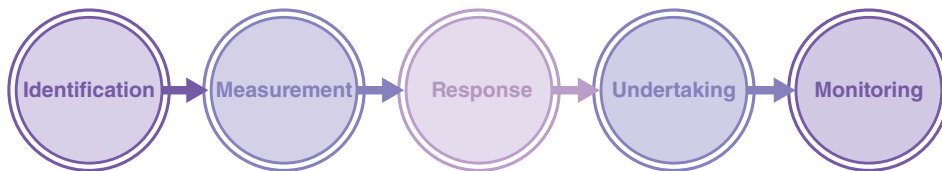
To strengthen corporate risk management capabilities, build corporate resilience, and move towards the goal of sustainable operations, reference ISO 31000 for systematic implementation of risk management, and establish a "Risk Management Task Force" (as shown in the diagram below).

Risk management task force



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.

Risk identification and operation



To strengthen the "Risk Management Task Force's" understanding of risk management, a risk management education and training was held in March 2024. Participants included 55 individuals, such as members of the Sustainability Committee and various department heads. 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	Strategic aspect	Operational aspect	Environmental aspect	Hazardous aspect
Issue	Geopolitics	Information security	Carbon management	Emergency
	Market competition	Legal compliance	Renewable energy	Natural disasters
	TecSological 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: 6.4 Talent and Education)
3. Market competition (Refer to: 1.1 Company Profile)



2.5 Information Security

Passed ISO 27001 certi-cation

In 2023, Simplo (Taiwan) introduced the Information Security Management System (ISMS) 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. We passed the third-party ISO 27001 review audit in 2024, continuously adhering to information security management regulations.



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:

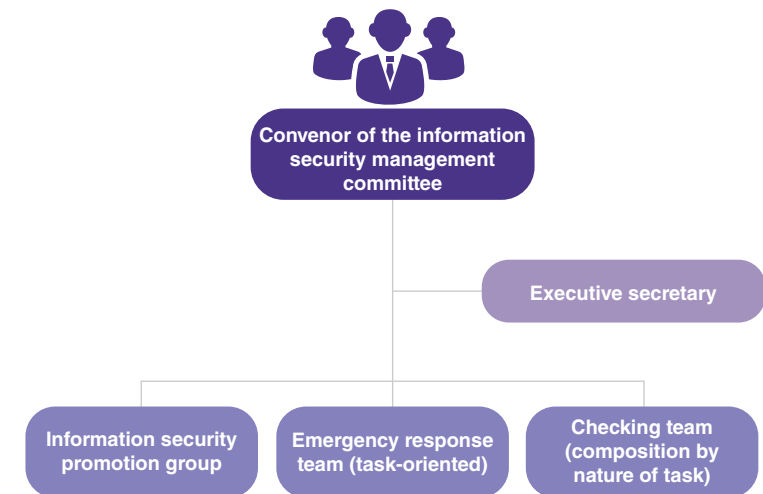
- Confidentiality: Ensuring that only legally authorized users can access information.
- Integrity: Ensuring the correctness and integrity of information and information processing methods.
- Availability: Ensuring that authorized users have access to information and related assets whenever needed.
- 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, Simplo Technology clearly declares the information security objectives, 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.



Information security training and promotion

New employees of the Company will receive basic information security education and training upon joining. In addition, the IT Department conducts information security awareness campaigns occasionally for current employees through the Company's internal portal or email. The topics of awareness include information security policies, secure email usage regulations, internet usage safety regulations, remote secure operational procedures, and general information security (including: trends in information security, social engineering awareness, and OA information security management).

- 📎 Information Security General Knowledge - (Information Security Threat Trends, Social Engineering Promotion, OA Information Security Management)
- 📎 Legal software usage promotion
- 📎 SMP - Information Security Policy and Information Security Statement
- 📎 SMP - Appointment Letter of Representative of the Top Management of the Information Security Management System

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 every 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 2024, 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
 - ✓ Establish security policies for employees' email management, Internet usage management, computer system resources management, computer antivirus management, file access control, and remote access management to ensure the confidentiality, completeness, and availability of Company information.

✓ The control includes the following items:

- Use of computer system resources: Regulate the use of computer system resources required by colleagues for work purposes.
- Data backup and disaster recovery: Regulate control requirements for information data backup operations, assign responsibilities to relevant units, and require management personnel to conduct regular (occasionally during a six-month period) disaster recovery tests.
- Computer virus management: Regulate the Company's practices for preventing computer viruses.
- Email management: Regulate email usage rules.
- Internet access management: Regulate internet usage to require application and approval.
- Remote access management: Regulate that company employees requiring access to internal services from remote locations due to business trips or other official needs must use VPN for security purposes over external networks.
- Data center management: Regulate that the data center must implement access control measures, manage access permissions for personnel without specific data center entry rights, and conduct routine management operations such as monitoring temperature and humidity, UPS uninterruptible power systems, and operational status of data center environment and equipment.



3 Sustainable Supply Chain

3.1 Supply Chain Management Strategy

3.2 Supply Chain ESG Risk Assessment

3.3 Supplier Engagement

Performance Results

Four Strategies for sustainable supply chain
Conflict minerals due diligence questionnaire response rate
100%

Key suppliers
14 suppliers have published sustainability reports
6 suppliers have set RE100 target

Received the highest "**A**" rating in the 2024 Supplier Engagement Assessment (SEA)

28 suppliers completed RBA assessment audits



3.1 Supply Chain Management Strategy

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.

Evaluate new suppliers	Follow the guidelines	Assess risks	Audit and communication	Continuous improvement
- Ensure new suppliers comply with the code of conduct and regulatory requirements. - Evaluate new suppliers' ESG performance.	Regularly hold supplier meetings to promote sustainability regulations and due diligence, ensuring effective ESG communication.	Implement the supply chain ESG risk assessment process and continuously optimize the risk control system to maintain supply chain stability.	Conduct regular annual supplier audits to ensure the reliability of supplier ESG data and provide enhanced guidance for high-risk suppliers.	Provide supplier training courses and practical exchanges, and plan to award outstanding suppliers with incentives.

Four major strategies and goals of supply chain management

Simplo TecŠology 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	2024 Objectives	Achievement Status	2025 Objectives
Climate Action	Science Based Targets initiative	1. GHG inventory 2. CDP climate questionnaire 3. Local procurement	Key suppliers have achieved a 100% verification coverage of ISO 14064-1	Achieved	Committed to SBTi carbon reduction targets
Environmental Sustainability	Introduce environmental sustainability certification	1. ISO Sustainable certification 2. Renewable energy	Achieved a 100% verification coverage of ISO 14001	Achieved	Propose a Renewable Energy Plan
Friendly & Co-Benefit	Comply with the RBA standards and conduct audits	1. Supplier ESG communication 2. RBA audits	Conducted supplier RBA audits with no major deficiencies	Achieved	Improvement in audit deficiencies
Risk Management	Implement sustainability risk surveys	1. Risk assessment and improvement 2. Supply chain resilience strategy	Achieved a 100% verification coverage of ISO 45001	Achieved	Supply chain due diligence

Supply chain overview

In 2024, Simplo TecŠology collaborated with a total of 251 suppliers, of which 246 were local suppliers and 5 were non-local suppliers. The percentage of local procurement amount was 96%. To strengthen supply chain resilience and reduce the risk of supply disruption, Simplo TecŠology 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.
 - ★ Sustainable Procurement: In selecting suppliers and products, consider their impact on the environment and society, ensuring product quality, cost, tecŠology, 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.
 - ★ 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.

Procurement amount in 2024

Type	Procurement region	Percentage of procurement amount (%)
Raw materials	Local procurement in Taiwan	94%
	Local procurement in China	94%

Note:

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

Weight of raw materials in 2024

Material item	Weight (kg)
Battery cell	16,948,777.53
IC chip	2,816.76
Plastic	689,775

Note:

1. Battery cells are estimated by weight based on their average capacity conversion.
2. IC chip is the weight of the total parts.
3. Plastic is the total weight of the parts.



3.2 Supply Chain ESG Risk Assessment

Selection of new suppliers

Simplo TecŠology 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 2024, both of the 2 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 "Simplo Technology 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 220 signatures as of 2024, with a 99% signature rate.

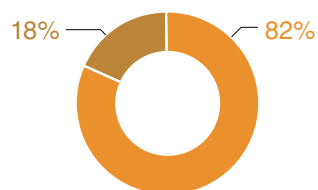
Supplier sustainability management and ESG risk survey

- Target: Tier-one suppliers accounting for the top 85% of the procurement amount

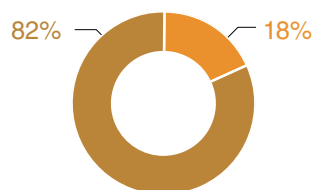
Survey Items	- Issuance of sustainability reports - Whether the RBA VAP has been obtained - GHG emissions - SBTi carbon reduction targets - Renewable energy (RE) goals - Information security
Expected Addition	Operational continuity plan Compliance level of suppliers regarding labor human rights, personal data protection, ethical standards, and biodiversity

In 2024, questionnaires were distributed to a total of 17 suppliers, including 6 battery cell suppliers, 9 electronics manufacturers, and 2 mechanical component manufacturers. The results of this survey show that 82% of suppliers have published sustainability reports 18% of suppliers have set SBTi carbon reduction targets. In addition, 35% of suppliers have set RE100 renewable energy goals, and 71% of suppliers have completed the CDP climate questionnaire. In terms of certification, 53% of suppliers have passed the ISO 50001 energy management system, and all suppliers (100%) have obtained the ISO 45001 Occupational Health & Safety certification.

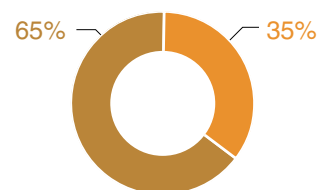
Sustainability Report



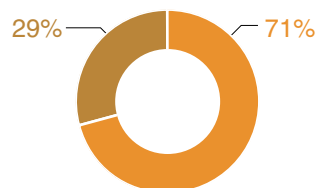
SBTi



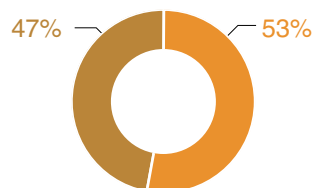
RE100



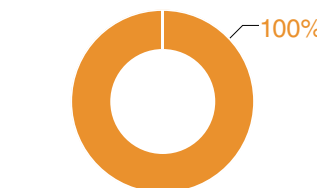
CDP



ISO 50001



ISO 45001



Done Undone

Supplier health & safety performance self-assessment

In line with the activities of the Occupational Safety and Health Administration, MOL, Simplo Technology invited suppliers to participate in the "Health & Safety Performance Self-Assessment." This enables suppliers to understand their corporate positioning, potential advantages, and management risks, facilitating the joint development of long-term cooperation strategies between both parties. 22 suppliers were selected according to the definition of key suppliers, taking into consideration procurement volume, key components, and irreplaceability as selection criteria; 25 contractors engaged in on-site security, cleaning, and group catering were selected. As of July 31, 2024, a total of 25 key suppliers and contractors were invited to fill out the form, achieving a 100% response rate.

Supplier RBA management

Simplo Technology has become a member of the Responsible Business Alliance (RBA) since 2021. In addition to its own compliance with the RBA Code of Conduct, it also promotes the RBA Code of Conduct to sustainable management of the supply chain. It advocated the RBA Code of Conduct at the 2024 Sustainable Supply Chain Communication Conference.

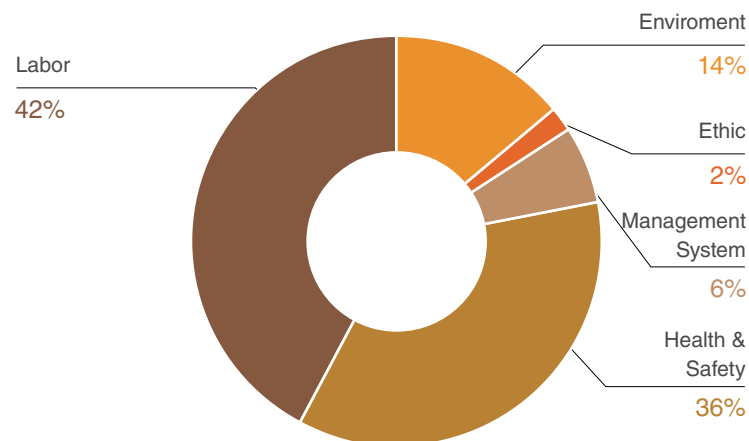
2024 RBA audit results

Simplo Technology conducts annual audits for the top 80% of suppliers by procurement amount. The audit team is composed of departments such as management, EHS, and sustainability. Audit methods include on-site inspections or remote document reviews. The RBA audit implementation principle prioritizes on-site audits for suppliers with manufacturing plants located in China. For suppliers located outside China and IC design firms not directly involved in production, remote audits are conducted.

Simplo Technology conducted a total of 28 supplier audits in 2024. 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 2024 audit results, there were no red-light disqualified manufacturers. There were a total of 169 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.

Supplier audit findings in 2024

Category	Labor	Health & Safety	Environment	Ethic	Management System
Items	71	61	24	3	10
%	42%	36%	14%	2%	6%



Responsible mineral management and due diligence

The management and due diligence survey results of conflict minerals in the supply chain have identified 226 3TGs smelters, 53 cobalt mines, and 3 mica smelters. The smelter/refinery list announced on the official website of the Responsible Minerals Initiative (RMI) is subject to change as smelters may be removed from the qualified list due to closure, withdrawal from the RMAP (Responsible Minerals Assurance Process) program, or suspension of production.

Simplo Technology requires suppliers to follow the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" published by the OECD and conduct due diligence based on this Guidance. At the same time, we have introduced RPA automation to regularly monitor the latest smelter information published on the RMI's official website, ensuring that our system maintains the most complete data. We adopt automation management on a rolling basis to ensure that the submitted data from vendors complies with the latest regulations and customer requirements.

Due to the increased requirements of the EU Batteries Regulation on the transparency of the supply chain for priority minerals, starting from 2025, we will launch the AMRT (Additional Minerals Reporting Template) survey for suppliers of key critical materials. This includes due diligence on four minerals: copper, graphite, lithium, and nickel, further promoting transparency and responsible resource procurement in the supply chain.

Results of the 2024 Due Diligence Survey on 200 Raw Material Manufacturers

Conflict Minerals Reporting Template, CMRT
(Survey subjects: Gold, Tin, Tungsten, Tantalum)

100%

Extended Minerals Reporting Template, EMRT
(Survey subjects: Cobalt, Mica)

100%



3.3 Supplier Engagement

2024 Simplo Group ESG Sustainable Supply Chain Seminar

Simplo Group held the "2024 Simplo Group ESG Sustainable Supply Chain Seminar", with over 100 manufacturers and nearly 200 supply chain partners participating online. The event shared the company's sustainable supply chain management strategy and progress toward its net zero goal. The event also addressed topics such as integrity management, information security, occupational safety and health, supply chain due diligence, and biodiversity. The company also stated its commitment to continuously promoting supply chain carbon reduction and implementing ESG requirements, working together to create a sustainable future.



