4 Environmental Sustainability

4.1 Net-Zero Transformation Strategy

4.2 GHG Inventory

4.3 Energy Management

4.4 Environmental Impact Mitigation



Performance Results

CDP Climate Change Questionnaire & Water Security Questionnaire

B management level

Renewable energy use

RE79

Scope 1&2 GHG emissions decreased compared to 2020

86%

Global production factories 100% completed GHG inventory and verification

Chongqing obtains Factory of Choice

Chongqing obtains the highest platinum-level UL 2799 certification

4.1 Net-Zero Transformation Strategy

Material Topics | Climate Action

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

2020

ISO 14064-1 Inventory

2023

SBTi 1.5°C Near-Term Targets Approved

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

2024

Reach RE79 Goal

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

2025 / 2030 / 2040 / 2050

Reach RE100 Goal

Goals for Renewables

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

Goals for Decarbonization

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

Climate Change Adaptation

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

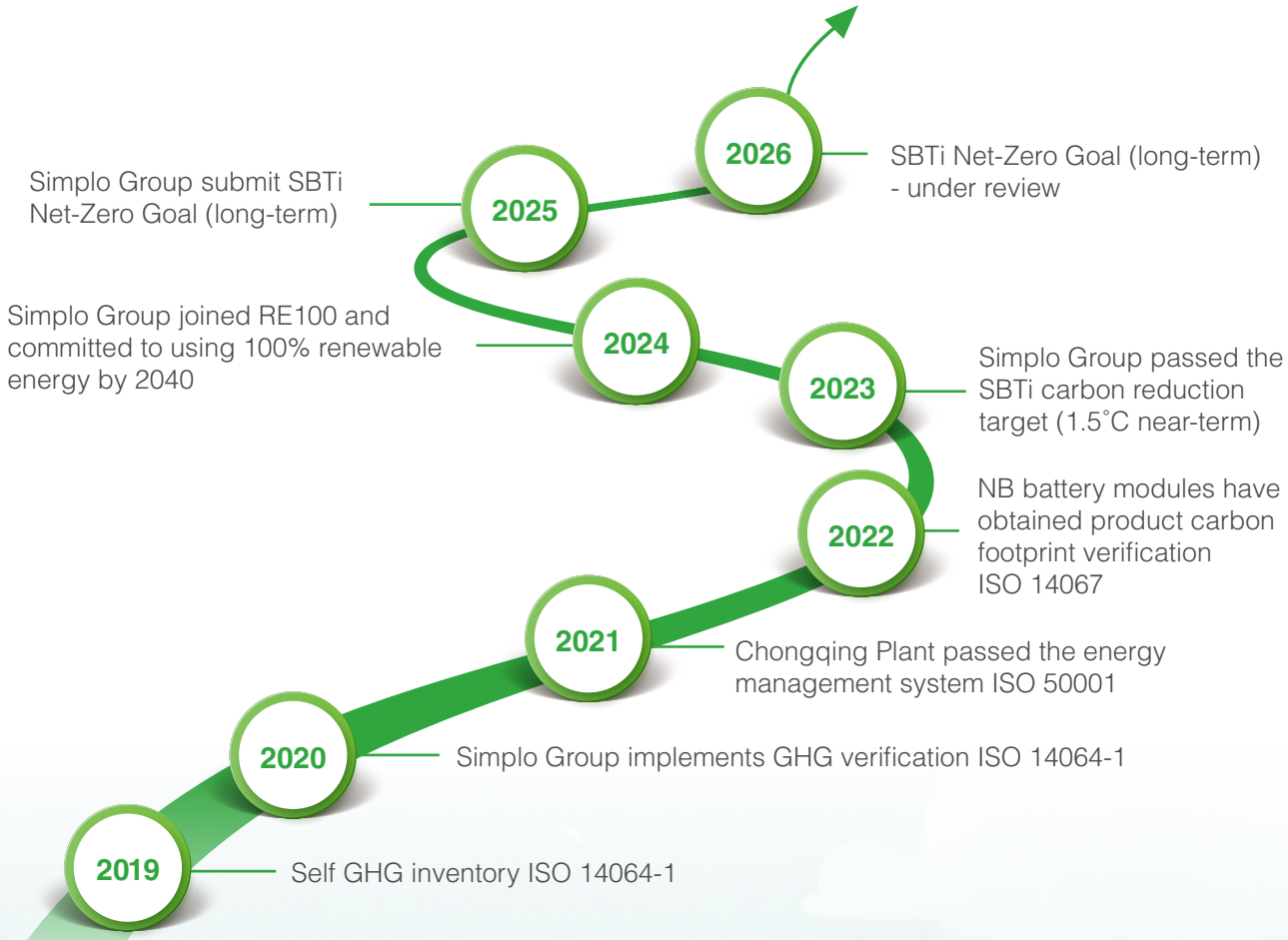
"Climate change adaptation" refers to adjustments made to natural or human systems in response to actual or anticipated climate shocks or their impacts, either to mitigate harm or to create beneficial opportunities.