Denition 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

According to the definition of key suppliers, 4 battery cell suppliers, 5 electronics suppliers, and 1 mechanical components supplier were selected, making a total of 10 suppliers. The CPO sent "Simplo Technology's expectations for suppliers on ESG to key suppliers", outlining sustainability goals for 2024 to 2026.

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.



4 Environmental Sustainability

- 4.1 Net Zero Strategy
- 4.2 GHG Inventory
- 4.3 Energy Management
- 4.4 Environmental Impact Mitigation



Performance Results

B management level
CDP Climate Change Questionnaire
& Water Security Questionnaire

Global production factories
100% completed GHG
inventory and verification

Renewable energy use **RE80**

Chongqing obtains
Factory of Choice

GHG emissions decreased
compared to 2020 **88%**

Release of **Water Resources**
Management Policy

▪ Simplo Chongqing RBA One-Star Award

Application Requirements



Processes (VAP) with a minimum of 160 points



Close all Priority Missing



Obtain RBA Factory Lead Certification



Effective communication mechanism between factory management and employees



4.1 Net Zero Strategy

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.

▪ Carbon management history

Simplo Group joined RE100 and committed to using 100% renewable energy by 2040

2024

2025

Simplo Group submit SBTi Net-Zero Goal (long-term)

Simplo Group passed the SBTi carbon reduction target (1.5 °C near-term)

2023

2022

NB battery modules have obtained product carbon footprint verification ISO 14067

2022

Chongqing Plant passed the energy management system ISO 50001

2020

Simplo Group implements GHG verification ISO 14064-1

2019

Self GHG inventory ISO 14064-1

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.

I. Governance_ Disclose the organization's governance status of climate-related risks and opportunities

Item	Description
a) Board of directors supervision methods b) Management roles	1. Regularly report on the results to the Board of Directors The Board of Directors serves as the highest decision-making body for climate risk management, supervising and guiding the Company's climate strategy and the progress of climate-related objectives. 2. Material issue management The management regularly reviews climate risk issues, incorporating them into material issue management through the operation of the CSR Sustainability Committee.

II. Strategy_ For material disclosures, reveal the potential and actual impacts of climate-related risks and opportunities on the organization's operations, strategies, and –nancial planning

Item	Description
a) Climate-related risks and opportunities b) Impact of climate-related risks and opportunities on the organization's business, strategies, and –nancial planning c) Climate scenario analysis	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.

III. Risk management_ Disclose how the organization identifies, assesses, and manages climate-related risks

Item	Description
a) Evaluation process b) Management process c) Risk management system	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.

IV. Indicators and targets - For material information, disclose indicators and targets for assessing and managing climate-related risks and opportunities

Item	Description
a) Indicators for assessing climate-related risks and opportunities b) GHG emission volumeGoal implementation review c) Goal implementation review	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. Joining RE100 and committing to use 100% renewable energy in global operations of Simplo Group by 2040. 3. Conduct annual organizational ISO 14064-1 GHG inventory and verification to review progress towards carbon reduction targets. 4. Continuously engage with suppliers to achieve supply chain management goals. (refer to 3.1 Supply Chain Management Strategy)

Climate scenario analysis

Based on the latest Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change (IPCC) in 2021, Simplo Technology adopts the data collected by the Taiwan Climate Change Projection and Information Platform, which includes the latest information from the Coupled Model Intercomparison Project (CMIP) Phase 6 (CMIP6) used by the IPCC AR6. The Company adopts ensemble models and Shared Socioeconomic Pathways (SSP) for analysis:

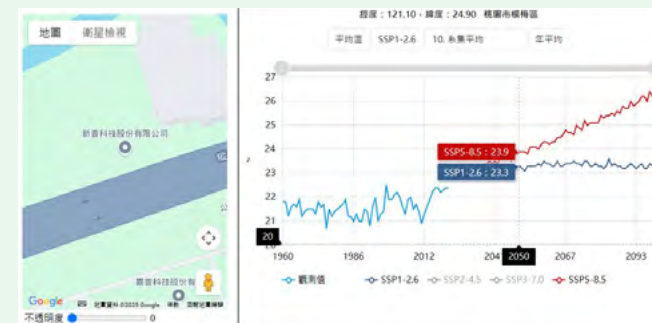
- Taking into account GHG emissions from four different social and economic scenarios, including SSP1-2.6 low emissions scenario, SSP2-4.5 moderate emissions scenario, SSP3-7.0 high emissions scenario, and SSP5-8.5 very high emissions scenario, these scenarios project changes in annual average temperature, daily maximum temperature, and precipitation in Taiwan by 2050.
- 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.

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.

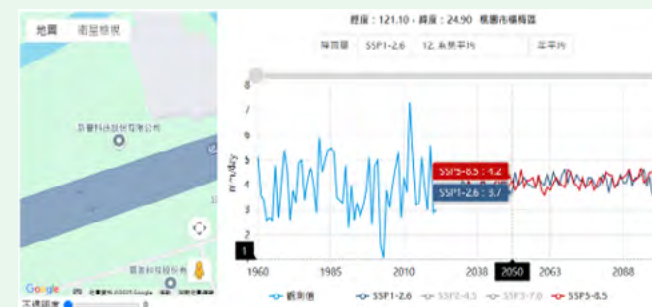
For the risk of heavy rain and flooding, we adopt the 3D disaster potential map (inundation potential map) from the National Science and Technology Center for Disaster Reduction for estimation. The inundation potential simulation is conducted with 24-hour duration rainfall reaching 650mm, indicating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



■ Estimation of annual average temperature under different emission scenarios



■ Estimation of rainfall under different discharge scenarios



■ Rainstorm Flooding



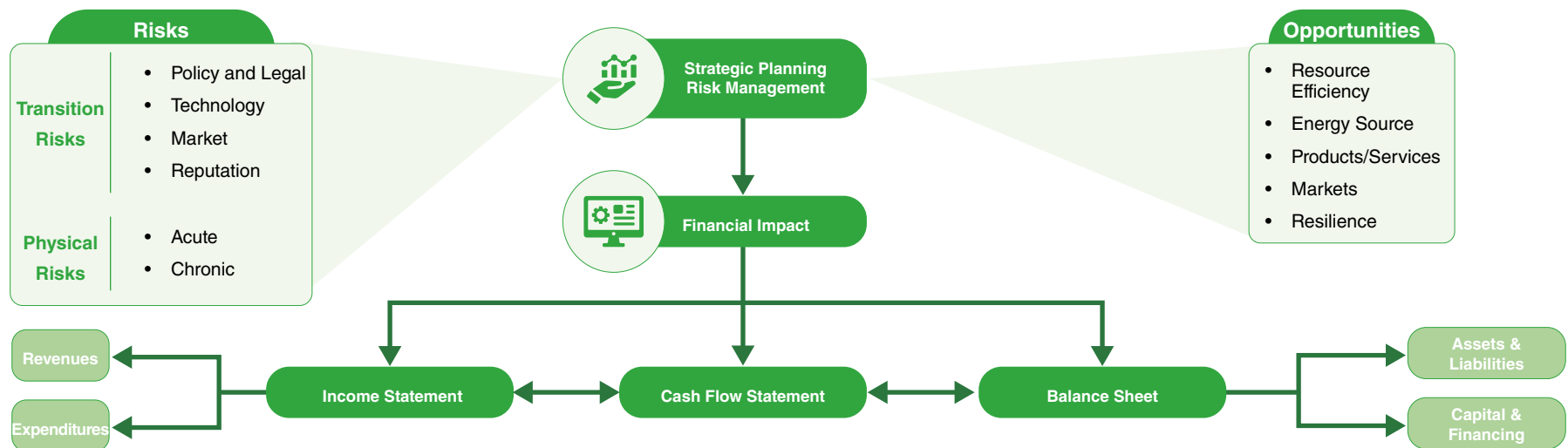
Addressing climate risks and opportunities

Financial impacts and response to climate-related risks

Type	Climate-related risks	Potential nancial impact	Response actions
Transformation 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 tecŠology 2. Costs of low-carbon transformation	1. Customers request the use of renewable energy 2. The increased cost of developing low-carbon products 3. Costs incurred from new process development	- Low-carbon tecŠology 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 image	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

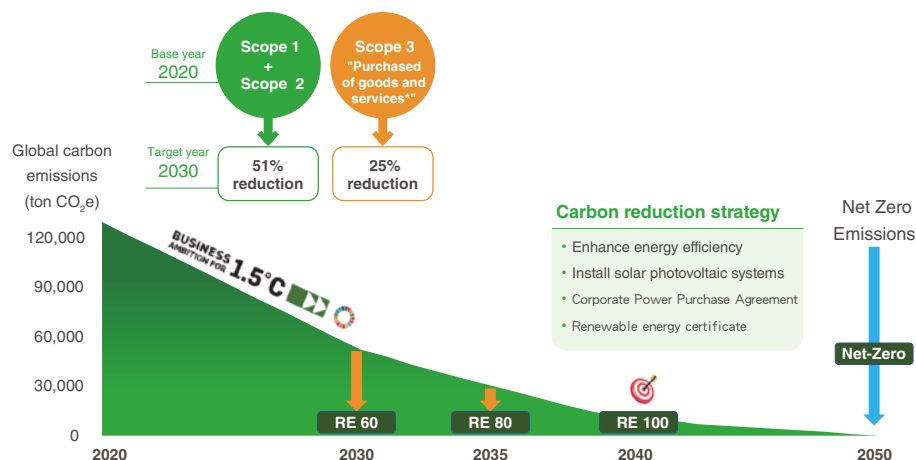
Type	Climate-related opportunities	Potential financial impact	Response actions
Resource efficiency	Improve operational management efficiency	- Enhance resource usage efficiency - Increase production capacity and increase revenue	Introducing post-consumer recyclable plastic materials (PCR) and reusable packaging materials (Tray)
Energy sources	Using low-carbon energy and evaluate participation in the carbon trading markets	- Reduce the risk of GHG emissions - 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	- Increasing opportunities for low-carbon products and services - Enhancing R&D and innovation through a low-carbon economy - 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	- Improve the adaptability and resilience of business operations - Use high-efficiency raw materials to reduce costs	- Assess supply chain operational capabilities - Develop new products and services to increase revenue	- Increase R&D capacity and continuous innovation - Develop energy storage market



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.

Carbon reduction roadmap of Simplo Group



Note:

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

Internal Carbon Pricing (ICP) strategy

Facing the generation of low-carbon emission or zero-carbon emission, the international community has promoted carbon fees and Carbon Border Adjustment Mechanism (CBAM), which will increase the carbon cost burden of the industry. Carbon risk management has become an important topic for companies, and companies are also aware of the profound impact of carbon risks on operations, thus launching the ICP mechanism. Simplo Group is committed to implementing the sustainable strategy blueprint, moving towards the goal of low carbon emissions or even net zero carbon emissions.

In order to accelerate the group's carbon reduction actions, Simplo Group actively develops an ICP mechanism and tracks the international carbon trading market as reference for internalize external costs. Valuation of carbon emissions promotes the reduction of carbon emissions in the group's internal activities. In addition to developing low-carbon processes in the manufacturing process, it can also encourage employees to implement energy conservation and carbon reduction in their work, and strengthen the company's low-carbon culture.

Carbon Disclosure Project (CDP)

In 2024, 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. At the same time, CDP announced the results of the 2023 Supplier Engagement Rating (SER), and Simplo Group was rated "A-", which shows that our carbon reduction management efforts and action results are both affirmed by international evaluations.

Commitment to biodiversity conservation

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.

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.

Chairman

Please refer to the official website
https://www.simplo.com.tw/article_d.php?lang=en&tb=9&id=1077

4.2 GHG Inventory

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 (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and other gases.

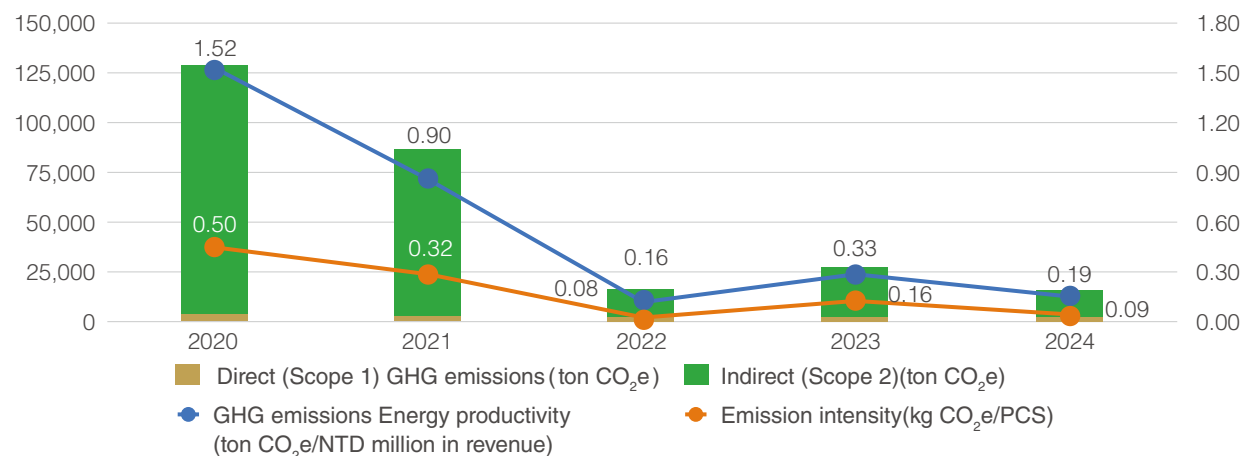
Direct and energy indirect GHG emissions (Scope 1 and Scope 2)

Simplo Group's 2024 Scope 1 emissions totaled 1,766 metric tons of CO₂e, while Scope 2 emissions totaled 13,482 metric tons of CO₂e. The main source was purchased electricity. The combined total emissions for Scope 1 and 2 amounted to 15,248 metric tons of CO₂e, with a carbon intensity of 0.19 metric tons of CO₂e NTD per million of revenue was 42% lower than the previous year.

SBT reduction effectiveness

Scope 1 and Scope 2 carbon emissions are reduced by 88% in 2024 relative to the 2020 base year.

GHG emissions



Item	Unit	2020	2021	2022	2023	2024
Direct (Scope 1) GHG emissions	ton CO ₂ e	2,355	1,997	1,911	1,949	1,766
Indirect (Scope 2)	ton CO ₂ e	127,178	84,391	13,568	26,179	13,482
GHG emissions	ton CO ₂ e	129,533	86,388	15,479	28,128	15,248
Energy productivity	ton CO ₂ e / NTD million in revenue	1.52	0.90	0.16	0.33	0.19
Emission intensity	kg CO ₂ e /PCS	0.50	0.32	0.08	0.16	0.09

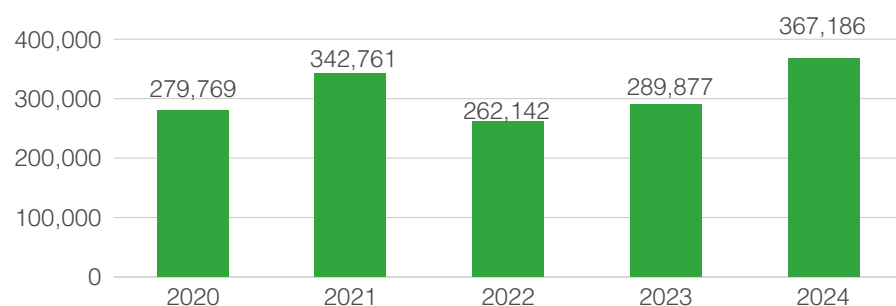
Note:

- 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).
- The GHG Scope 1 and Scope 2 emissions of Simplo Vietnam in 2024 are 746.54 metric tons CO₂e (self-inventoried according to ISO 14064-1).

- The inventory is done with the operation control. The figures of the GHG inventory are certificated by third-party.
- 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%, which is a key item for the subsequent reduction.



Scope3 Category	2022 carbon emissions (ton CO ₂ e)	2023 carbon emissions (ton CO ₂ e)	2024 carbon emissions (ton CO ₂ e)
C1 Purchased Goods and Services	236,875	261,635	341,940
C3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	5,879	11,840	9,150
C4 Upstream Transportation and Distribution	5,869	5,559	5,681
C5 Waste Generated in Operations	188	70	39
C6 Business Travel	218	816	856
C7 Employee Commuting	878	1,000	1,070
C9 Downstream Transportation and Distribution	12,235	8,957	8,450

1. The disclosure scope of the data in the above table is the parent and subsidiary companies of Simplo Group's consolidated financial statements (Includes Simplo Vietnam, 2024 GHG emissions category 1 cells).
2. Including GHG protocol categories 1, 3, 4, 5, 6, 7, 9.
3. GWP value is taken from the IPCC 2021 Sixth Assessment Report.
4. 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

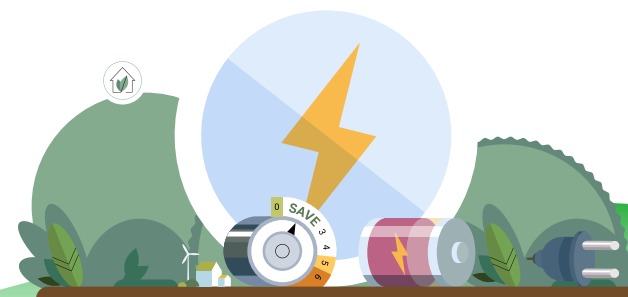
1. Compliance with energy laws and regulations
2. Enhancement of all employees' communication mechanisms

3. Implementation of the energy management system
4. Continuous improvement of energy performance

Simplo TecSology's primary energy use is purchased electricity, followed by diesel and gasoline use. 2024 will see a decrease in total energy consumption and an 8% decrease in energy intensity compared to the previous year. The major energy saving measures are:

1. Simplo Changshu built a highly efficient automated process, adding unmanned workshops and automated production line equipment to improve production efficiency.
2. Simplo Chongqing introduced the ISO 50001 energy management system and obtained third-party certification to continuously monitor and develop energy-saving measures to improve the efficiency of electricity consumption and achieve energy saving and carbon reduction.
3. Simplo Chongqing optimization of equipment parameters: optimization of ice machine outlet temperature, air compressor outlet pressure, power distribution room power, and optimization of rewelding furnace temperature.
4. Simplo Chongqing design program control: implement energy-saving improvement of lighting system, energy-saving project of loop water pump (replace an inverter chilled water pump).

Simplo Taiwan has a contracted capacity of more than 800kw, and has complied with the relevant energy-saving regulations. Statistics from 2015 to 2024, the total electricity saving of Taiwan headquarters is 960,000 kWh, and the average annual energy saving rate in 2024 reaches 1.03%.



Energy efficient

Year	Diesel fuel (GJ)	Gasoline (GJ)	Electricity-non-renewable 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

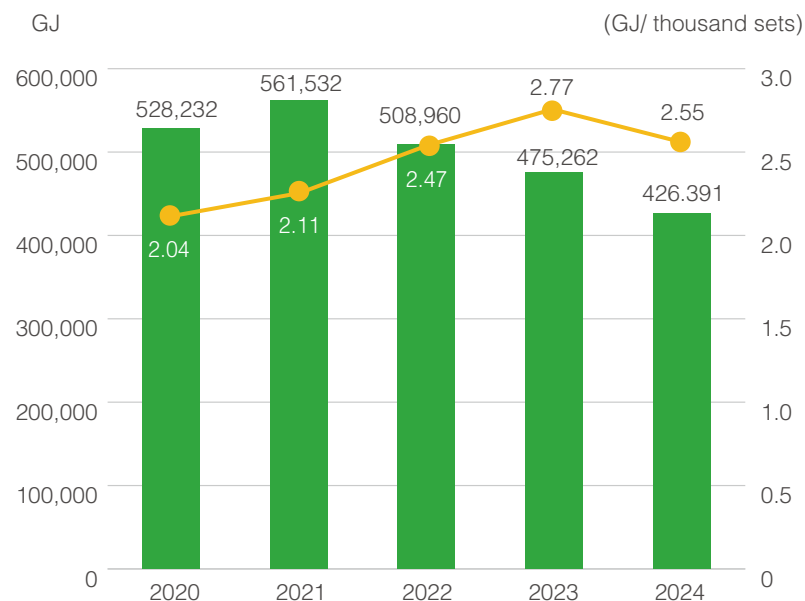
Note:

1. Electricity conversion factor: 1 kWh=0.0036 GJ.

2. Heat conversion factors: diesel- Taiwan =0.035169 GJ/L, China= 0.042652 GJ/kg; gasoline- Taiwan = 0.032657GJ/L, China= 0.043070 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).



■ Total energy consumption (GJ) ◆ Energy intensity (GJ/ thousand sets)

Energy saving plans and carbon reduction amount in 2024

Solution	Energy saving measures	Power saving volume (kWh)	Energy saving volume (GJ)	Carbon reduction volume (ton CO ₂ e)	Conversion of full year
Lighting system	Replacement of ordinary street lamps with solar-powered street lamps	2,928	10.54	1.57	No
Air compression system	Replacement of 2012 air compressors	98,800	350.43	53.01	Yes
	Factory air pressure setting pressure operation	299,520	1,078.27	160.72	Yes
Chiller system	Adding permanent magnet pumps to replace fixed-frequency pumps	35,818	128.94	19.22	Yes
	Optimize operation by using a small power machine instead of a large chiller	187,000	673	100.34	Yes
	Replacement of 2 water chillers with Grade 1 energy efficient inverter water chillers	258,000	930	138.44	Yes
Other Systems	1. 62 water pumps/fans were replaced. Optimizing equipment energy consumption. 2. Using frequency conversion equipment.	758,000	2,729	406.74	Yes
Total		1,640,066	5,900.19	880.04	

Note: The data are calculated using the estimation method.

Usage of renewable energy

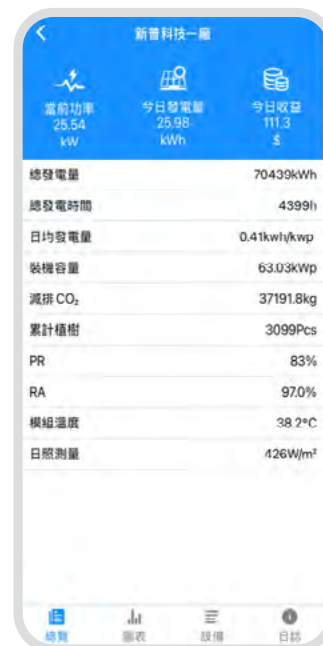
Simplo Group is responding to the global transformation to low-carbon energy by installing rooftop solar photovoltaic systems, entering into renewable energy certificates to increase the proportion of renewable energy use. This gradual approach aims to achieve the RE100 target by 2040. In 2024, the Group's 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.
- 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), expected to be completed in the fourth quarter of 2025

Note:

Renewable energy statistics are based on Simplo Group, including Simplo Taiwan, Simplo Chongqing, Simplo Changshu (including Huapu), Trend Energy, Trend Power, and Trend Power (Changshu), aligned with the RE 100 initiative.

Power generation statistics application schematic



Simplo Taiwan



Factory in China

4.4 Environmental Impact Mitigation

Simplo Group's 2030 environmental goals

Classification	Objectives
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.

	2021	2022	2023	2024
General waste (ton)	7,251	6,620	7,690	6,277
Revenue (hundred million)	956	956	848	800
General waste/Revenue	7.6	6.9	9.1	7.8

	2021	2022	2023	2024
Water withdrawal (million liters)	595	576	477	407
Revenue (hundred million)	956	956	848	800
Water withdrawal/Revenue	0.62	0.60	0.56	0.51

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.

Site	Source of Water	Emission Area	Water Resources Risk Level
Simplo (Taiwan)	Dahan River	Beisei River	Low - Medium (1-2)
Simplo (Chongqing)	Yangtze River	Liangtan River	Low - Medium (1-2)
Simplo (Changshu) and Huapu	Yangtze River	Baimao Pond	High (3-4)

Note: Water risk ratings are identified through the World Resources Institute's 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.



Water Resource Management Policy

Simple 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, Simple 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:

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

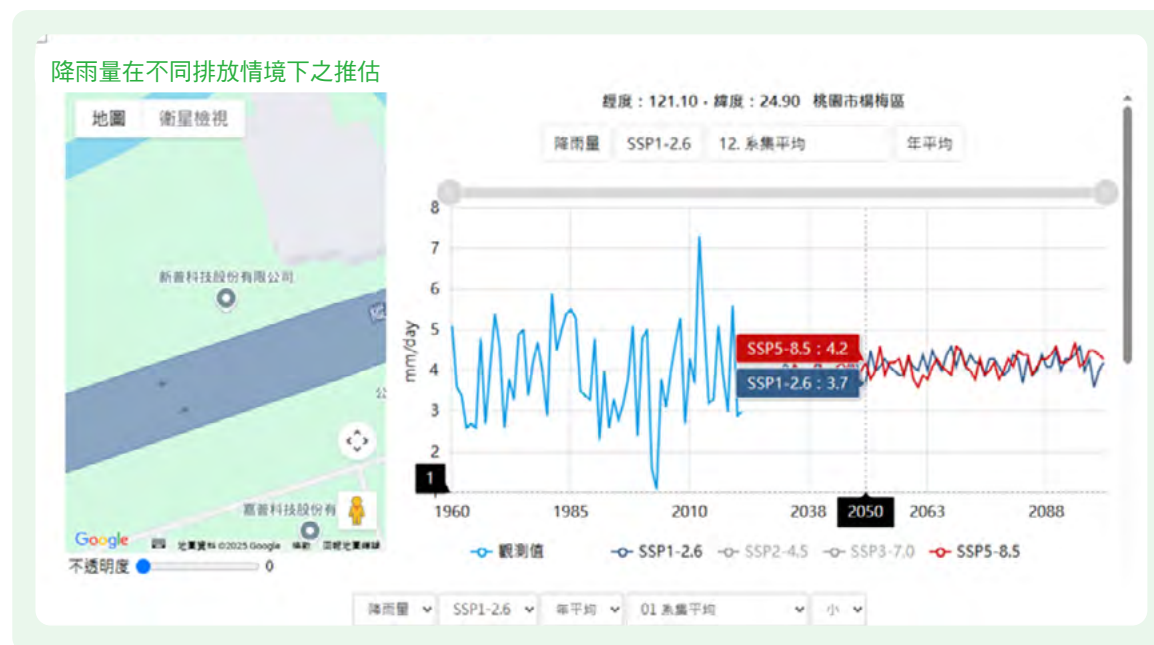
Chairman

Water risk assessment

Simple Technology adopts the World Resources Institute's (WRI) water risk assessment tool (Aqueduct Water Risk Atlas) to regularly evaluate the water risk indicator levels of the regions where its production sites are located. This tool assesses overall water risks, including water stress, riverine flood risk pressures, regulatory and reputational risks, among others. If the overall water risk indicator is high (3-4), the site is determined to be in a high water risk area.

According to the evaluation results of 2024, only the production site of Simple (Changshu) (including Huapu) is located in a high-risk area. However, as the production and manufacturing process does not require water resources and mainly involves domestic water use, the impact is minimal. Nevertheless, water-saving actions will still be promoted to reduce water consumption, while enhancing resilience against water resource shortages.

Site	Water resources risk level
Simple (Taiwan)	Low to medium
Simple (Chongqing)	Low to medium
Simple (Changshu) and Huapu	High



Water sourcing of operating sites

Unit: million liters

Site	Year	2021	2022	2023	2024
Simplo (Taiwan)	Water withdrawal	18	19	17	25
	Water discharge	1	1	2	3
	Water consumption	16	17	14	22
Simplo (Chongqing)	Water withdrawal	65	53	47	51
	Water discharge	59	47	43	46
	Water consumption	7	5	5	5
	Water recycling	13	13	12	15
	Water recycling rate (%)	17%	19%	21%	23%
Simplo (Changshu) and Huapu	Water withdrawal	440	411	322	284
	Water discharge	308	287	225	199
	Water consumption	132	124	97	85
	Water recycling	39	31	26	28
	Water recycling rate (%)	8%	7%	7%	9%
Water intensity (million liters / employees)		0.055	0.076	0.068	0.073

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.

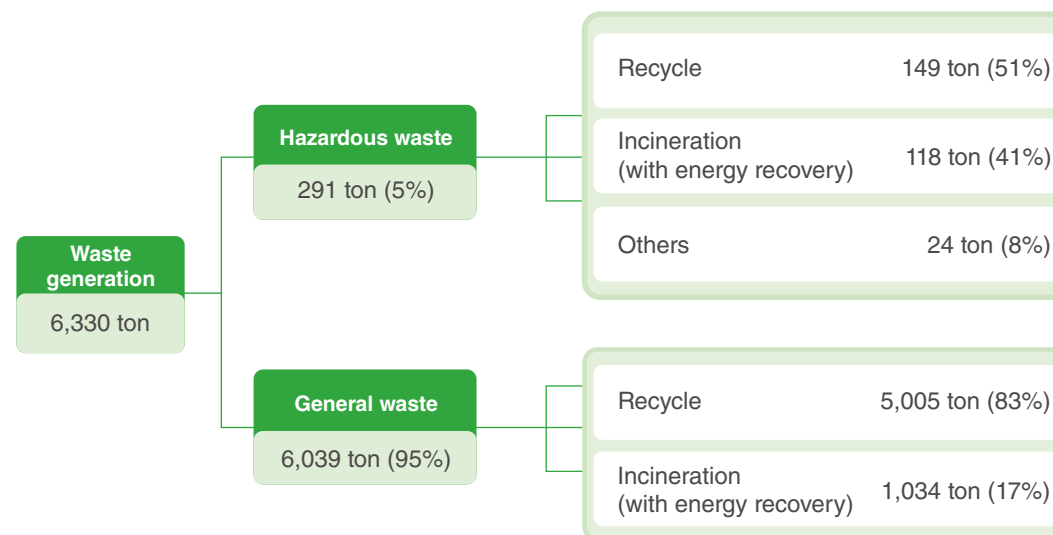
Waste management

Simplo TecSology adheres to the concept of "Reduce at Source, Resourcefulness of Waste" as the basis of waste management.

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.

Simplo Chongqing officially obtained the highest platinum level certification with the UL 2799 Zero Waste to Landfill, achieved 100% waste diversion rate, including 7% thermal energy recovery, we practice the reuse of waste resources and achieve a circular economy.

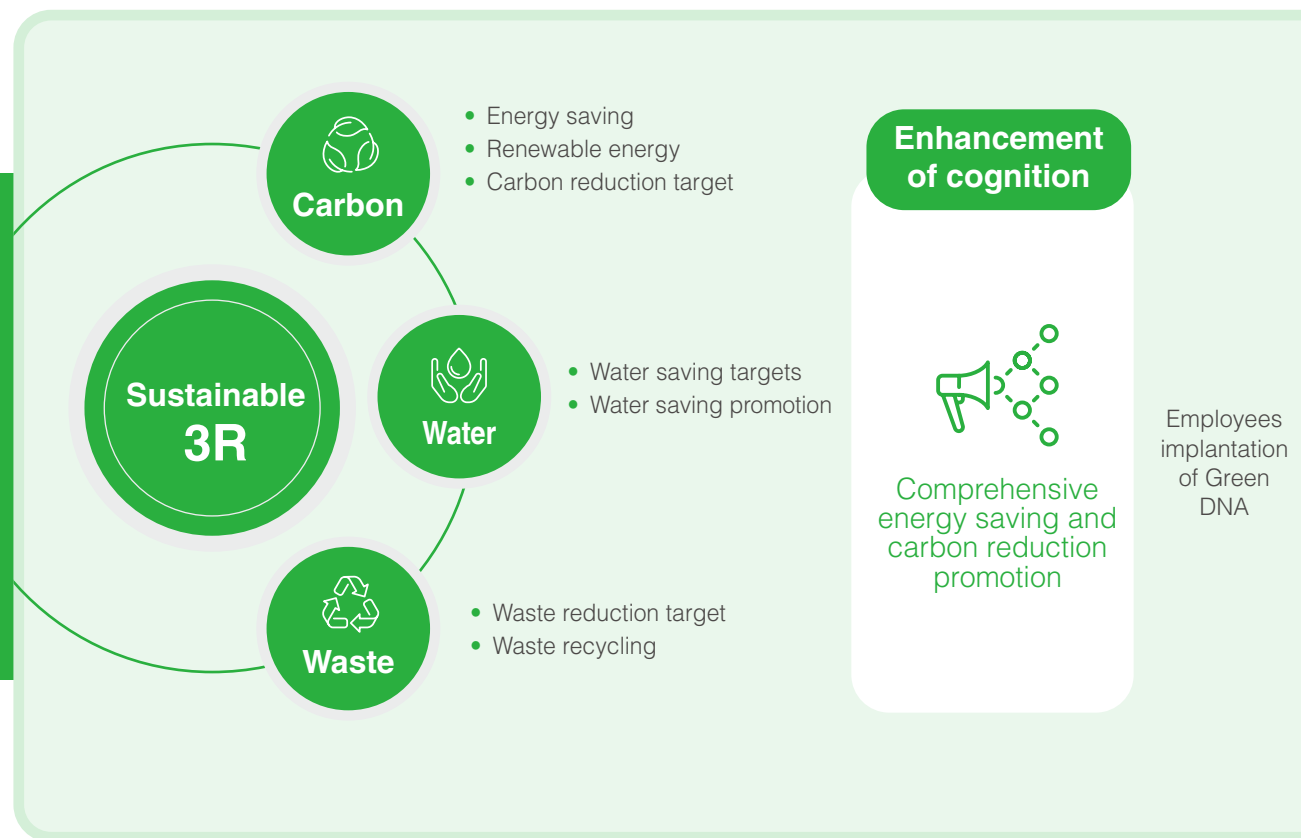
UL SPOT database inquiry (<https://spot.ul.com/>)



Data scope: Simplo (Taiwan), Simplo (Chongqing), Simplo (Changshu) and Huapu

Recycling and resource circulation

We will continue to implement "SMP ∞ to create infinite value" to enhance employees' environmental awareness and implant the concept of "Green DNA" in order to establish environmental awareness among employees and promote a culture of sustainable development within the company.



CSR永續電子報
落實永續 3R-資源回收行動宣導

永續電子報第 27 期 2024.9.20 (P.2)

~乾電池棄置污染大，回收就在一念間~

電池對環境造成的危害

電池內含有鉛、鋅、鎳、鈷、鐵等對環境有害的重金屬，未妥善處理會產生環境問題及危害健康。

假如電池內的中金屬及有害物質流出，將會嚴重污染土壤及水源，重金屬會隨著食物鏈進入人體，損害神經系統、造血功能、骨骼和腎臟衰弱。

可回收管道 (公司外)

新普亦有設置乾電池回收桶 (公司內)

新普管理部於兩廠區設置一次性乾電池回收桶，擺放地點如下：

- 一廠總部棟：共 6 組，1F 總機、2F 機構辦公室、2F 產品測試驗證處辦公室、4F 設計工程處辦公室、4F 管理部公用區、5F 公用區。
- 二廠辦公大樓：共 3 組，1F 總機、3F 研發處辦公室、5F 綜合辦公室。

在公司還是不確定哪裡可以回收，建議拿到一廠/二廠總機旁回收桶囉~

新普科技 企業永續委員會
CSR Committee

5 Green Products and Innovation

5.1 Green Design

5.2 Product Carbon Footprint

5.3 Circular Economy

5.4 Product Quality and Responsibility

Performance Results

R&D expenditure in the past three years **NTD 5.9 billion**

Conducted **26** products life cycle inventories (LCI)

Completed carbon footprint calculations for **7** products (cradle to gate)

PET film material recycling has been **100%** implemented

Copper pole pieces were be mass-produced in 2024 and used **100%** recycled materials



Continuing to inject innovative energy

Simplo TecSology 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 TecSology's R&D expenditure in 2024 is 1,823,985 thousand dollars, accounting for 2.28% of revenue, continue to invest in the research and development of new tecSologies 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. High accuracy reusable battery lifespan and functional testing machines 2. Optimize inertial rotating unmanned vehicle 3. AOI visual identification
2023	1,946,085	2.29	1. Panel migration and recognition automation equipment 2. High inertia tray rotary AGV 3. High load capacity of fork type of unmanned transportation vehicles for warehouses
2024	1,823,985	2.28	1. Development of Online Automatic Calibration Device and Method for Energy Storage Container Systems 2. Development of Energy Storage Knowledge Base AI Expert System 3. High-Speed Sampling Current Detection Board

Source: 2024 Annual Report, Simplo TecSology Co., Ltd.

■ Future R&D plans and expected R&D investment

Item	Products and technologies under development	Current progress (%)	Estimated time for the completion of mass production	Estimated amount to be reinvestment	Key factors affecting the success of R&D in the future
1	233KWH Industrial and Commercial Energy Storage System (Cnl233) Advanced Version:	50	2025 Q2	20,000	1. Provides 233KWH power 2. Provides 860V voltage 3. Multiple industrial and commercial energy storage units can be connected in parallel for use 4. Uses liquid cooling circulation for heat dissipation
2	EMS Energy Management System	30	2025 Q3	50,000	1. BMS energy storage system and peripheral information monitoring and collection 2. Energy Management and Dispatch of BMS Energy Storage System 3. Equipment control and protection of the BMS energy storage system 4. Status assessment and diagnosis of the BMS energy storage system 5. Emergency response and event management for the energy storage system
3	AI Smart Energy Storage Operation and Anomaly Detection System	10	2025 Q4	80,000	1. Quality management of site data and cloud transmission stability 2. Maintenance and management of the local database 3. Computational performance and stability of the local server

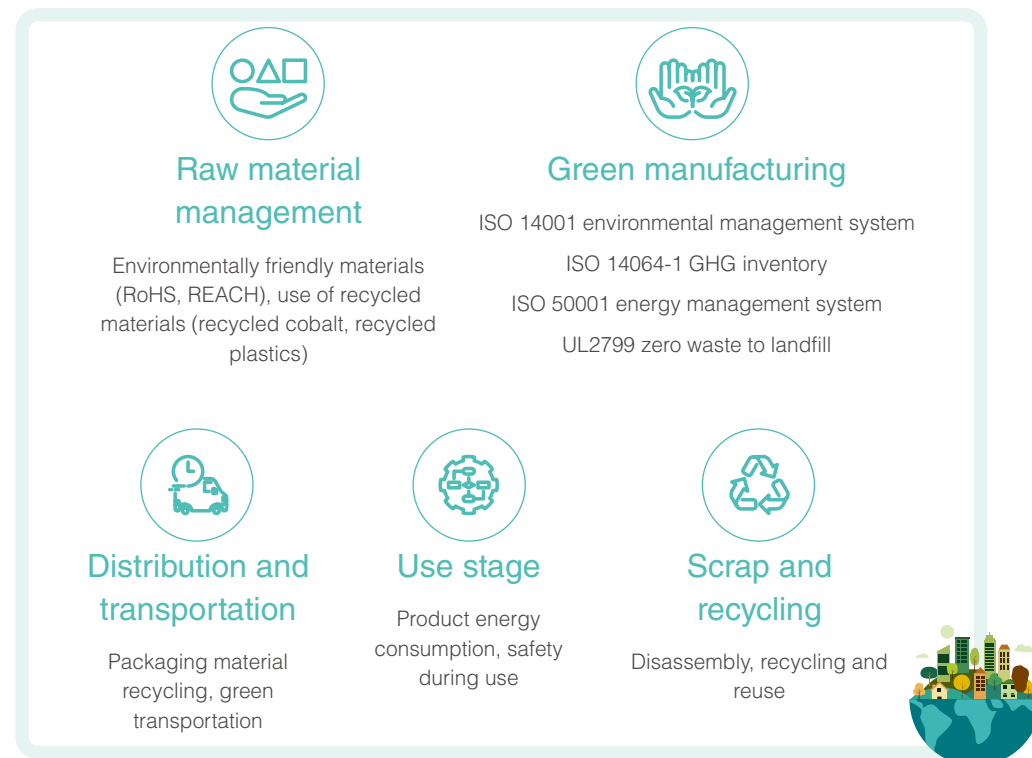
Source: 2024 Annual Report, Simplo TecSology Co., Ltd.

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 TecŠology 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.

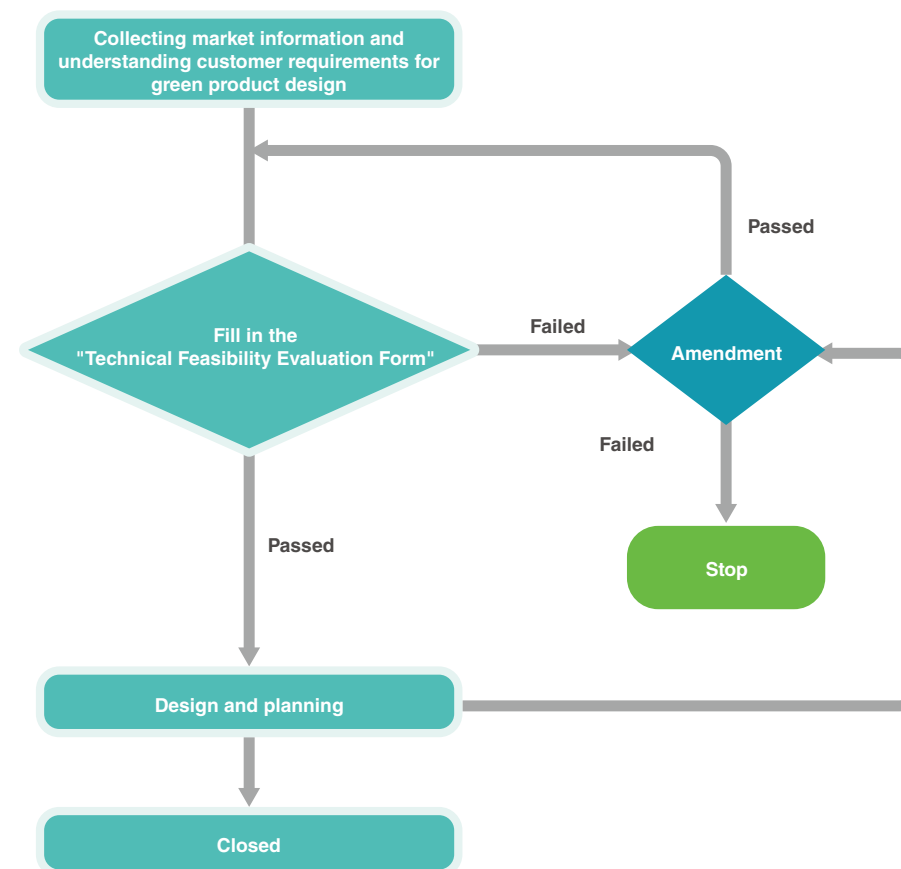
In response to the EU Batteries Regulation

The new EU battery regulation will ensure that future batteries have a low carbon footprint, use the least amount of hazardous substances, support the transition to a circular economy, and enhance the security of raw materials and energy supplies. Simplo Technology has already started the process of identifying and responding to the regulation in detail, and has set up a working group to respond to customer requests.



Standardized process

Simplo Technology introduces the concept of environmental design into its "New Product Development Management Procedure", evaluating the potential environmental impacts of designs at each stage of the lifecycle and proactively addressing them. During the product development process, minimizing negative environmental impacts, continuously researching and incorporating environmentally friendly materials, and innovating to develop low-carbon products, aiming to create products that meet environmental standards.



5.2 Product Carbon Footprint

Simplo TecSology completed the carbon footprint verification of two NB battery modules in 2022 following the ISO 14067 standards. The quantified results from carbon footprint not only provide customers with product carbon footprint information but also help assess and implement reduction measures across various stages of the product lifecycle to minimize environmental impacts.

Introduction of a systematic carbon footprint management system

Based on past experience implementing ISO 14067, Simplo TecSology has developed its own Product Footprint Calculation Tool. This tool aims to systematically disclose product carbon footprints and monitor reduction results, serving as a reference for future reductions and identifying key areas for reduction.

Project origin and benefits

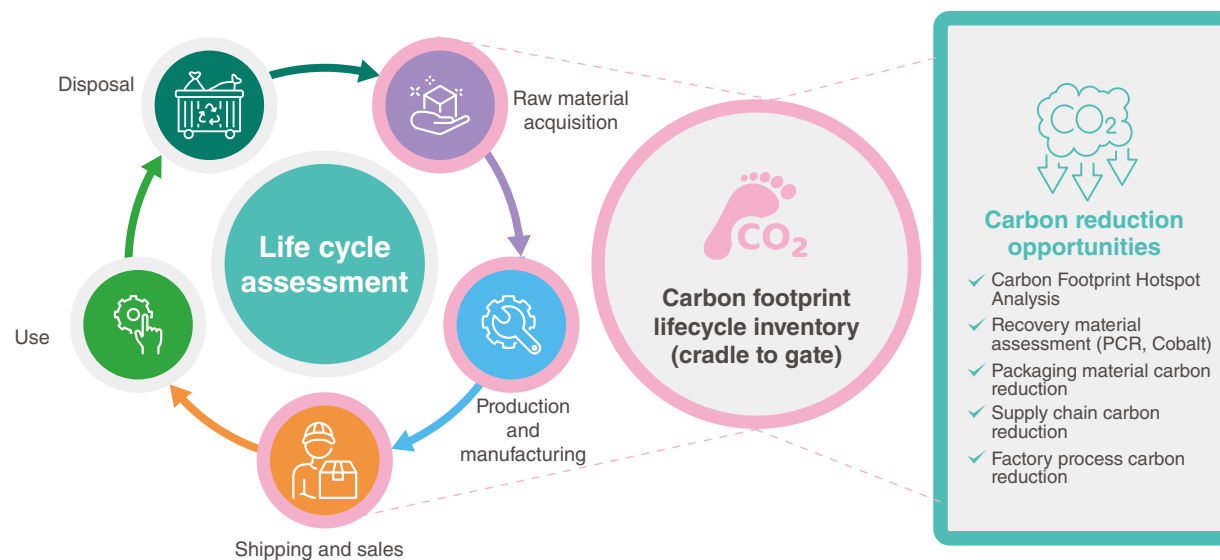
Major international laptop manufacturers are launching "carbon neutrality" laptops. As a battery module supplier, Simplo Technology collaborates with customers on carbon footprint projects. From 2023 to 2024, life cycle inventory (LCI) was conducted on a total of 26 products. The internal Product Carbon Footprint Risk Management Task Force has developed relevant skills to meet the customers' product carbon footprint requirements.

Synergistic effect

Simplo Technology utilized its self-developed PCF system to calculate the carbon footprints (cradle to gate) of 5 products. Depending on the Bill of Materials (BOM) variations among the products, the carbon footprints ranged approximately from 4 to 7 kg CO₂e. Analyzing product emission hotspots, the raw material stage accounts for the majority of carbon emissions. The main sources of emissions are PCBs, battery cells, and ICs, which are the top three contributors to total carbon emissions. The carbon emissions are also significantly influenced by difference in PCB weight. In order to continuously reduce the carbon footprints of our products, Simplo Technology integrates environmental design thinking into the product R&D stage, using environmentally friendly materials, improving energy efficiency, and extending the lifecycle, aiming for the development of low-carbon products. (Refer to [5.1 Green Design](#) for details)

Carbon reduction opportunities

- Raw material management
Environmentally friendly materials (RoHS, REACH), use of recycled materials (recycled cobalt, recycled plastics)
- Green manufacturing
ISO 14001 environmental management system, ISO 14064-1 GHG inventory, ISO 50001 energy management system, UL2799 zero waste to landfill
- Distribution and transportation
Packaging material recycling, green transportation
- Use stage
Product energy consumption, safety during use
- Scrap and recycling
Disassembly, recycling and reuse



5.3 Circular Economy

Introduce recycled plastic

In the past three years, Simpo TecSology 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.

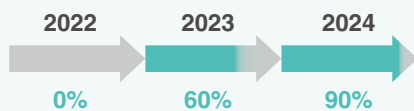
According to the life-cycle assessment (LCA) data provided by suppliers, using 90 to 98% PCR plastic pellets is expected to reduce 49 to 90% of carbon emissions compared to using non-recycled plastic materials. Using recycled materials not only decreases the consumption of natural resources but also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

Simpo TecSology is practicing the circular economy and actively researching recycled battery module materials. Our suppliers have obtained GRS (Global Recycled Standard) recycling certification for their materials. In recent years, we have collaborated with customers and suppliers to achieve significant results, including the following:

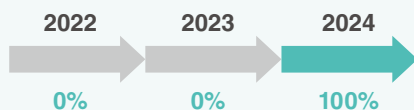
- PET Film: The proportion of recycled materials used is currently 100%, and has been fully introduced into the mass production of customer products.



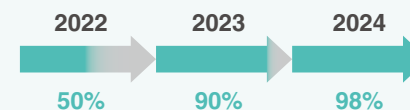
- PC Film: Introduced into mass production in 2024 with 90% recycled content.



- Copper: Initially, research will be conducted with a recycled content of 50%, and mass production will be introduced in 2024 with a recycled content of 100%.



- Resin: Initially, research will be conducted on materials with a recycled content of 50%, and mass production will be introduced in 2024 with a recycled content of 98%. In the future, we will continue to research, develop, and test materials with high recycled specific gravity that meet the requirements of the future PFAS (Per- and polyfluoroalkyl substances, PFAS) regulations.



- Cell_Cobalt: By 2024, we were introduced products with 50% and 100% recycled content into mass production. 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%.



Note: PC plastic (Polycarbonate, PC), recycled polyethylene terephthalate (PET) film material, recycled polycarbonate (PC) film material

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. Simplo Technology put 28,524,870 PCS into recycling in 2021, 22,441,060 PCS in 2022, 17,058,550 PCS in 2023, and 16,704,847 PCS in 2024. When the Pack Tray is inspected at the recycling plant and does not meet the usage requirements, it is entrusted to the recycling plant for scrapping and use as secondary materials.

After the upstream supply chain receives the Frame, 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 recycling. In 2024, a total of 252,000 PCS have been put into recycling, gradually implementing circular economy.

■ Amount of Pack Tray recycling

Year	PCS
2022	22,441,060
2023	17,058,550
2024	16,704,847

Note: Data covers Simplo (Chongqing) and Simplo (Changshu)

■ Amount of Frame Tray recycling

Year	PCS
2022	39,469
2023	12,000
2024	252,000

Note: Data covers Simplo (Chongqing) and Simplo (Changshu)



Pack Tray



Frame Tray

Cobalt recycling

Cobalt is one of the elements used as a positive electrode material in lithium-ion batteries, accounting for approximately a quarter of the total battery cell weight (varying depending on the specific positive electrode materials). Simplo TecSology considers cobalt recycling as a long-term plan, with most customers viewing it as an important issue. Cobalt is sourced not only from mining but also partly from recycling. Current recycling tecSologies can achieve approximately 90% efficiency in cobalt recovery.

In 2024, Simplo TecSology collaborated with 3 battery cell suppliers to pass the UL 2809 Environmental Claim Validation Procedure (ECVP) for Recycled Content. They verified that battery cells contained 50% and 100% post-consumer recycled cobalt content, used in laptop battery products, demonstrating commitment to the circular economy. In 2024, a total of 7,186,894 PCS battery modules containing recycled cobalt were shipped, using a total of 216,133 kg of recycled cobalt.

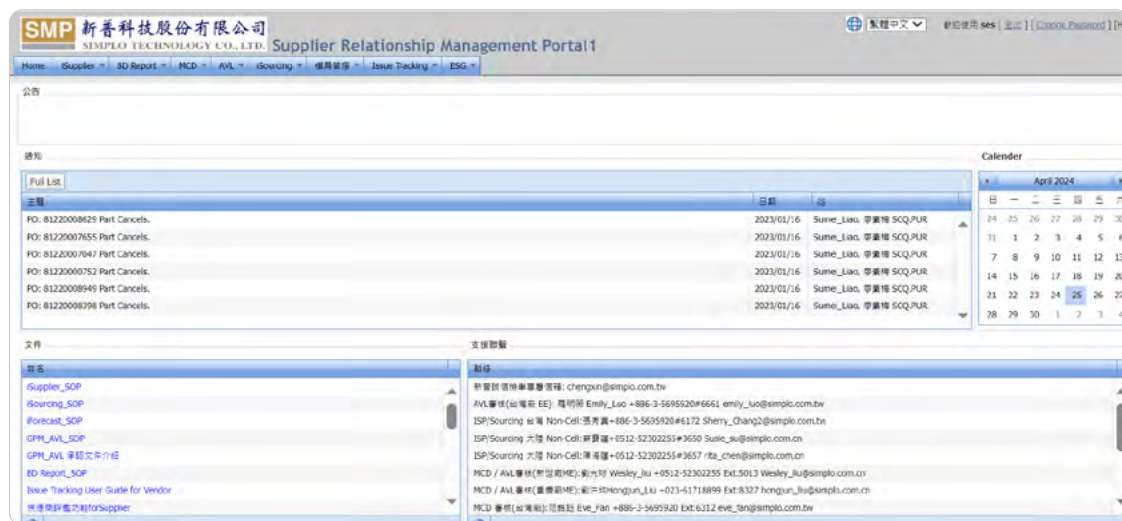
The main sources of recycled cobalt currently include production waste and marketrecycled batteries. There are primarily two methods (thermal treatment and chemical treatment) to extract cobalt compounds from these sources, which are then reused in positive electrode materials.

For precious metal cobalt in batteries, in 2024, products with a recycling rate of 50% and 100% was mass-produced and introduced. Recycled cobalt materials had all obtained Underwriter Laboratories Inc's (UL) recycling certification. As cobalt accounts for approximately 21-27% of the overall weight of the battery module, the adoption of recycled cobalt represents a significant milestone in calculating the overall battery recycling rate. Using 50% recycled cobalt, along with contributions from other recycled materials, the overall recycling rate of the battery module product can reach 19-26%. Using 100% recycled cobalt, the overall recycling rate of the battery module product can reach as high as 38%

Stage	1	2	3	4	5
Method I: Thermal treatment	Pretreatment (rough decomposition, metal separation)	High temperature treatment	Raw cobalt material	Precursor synthesis	Positive electrode material synthesis
Method II: Chemical treatment		Dissolve and extract precipitation			

5.4 Product Quality and Responsibility

Simplo Technology has established a Green Supplier Relationship Management (SRM) platform to implement the source management of raw materials in the supply chain, and integrated the ERP Portal to form a complete management information system.



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 complaints.

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

All products of Simplo Technology have been certified according to the mandatory or voluntary safety regulations of various countries and have undergone multiple safety tests and verifications before they are put on the market. The safety verifications include:

- International safety regulations (e.g. IEC 62133-2, IEC 62619, ISO 6469-1).
- European safety regulations such as EN 62133-2, 2014/35/EU LVD Directive, (EU) 2023/988 General Product Safety Regulation (GPSR), EN 62619.
- Important safety regulations of the U.S. and Canada (e.g. UL 2054, UL 62133-2, ANSI/CAN/UL 1973, ANSI/CAN/UL 9540(A)).
- China safety regulations (e.g. CNCA, GB, GBT, CQC, CCC).
- The safety regulations of Taiwan, Japan, Korea, India and the ASEAN countries.
- International transport regulations UN 38.3, etc.

Simple 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). We plan to gradually increase our verification capabilities and expand our certification scope in the future to enhance product safety.

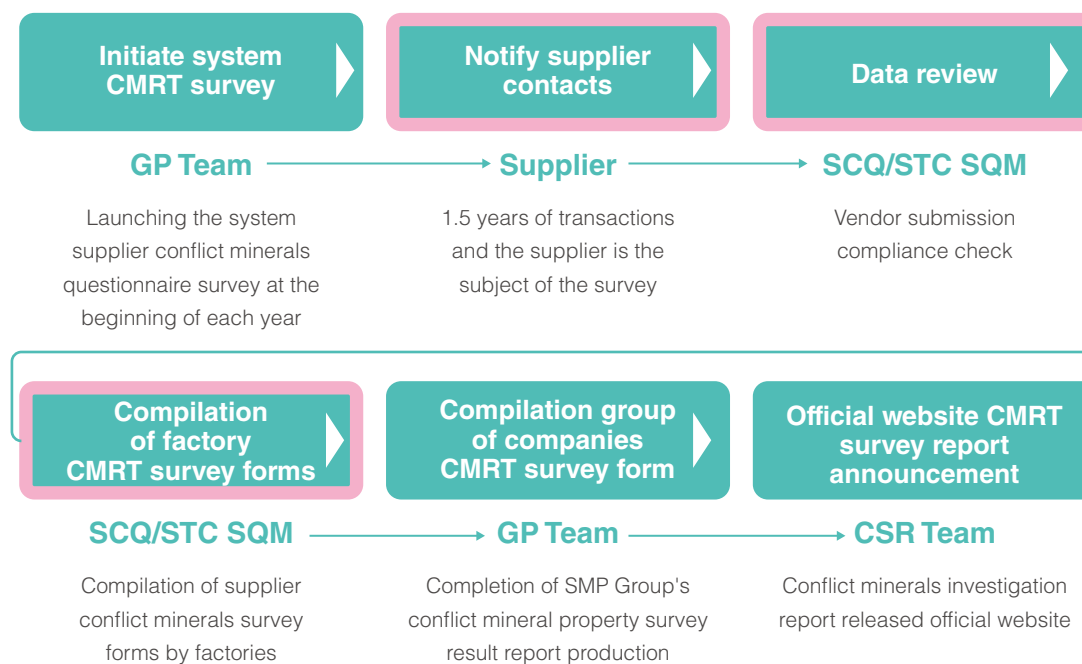
- Assessment of the impact of battery regulations

The EU Battery Regulation (EU) 2023/1542 was published in July 2023 to replace the original battery directive 2006/66/EC. Introducing new requirements for the sustainability and safety of batteries, including hazardous substances, QR codes, and design for removable batteries. The design of batteries in electronic products should be easy for end users to disassemble and replace, impacting Simple's product verification process. Verification will shift from component-level (Recognized) to product-level (Listed), increasing the number of verification items and enhancing consumer safety.

SMP Conflict Minerals' Procurement Policy

Simple 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, Simple 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.

Conflict minerals investigation process





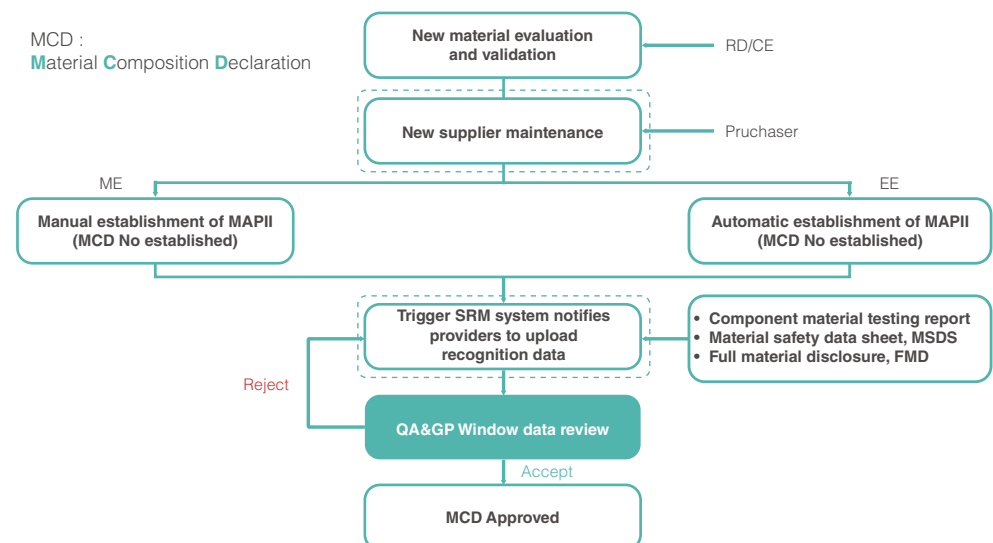
Requirements for Suppliers

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

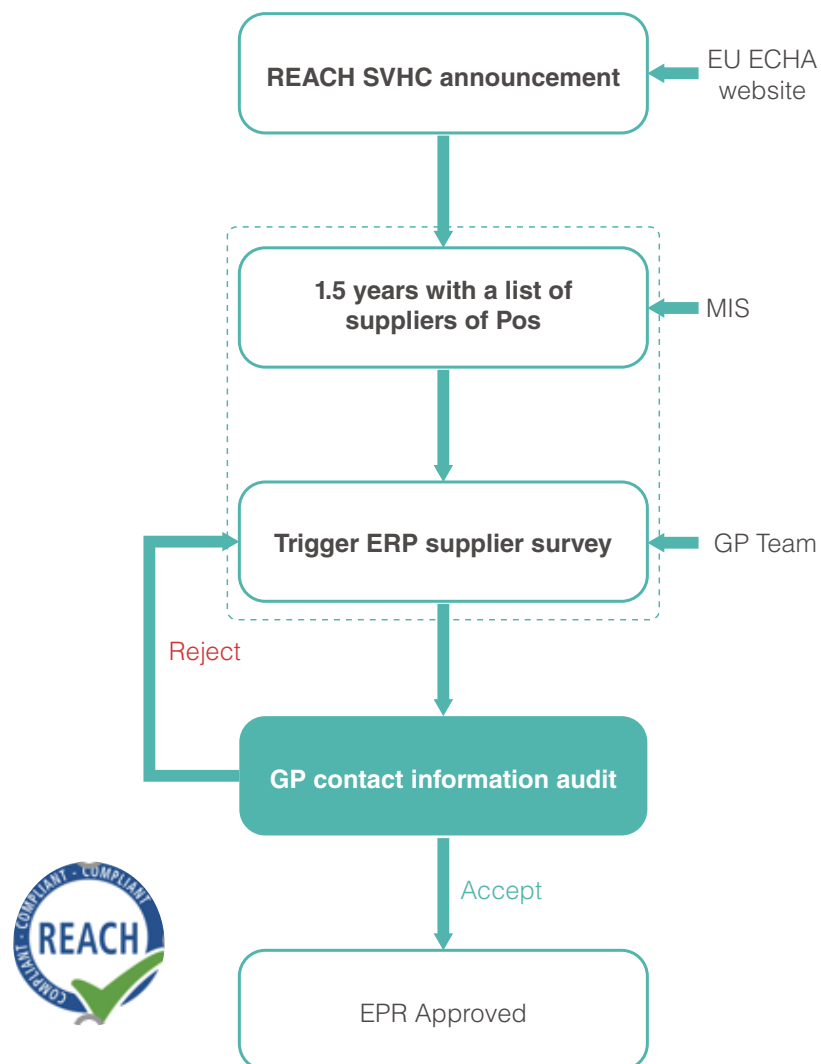
RMI website link: <https://www.responsiblemineralsinitiative.org/smelters-refiners-lists/>

- Suppliers were required to complete a conflict minerals questionnaire

- SMP RoHS & REACH control MCD material approval

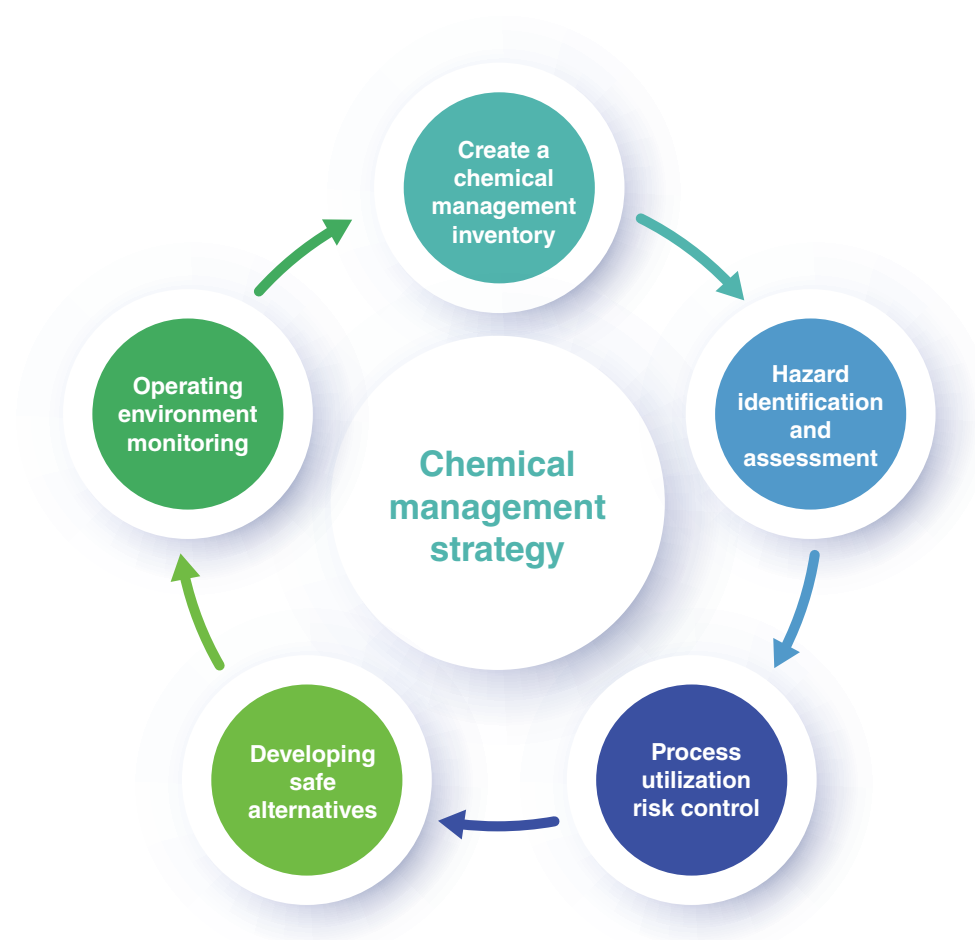


▪ SMP RoHS & REACH control: REACH supplier survey



Chemical management strategy

Simplo TecSology 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.



6 Inclusive Workplace

- 6.1 Employee Overview
- 6.2 Human Rights Management
- 6.3 Safety and Health
- 6.4 Talent and Education
- 6.5 Social Engagement

Performance Results

Simplo Taiwan received the
"Sustainable Leading Enterprise
in Healthy Workforce Award"

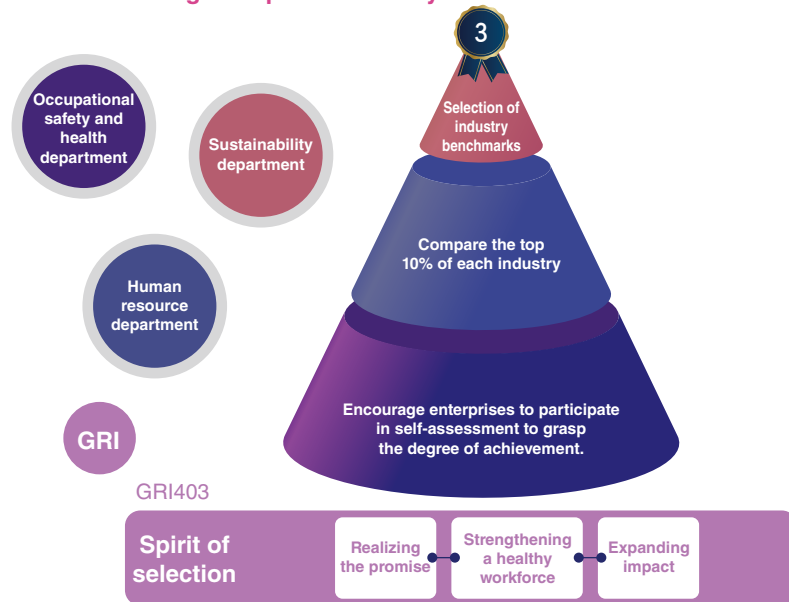
"Green Living Week" activity
recycling **More than 1,600**
dry cell batteries

The proportion of female
managers is **30%**

Total of **22** emergency
hazard drills were conducted



Ministry of Labor, Occupational Safety and Health Administration (OSHA) "Sustainable Leading Enterprise in Healthy Workforce Award"



▪ Delivering on commitment with a people-centered approach



2024 "Sustainable Leading Enterprise in Healthy Workforce Award" - Manufacturing Category

Simple Technology adheres to a "people-oriented" corporate sustainability management philosophy. Led by the Chairman, along with top executives overseeing governance and risk, the Company maps out a sustainable SDG strategy blueprint. It continues to promote a corporate safety culture, dedicating efforts to employee care, and creating a safe, healthy, friendly, and inclusive work environment. Since 2022, Simple Technology has issued a sustainability report that exceeds regulatory requirements. This report is prepared in accordance with the GRI Standards and assured by external collaborators, disclosing strategies and actions on the environment (E), social (S), and corporate governance (G) to stakeholders, aligning with the SDGs.

Simple Technology regards employees as important assets and continues to create a happy workplace by promoting several employee-friendly welfare initiatives. These include supporting work-life balance and peace of mind for family care by offering health check-ups with a frequency exceeding legal requirements and specially appointed doctors providing on-site one-on-one consultation services; fostering a friendly environment for employees to settle and raise families, providing over 4.5 million in early childhood education subsidies

over the past three years, and expanding scholarship support to the children of employees, benefiting over 1,400 individuals. Simple also participated in the "2024 TALENT, in Taiwan" Sustainable Talent Development Alliance to create a more diverse, equal, and inclusive (DEI) workplace culture. Simple Technology values communication, ensuring smooth internal communication channels and continuously exerting influence externally. To strengthen supply chain management, Simple also holds a supplier conference each year, providing sustainability-related education and training to build a sustainable supply chain ecosystem.

Looking ahead, Simple Technology has firmly established itself, entering a period of stable and sustainable labor through long-term cultivation. In addition to continuous improvement to enhance organizational environmental and safety performance, the Company is actively optimizing digital transformation, and emphasizing corporate sustainability responsibility. Moving towards an era of innovative transformation, it aligns with corporate sustainability strategies and practices SDGs to create a healthy, sustainable, friendly, and happy workplace, aiming to become a "sustainable leading enterprise in healthy workforce".

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



403-1 Occupational health and safety management system :

- ISO 45001: 2018 third-party certification
- Long-term goal of "Zero accidents in safety and health"

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

- Perform annual hazard identification, risk and opportunity assessments on a regular basis

403-3 Occupational health services

- Establishment of a medical office and dedicated factory nurses
- Publish special health columns

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

- Quarterly meetings of the Occupational Safety and Health Committee
- Labor representatives, factory safety hotline and LINE official communication channels

403-5 Worker training on occupational health and safety

- The headquarters has provided training to 2,656 people in the past 4 years
- Regular education and training for first aiders (8 persons)

403-6 Promotion of worker health

- Arrange doctors to visit the factory for health consultation every month
- There is a leisure and fitness center and subsidized clubs (golf, badminton, yoga, aerobics, etc.)

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

- Sustainable supply chain communication conference 2024
- Supplier RBA auditing
- Contractor training and hazard notification

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

- Coverage of Simplo TecSology, visitors and contractors

403-9 Work-related injuries

- No major occupational safety accidents and no disability injuries in 2024
- Cumulative work hours without work-related injuries: 2,463,560 hours (August 2021 to July 2024)



6.1 Employee Overview

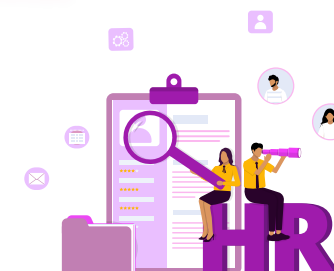
Human resources

As of the end of 2024, Simplo employs a global workforce of 5,269 full-time employees with no part-time, temporary, or non-hours guaranteed employees. Among them, 39% of the employees are female, and 61% are male. Approximately 92% of the main human resources are distributed in China's major operational sites. In 2024, the proportion of women in supervisory positions was 30%, an increase of 1% compared to 2023.

Gender	Male						Female						Total
Site	Indefinite contract			Fixed-term contract			Indefinite contract			Fixed-term contract			
	Under 30	Between 30-50	Over 51	Under 30	Between 30-50	Over 51	Under 30	Between 30-50	Over 51	Under 30	Between 30-50	Over 51	
Simplo (Taiwan)	46	157	40	0	0	0	29	90	30	0	0	0	392
Simplo (Chong-qing)	66	210	10	612	383	6	27	171	1	419	347	2	2,254
Simplo (Changshu) &Huapu	48	349	16	515	530	7	21	179	3	280	338	1	2,287
Simplo (Vietnam)	0	0	0	125	66	4	0	1	0	96	44	0	336
Total	160	716	66	1,252	979	17	77	441	34	795	729	3	5,269

Note:

1. Based on active employees at the end of 2024, 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 2024

Category	Executive		Non-executive		Total
Site	Male	Female	Male	Female	
Simplo (Taiwan)	94	39	149	110	392
Simplo (Chongqing)	44	16	1,243	951	2,254
Simplo (Changshu) & Huapu	104	47	1,361	775	2,287
Simplo (Vietnam)	4	2	191	139	336
Total	246	104	2,944	1,975	5,269
%	70%	30%	60%	40%	100%

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

Diverse employment

New recruitment rate in 2024

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)	16	35%	11	38%	20	13%	13	14%	3	8%	1	3%	64	16%
Simplo (Chongqing)	282	42%	213	48%	116	20%	88	17%	4	25%	0	0%	703	31%
Simplo (Changshu) &Huapu	527	37%	349	25%	334	39%	326	38%	0	0%	0	0%	1,536	67%
Simplo (Vietnam)	104	47%	74	33%	51	46%	33	30%	0	0%	0	0%	262	78%

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 2024/the total number of male (female) employees in the age group at each site at the end of 2024.
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 2024

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)	11	41%	7	52%	19	4%	15	1%	6	28%	1	23%	59	15%
Simplo (Chongqing)	261	39%	158	35%	88	15%	75	14%	0	0%	0	0%	582	26%
Simplo (Changshu) &Huapu	486	56%	306	35%	415	30%	353	25%	5	19	0	0%	1,565	68%
Simplo (Vietnam)	9	4%	7	3%	2	2%	3	3%	0	0%	0	0%	21	6%

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 2024/the total number of male (female) employees in the age group at each site at the end of 2024.
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.

Simplo TecSology 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 (Tai-wan)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Simplo (Chongqing)	73	11%	46	10%	22	4%	28	5%	0	0%	0	0%	169	8%
Simplo (Changshu) &Huapu	229	16%	133	9%	116	13%	65	7%	0	0%	0	0%	543	24%
Simplo (Vietnam)	70	21%	39	12%	22	7%	21	6%	0	0%	0	0%	152	45%
Total	372	23%	218	23%	150	8%	114	8%	0	0%	0	0%	864	14%

▪ 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%	0	0%	0	0%	0	0%	1	0.04%	1	0.002%
Simplo (Chongqing)	27	4%	21	5%	34	6%	14	3%	1	6%	0	0%	97	4%
Simplo (Changshu) &Huapu	3	0.2%	1	0.1%	5	0.6%	5	0.6%	0	0%	0	0%	14	0.6%
Simplo (Vietnam)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	30	2%	22	3%	39	2%	19	2%	1	1%	1	3%	112	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), 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, 2024, without any data assumptions.

▪ Number of non-workers in 2024

Site	Outsourced worker	Dispatched worker
Simplo (Taiwan)	12	0
Simplo (Chongqing)	76	0
Simplo (Changshu) & Huapu	0	867
Simplo (Vietnam)	7	0

Note: Outsourced workers refer to security, cleaning and catering staff; dispatched workers refer to temporary worker employees; 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.

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 43 applications for "Employee Marriage, Funeral, and Birth Subsidy," totaling NT\$127,400; 310 applications for "Children's Scholarship," totaling NT\$641,000; and 56 applications for "Child Subsidy," totaling NT\$560,000.

Welfare measures



Employee travel allowance



Scholarship for children



Gift vouchers for three major festivals and the International Worker's Day



Complimentary lunch/dinner provided



Employee family day



Early childhood education allowance



Employee group insurance



Gym/Aerobics classroom/
Comprehensive stadium

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 TecSology adheres to local labor laws to notify employees in advance, ensuring the protection of their rights. For the grievance mechanism, please refer to 2.2 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%.

Enriching employee activities

Green Living Week

Simplo's "Green Living Week" event actively promoted environmental sustainability through the online Green Living e-newsletter and encouraged employees to share their personal green living practices, such as bringing their own shopping bags, using reusable cups and tableware, and implementing resource recycling and waste separation.

Offline activities included a green market, offering a diverse selection of eco-friendly products and fun and informative ESG challenges. Furthermore, a special dry cell battery recycling campaign successfully collected over 1,600 dry cell batteries, showcasing the company's commitment to environmental protection.

Through continuous promotion and awareness, the spirit of sustainability is integrated into every employee's daily lives, allowing them to contribute to the future of the planet.



▪ Happy Mid-Autumn Festival Party

The Mid-Autumn Festival party was held in September 2024. This year's theme was "Simple Mobilization", which attracted a total of 317 employees and their families to participate. The event venue was prepared with a variety of games suitable for the whole family to enjoy together. Additionally, over 30 food stalls were available, allowing participants to replenish their energy with delicious food while participating in entertainment activities. The evening culminated in an exciting raffle with generous prizes, bringing the event to a climax. All employees participated enthusiastically and left with joyful memories.



▪ Employee Family Day

The Welfare Committee carefully plans one-day trip itineraries, arranging for employees to enjoy gourmet feasts and cultural trips on weekends, providing a therapeutic and relaxing break from work. We provided a diverse itinerary for the Employee Family Day in 2024 for employees to choose their favorite itineraries. A total of 194 colleagues signed up to participate.



▪ Angel Employee Celebration

In order to increase the sense of belonging of disabled employees to the company, and to build a platform for disabled employees to communicate with each other in their spare time, the company organizes quarterly activities for the disabled in the form of birthday party every quarter, which provides a space for disabled employees to relax and communicate with each other, so that they can practically feel the company's care and concern.



▪ SMP Goddess Festival

SMP's distinctive corporate culture recognizes and praises female employees who work hard and actively realize their self-worth, expresses love and appreciation to female colleagues in the company, and calls on all colleagues to respect and care for female employees.



Parental leave

Pursuant 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.

One of female and one of male colleagues in Simplo (Taiwan) applied for babysitting jobs in 2024. The above numbers are based on the maternity leave and parental leave numbers. In that year, 4 colleagues took maternity leave, 7 applied for maternity leave and 6 applied for paternity leave.

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

Year	2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave (A)	7	3	10	10	8	18	21	12	33
Actual number of applicants for parental leave in the year (B)	0	2	2	0	0	0	1	1	2
Number of employees who should be reinstated after parental leave in the year (C)	0	3	3	0	0	0	0	0	0
Actual number of people reinstated after parental leave in the year (D)	0	3	3	0	0	0	0	0	0
Actual number of employees reinstated after parental leave in the previous year (E)	0	0	0	0	3	0	0	0	0
Number of employees who have continued to work for one year after reinstatement after parental leave in the previous year (F)	0	0	0	0	3	3	0	0	0
Reinstatement rate of parental leave in the current year (D/C)	NA	100%	100%	NA	NA	NA	NA	NA	NA
Retention rate for reinstatement after parental leave in the current year (F/E)	NA	NA	NA	NA	100%	100%	NA	NA	NA

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.

6.2 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 International Labor Organization Tripartite Declaration of Principles," the "Responsible Business Alliance Code of Conduct," and the "OECD Guidelines for Multinational Enterprises," as well as the local laws and regulations of various countries. Simplo has established the "Human Right Policy Statement of Simplo 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 Policy



Prohibiting forced labor and child labor



Prohibiting all forms of discrimination



Establishing a fair and reasonable remuneration system



Providing a safe and healthy working environment

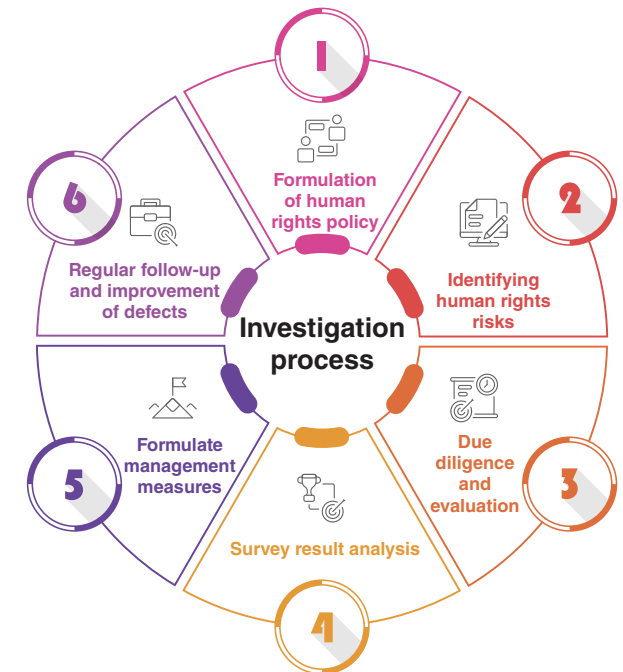


Building a stable labor management harmonious relationship

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, Simplo Changshu (including Huapu), had a total of 7,089 participants, and the passage rate (80 points or higher) of the course was 100%.



2024 Human rights review

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

Human rights education and training

Simplo Technology has established a human rights policy. Related information are promoted to employees throughout the Company via pre-employment training for new recruits, and e-learning online courses for legal compliance. In 2024, Simplo Chongqing and Simplo Changshu (including Huapu) conducted human rights training through employee ethics courses. The total number of participants was 17,144, with a participation rate of 99.7%. 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.



6.3 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%.

Site	ISO 45001 OSH Management Systems
Simplo (Taiwan)	2025/08/12
Simplo (Chongqing)	2028/4/5
Simplo (Changshu)	2028/03/19
Huapu	2027/12/09

Note: There are worker representative conferences in both Simplo Chongqing and Changshu.

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 an "Employee Representative Conference" which meets once a year, including labor representatives. % accounts for 37%. 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 12%.

Occupational safety and health management organization

Site	Organization	Number of member	Number of labor representatives	Labor representation ratio	Meeting frequency
Simplo (Taiwan)	Occupational Safety and Health Committee	31	13	42%	Quarterly
Simplo (Chongqing)	Worker Representative Conferences	164	61	37%	Quarterly
Simplo (Changshu) & Huapu	Production Safety Committee	42	5	12%	Weekly

Hazard identification 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.

Every year, drills on emergency hazardous incidents such as fire evacuation, chemical leakage, water outage, power outage, forklift accidents, and elevator accidents are conducted to strengthen the response ability of employees to emergency accidents and reduce the degree of damage in the event of occupational accidents. In 2024, a total of 22 drills were conducted.



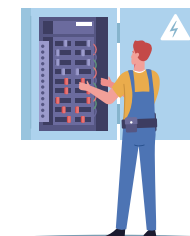
Fire evacuation (15 drills)



Chemical leakage (3 drills)



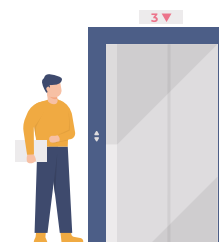
water outage (1 drill)



power outage (1 drill)



forklift accidents (1 drill)



elevator accidents (1 drill)

Occupational disasters statistics

In 2024, a total of 20 recordable occupational safety accidents, 0 major occupational safety accidents, 0 disabling injuries, and 0 fatal accidents occurred at SimploTecSology'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 2024

Site	Fatalities as a result of work-related injury	Highconsequence work-related injuries	Recordable work-related injuries
Simplo (Taiwan)	0	0	0
Simplo (Chong-qing)	0	0	18
Simplo (Changshu) &Huapu	0	0	2

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 2024 - Employee

Site	Total working hours		Rate of fatalities as a result of work-related injury		Rate of high-consequence workrelated injuries		Rate of recordable workrelated injuries	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Simplo (Taiwan)	480,440	296,416	0	0	0	0	0	0
Simplo (Chong-qing)	3,484,097	2,443,610	0	0	0	0	4.02	5.73
Simplo (Changshu) &Huapu	4,259,608	2,497,020	0	0	0	0	0	0

OSH performance in 2024 - Non-employee worker

Site	Total working hours		Rate of fatalities as a result of work-related injury		Rate of high-consequence workrelated injuries		Rate of recordable workrelated injuries	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Simplo (Taiwan)	4,144	5,816	0	0	0	0	0	0
Simplo (Chong-qing)	114,036	113,688	0	0	0	0	0	0
Simplo (Changshu) &Huapu	1,124,811	664,979	0	0	0	0	0	0

Note:

- 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.
- 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.
- Rate of high-consequence work-related injuries = number of high-consequence work-related injuries (excluding fatalities) / total working hours * 1,000,000.

- 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.
- 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 2024

Site	Mechanical damage (pinching, fracturing, crushing)	Blunt force (smashing)	Fall from height (fall-ing)	Others (falling, bruising, kick-ing, spraining)	Total
Simplo (Taiwan)	0	0	0	0	0
Simplo (Chongqing)	8	0	0	10	18
Simplo (Changshu) & Huapu	0	0	0	2	2
Total	8	0	0	12	20
%	40%	0%	0%	60%	100%

Disabling injury severity

Site	Male	Female
Simplo (Taiwan)	0	0
Simplo (Chongqing)	121.4	79.4
Simplo (Changshu) & Huapu	16	0

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

Accident correction actions

After an employee accident at Simplo Chongqing, the accident unit is required to complete an investigation within 48 hours and fill out an "employee injury accident report". During the industrial safety meeting, supervisors vote to assess the effectiveness and feasibility of the corrective actions, Improvements are approved and closed upon feasibility.

Simplo (Changshu) has improved equipment to achieve inherent safety against mechanical injuries, conducted warning and training for personnel regarding object impact (injuries), and enhanced procedural documents and SOPs to ensure compliance with actual conditions.

Safety and health education and training

Simplo complies 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 2024

Site	Total trainees	Total hours
Simplo (Taiwan)	837	3,532
Simplo (Chongqing)	30,274	114,594
Simplo (Changshu) & Huapu	18,280	18,405
Total	49,391	136,531

Training items for professional certification in each plant area

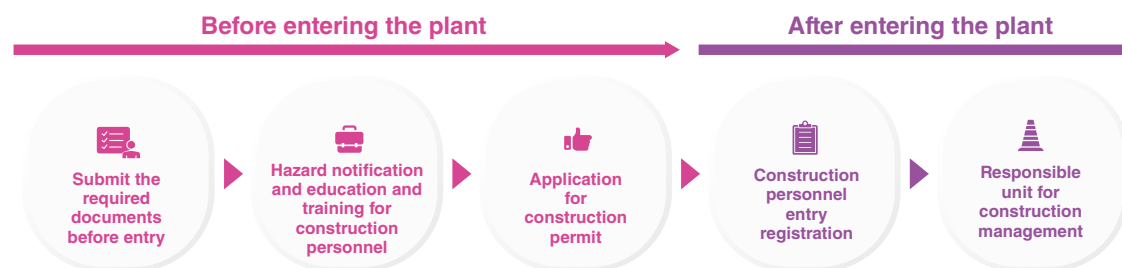
Site	Professional certification training items
Simplo (Taiwan)	Occupational safety and health operations supervisors, management specialists, management personnel, organic solvent operations supervisors, first aid personnel, forklift operators with a load of more than one metric ton, labor health service 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.

OSH education system

- New recruits:** General education on occupational safety and health before entering the workplace.
- On-the-job employee safety and health training:** Strengthen training and publicize relevant occupational safety and health education.
- 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 promotion-related 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 174 sessions from 2020 to 2024, enhancing employee health care.

Healthcare services

- Health checkup:** Physical examination for new employees, annual health checkup for general employees, and health checkup for special operations.
- Health promotion:** Health lectures, promotion of sports clubs, gym and table tennis room.
- 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.
- In the health column of the infirmary,** regular features on health convenience stations are published. In 2024, a total of 20 special features were published.

Number of health examination (2024)

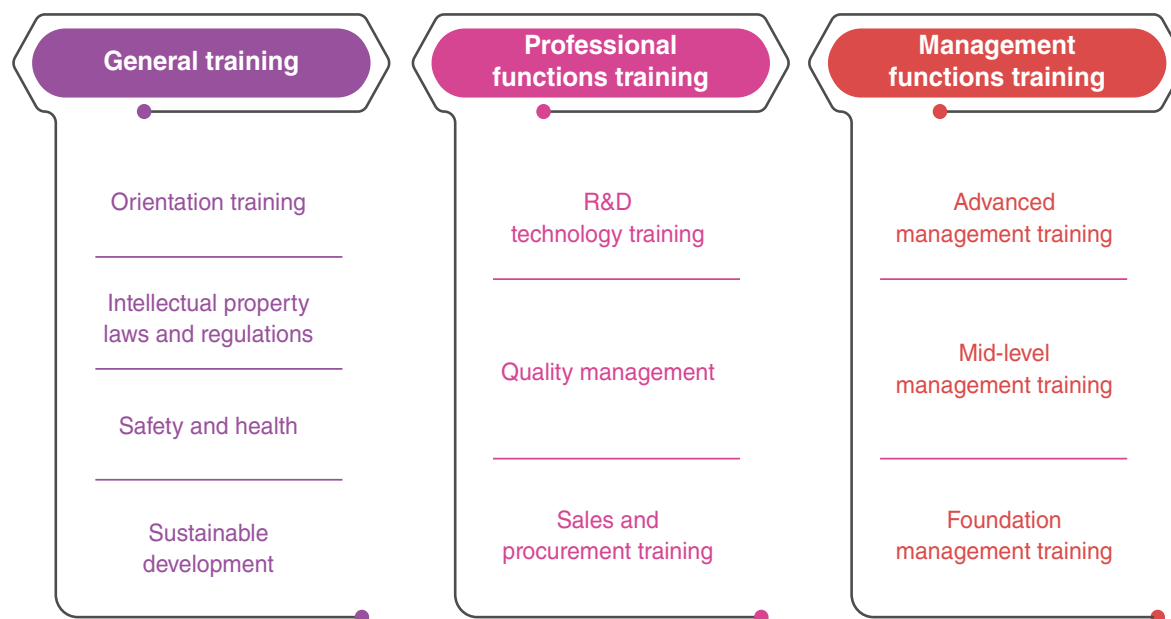
Site	General health examination	Special health examination
Simplo (Taiwan)	301	9
Simplo (Chongqing)	526	645
Simplo (Changshu) & Huapu	1,296	851
Total	2,123	1,505

6.4 Talent and Education

Learning and development

Simplo TecSology 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 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].

Through education and training, employees are able to increase their professional knowledge and functions, and apply them to their work to achieve the right fit for the job.

In addition to HR training, there are also systems for quality, safety, and health that offer annual courses tailored to the knowledge and skills needed by personnel in different business functions. This ensures the safety of operations, stability of product design and production quality, or the promotion of important policies. The statistics for education and training in 2024 are as follows:

Education and training in 2024

Site	Simplo (Taiwan)				Simplo (Chongqing)				Simplo (Changshu) & Huapu				Total	
Category	Executive		Non- executive		Executive		Non- executive		Executive		Non- executive		Execu-tive	Non- ex-ecutive
Gender	Male	Fe-male	Male	Fe-male	Male	Fe-male	Male	Female	Male	Fe-male	Male	Female		
Number of employees	262	87	831	415	44	16	1,243	951	104	47	1,361	775	560	5,576
Training hours	535	201	1,336	750	1,489	671	48,553	39,261	1,798	684	33,823	19,234	5,378	142,957
Average training hours	2.04	2.3	1.61	1.81	33.8	41.9	39.1	41.3	17.3	14.5	24.9	24.8	9.6	25.64

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 are entitled to participate in performance appraisal. Simplo (Taiwan) \ Simplo (Chongqing). Employees who have been employed for less than three months, Simplo (Changshu) & Huapu colleagues stationed in Taiwan, and 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.

Site	Male	Female	Frequency of assess-ment
Simplo (Taiwan)	93%	90%	2 appraisals per year
Simplo (Chongqing)	85%	88%	2 appraisals per year
Simplo (Changshu) & Huapu	56%	52%	2 appraisals per year

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.



6.5 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 180 people participated in the blood donation public welfare event during 2021-2024.



Care for local disadvantaged groups

Simplo Technology continues to care for the underprivileged, doing its part to support local related organizations. Together with all colleagues, we encourage participation in charitable donation activities. 2024 "In-kind donation - 20 boxes of toilet paper" to Huashan Social Welfare Charitable Foundation for sponsoring local disadvantaged group care organization.



Do For Green, sharing sustainable environment

"Simplo Group Beach Cleanup Day" Activity

In the face of the impact of climate change, countries are taking actions to reduce carbon emissions and do their best for the environment. In 2024, Simplo Technology organized a beach clean-up event at Fung Hang beach, removing 702 kg of beach litter to help protect the marine environment!



Appendix

Report Quality Management Process

GRI Index

SASB Index

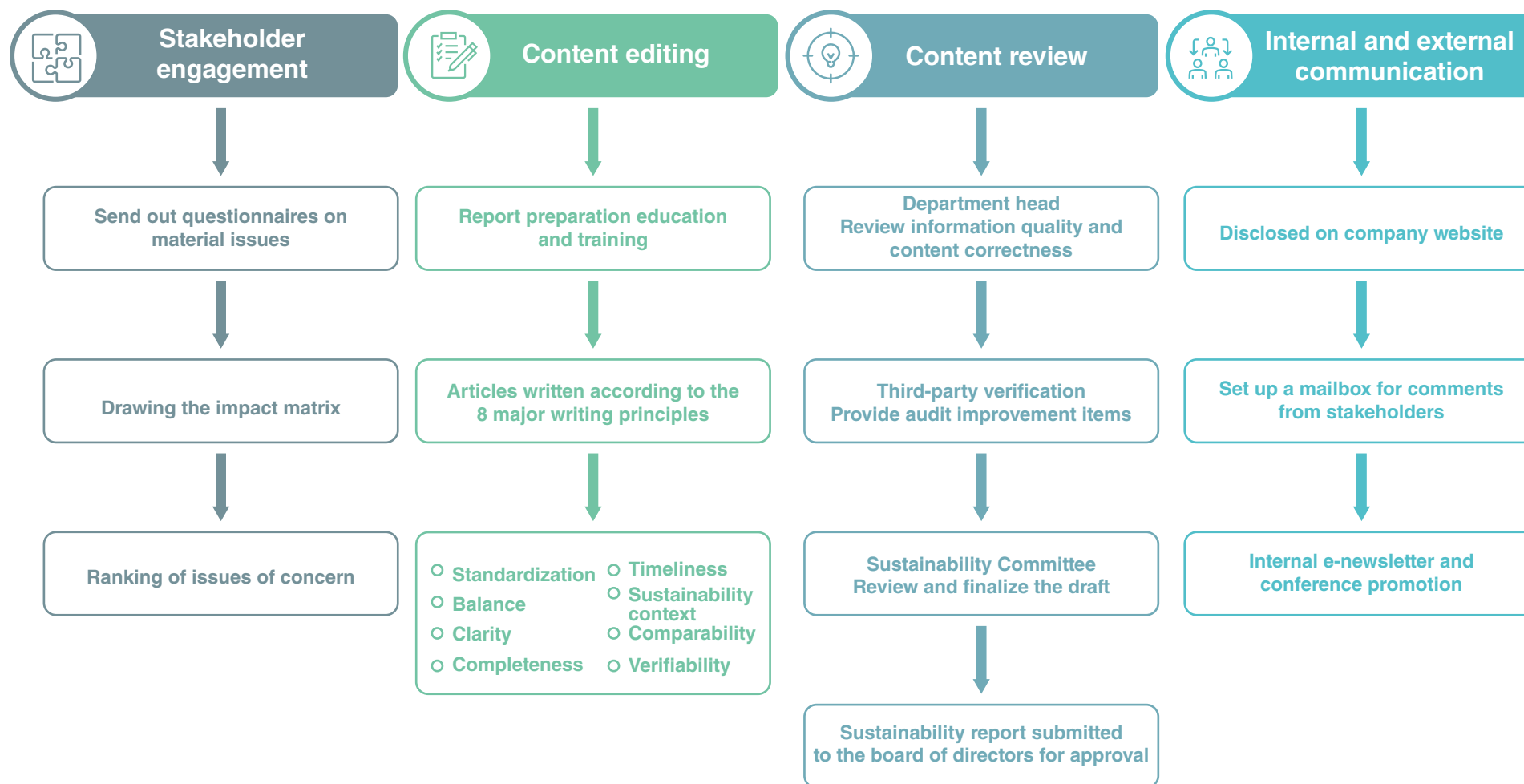
United Nation Global Compact

TWSE-required Disclosure of Indicators

Independent Assurance Statement



Report Quality Management Process



GRI Index

GRI 2: General Disclosures 2021

Topic	Response Chapter	Page
2-1 Organizational details	1.1 Company Profile	7
2-2 Entities included in the organization's sustainability reporting	About the Report	1
2-3 Reporting period, frequency and contact point	About the Report	1
2-4 Restatements of information	No restatement of information	-
2-5 External assurance	About the Report	1
2-6 Activities, value chain and other business relationships	1.1 Company Profile	7
2-7 Employees	6.1 Employee Overview	66
2-8 Workers who are not employees	6.1 Employee Overview	66
2-9 Governance structure and composition	2.1 Governance Operation	22
2-10 Nomination and selection of the highest governance body	2.1 Governance Operation	22
2-11 Chair of the highest governance body	2.1 Governance Operation	22
2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainability Strategy	12
2-13 Delegation of responsibility for managing impacts	1.2 Sustainability Strategy	12
2-14 Role of the highest governance body in sustainability reporting	1.2 Sustainability Strategy	12

Topic	Response Chapter	Page
2-17 Collective knowledge of the highest governance body	2.1 Governance Operation	22
2-18 Evaluation of the performance of the highest governance body	2.1 Governance Operation	22
2-19 Remuneration policies	2.1 Governance Operation	22
2-20 Process to determine remuneration	2.1 Governance Operation	22
2-22 Statement on sustainable development strategy	Message from the Chairman & Executive Vice President	2 3
2-23 Policy commitments	2.2 Business Integrity 3.1 Supply Chain Management Strategy 6.2 Human Rights Management	26 33 73
2-24 Embedding policy commitments	2.2 Business Integrity 3.1 Supply Chain Management Strategy 6.2 Human Rights Management	26 33 73
2-26 Mechanisms for seeking advice and raising concerns	2.2 Business Integrity	26
2-27 Compliance with laws and regulations	2.2 Business Integrity	26
2-28 Membership associations	1.1 Company Profile	7
2-29 Approach to stakeholder engagement	1.3 Communication with Stakeholders	16
2-30 Collective bargaining agreements	No external initiative was signed	-

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 about anti-corruption policies and procedures	2.2 Business Integrity	26
Risk Management	3-3 Management of material topics				
	Custom Theme			2.4 Risk Management	28
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	33
	GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.2 Supply Chain ESG Risk Assessment	34
		308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Supply Chain ESG Risk Assessment	34
	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	5.4 Product Quality and Responsibility	59
		414-2	Negative social impacts in the supply chain and actions taken	5.4 Product Quality and Responsibility	59
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	5.4 Product Quality and Responsibility	59
		416-2	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.4 Product Quality and Responsibility	59
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	30
Product Carbon Footprint	3-3 Management of material topics				
	Custom Theme			5.2 Product Carbon Footprint	56
Circular Economy	3-3 Management of material topics				
	GRI 301: Ma-terials 2016	301-2	Recycled input materials used	5.3 Circular Economy	57

Topic	GRI Standards		Disclosure		Response Chapter	Page
GHG	3-3 Management of material topics					
	GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 GHG Inventory	45	
		302-3	Energy intensity	4.2 GHG Inventory	45	
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 GHG Inventory	45	
		305-2	Energy indirect (Scope 2) GHG emissions	4.2 GHG Inventory	45	
		305-3	Other indirect (Scope 3) GHG emissions	4.2 GHG Inventory	45	
		305-4	GHG emissions intensity	4.2 GHG Inventory	45	
		305-5	Reduction of GHG emissions	4.2 GHG Inventory	45	
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 Strategy	39	
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	6.4 Talent and Education	80	
		404-3	Percentage of employees receiving regular performance and career development reviews			

GRI Topic-specific Disclosures: Voluntary Disclosure Indicator

GRI Standards	Disclosure		Response Chapter	Page
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.1 Supply Chain Management Strategy	33
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3 Energy Management	46
	302-2	Energy consumption outside of the organization	4.2 GHG Inventory 4.3 Energy Management	45 46
	302-3	Energy intensity	4.3 Energy Management	46
	302-4	Reduction of energy consumption	4.3 Energy Management	46
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.4 Environmental Impact Mitigation	46
	303-3	Water withdrawal	4.4 Environmental Impact Mitigation	49
	303-4	Water discharge	4.4 Environmental Impact Mitigation	49
	303-5	Water consumption	4.4 Environmental Impact Mitigation	49
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Environmental Impact Mitigation	49
	306-2	Management of significant waste-related impacts	4.4 Environmental Impact Mitigation	49
	306-3	Waste generated	4.4 Environmental Impact Mitigation	49
	306-4	Waste diverted from disposal	4.4 Environmental Impact Mitigation	49
	306-5	Waste directed to disposal	4.4 Environmental Impact Mitigation	49
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	6.1 Employee Overview	49
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	6.2 Human Rights Management	73
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 6.2 Human Rights Management	33 73
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	6.2 Human Rights Management	73
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.2 Human Rights Management	73
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews	6.2 Human Rights Management	73

SASB Index

Code	Topic	Description
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 2024. 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, 5.4 Product Quality and Responsibility.
Employee Diversity & Inclusion		
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees. For the implementation details, please refer to 6.1 Employee Overview	Please refer to 6.1 Employee Overview for implementation details.
Product Lifecycle Management		
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	The product hazardous substance management regulations are regularly updated in accordance with banned substances regulations. For details on implementation, please refer to 5.4 Product Quality and Responsibility.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	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 STAR® criteria	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 in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	(a) In 2024, a total of 28 suppliers had audited, with a total implementation rate of 11.2% (b) The audit rate of high-risk factories is 80%.
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	(1) The non-conformance rate of RBA VAP/CMA is 9.9% (2) The associated corrective action rate for priority non-conformances are 100% and other non-conformances are >90%.
Materials Sourcing		
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. For the implementation details, please refer to 3.2 Supply Chain ESG Risk Assessment: Responsible Mineral Management and Due Diligence.
TC-HW-000.A	Number of units produced by product category	169,908 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%

United Nation Global Compact

Category	Topics	Response Chapter
Human Rights	Initiatives to promote more environmen-tally responsible practices	6.2 Human Rights Management
	Encourage the development of environ-mentally friendly tecSologies	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	6.2 Human Rights Management
	The elimination of all forms of forced and compulsory labor	6.2 Human Rights Management
	The effective abolition of child labor	6.2 Human Rights Management
	The elimination of discrimination in respect of employment and occupation	6.2 Human Rights Management
Environment	Businesses should support a precautionary approach to environmental challenges	4.1 Net Zero 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 tecSologies	CH.5 Green Products and Innovation
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	2.2 Business Integrity

TWSE-required Disclosure of Indicators

Status	Response Chap-ter
1. Describe board and management oversight and governance of climate-related risks and opportunities.	4.1 Net Zero Strategy
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 Strategy
3. Describe the financial impact of extreme climate events and transition actions.	4.1 Net Zero Strategy
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	4.1 Net Zero Strategy
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main -nancial impacts used should be described.	4.1 Net Zero 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 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 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).	4.2 GHG Inventory
9. GHG inventory and verification.	4.2 GHG Inventory

Independent Assurance Statement

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SIMPLO TECHNOLOGY CO., LTD.'S SUSTAINABILITY REPORT FOR 2024

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 2024 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2025/5/5 to 2025/6/16. The boundary of disclosure mainly includes the headquarters of Simplo Technology Co., Ltd. in Taiwan, the production sites in China "Technology (Chongqing) Inc.", Simplo Technology (Changshu) Inc., Huapu Technology (Changshu) Inc. and Simplo Technology (Vietnam) Inc. 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 all SIMPLO TECHNOLOGY's Stakeholders.

RESPONSIBILITIES

The sustainability information in the SIMPLO TECHNOLOGY's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body 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:

Select specific reporting criteria included in the contract

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 Standard.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop 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 stakeholders where relevant.

LIMITATIONS

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

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. 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 28000, 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 a strong commitment to stakeholder inclusivity and engagement. The organization has effectively integrated stakeholder engagement processes into its governance, strategy, and decision-making frameworks, ensuring involvement from senior management, cross-functional teams, and diverse geographical regions. Through various engagement initiatives, including surveys and communications with employees, customers, investors, suppliers, CSR experts, and other stakeholders, SIMPLO TECHNOLOGY fosters a comprehensive understanding of stakeholder concerns.

MATERIALITY

SIMPLO TECHNOLOGY has established and integrated a multifaceted methodology, incorporating double materiality assessment, to identify the organization's material issues. It has developed an impact-based materiality analysis process and established corresponding sustainability objectives. This report appropriately addresses the identified issues based on their materiality and priority.

RESPONSIVENESS

SIMPLO TECHNOLOGY has adequately demonstrated responsiveness towards the material topics and their impacts that were identified through the review process. The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

SIMPLO TECHNOLOGY has demonstrated a process on identifying impacts that fairly encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. In the future, it can be considered to defined methodology with monetization to present the intensity of impact and prioritization.

ADHERENCE TO GRI

The report, SIMPLO TECHNOLOGY'S Sustainability Report of 2024, 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. In the future progressively adopting systematic data collection and integration with IFRS standards can further enhance alignment with the expectations of investors and other stakeholders.

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
09 July, 2025
www.sgs.com

TWLPP 5008 Issue 2502

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