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

Task Force on Climate-Related Financial Disclosures (TCFD)

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

Milestones in Climate Transition



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

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

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

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

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

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

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

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



Climate Scenerio Analysis

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

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

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

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

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

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

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

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

Reacting to Climate Risks and Opportunities

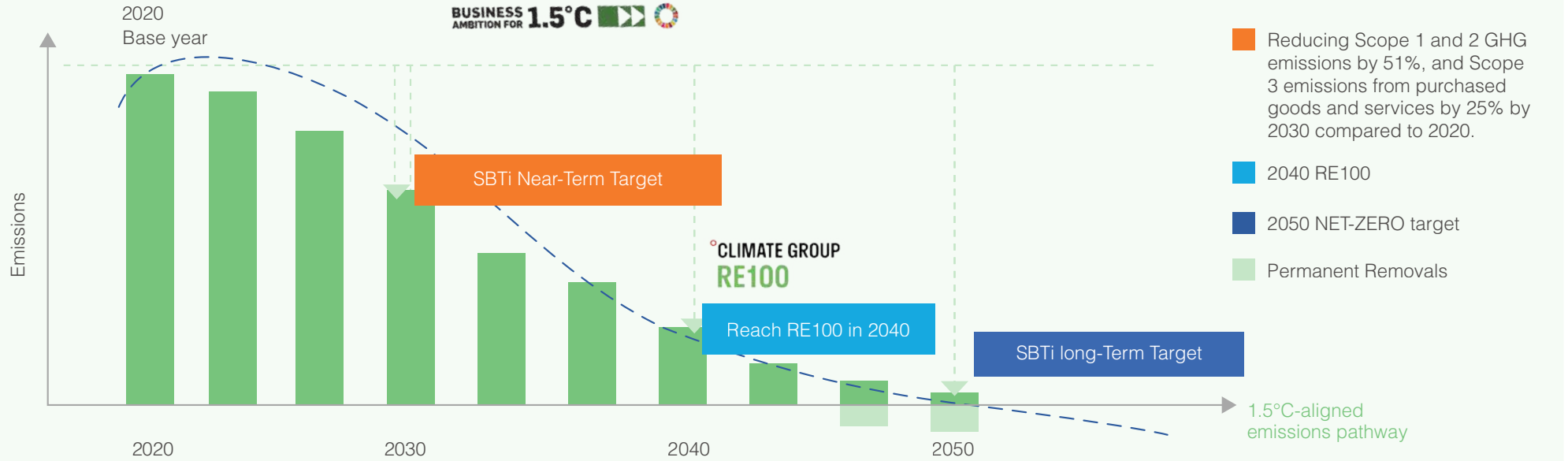
Financial impacts and response to climate-related risks

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

Financial impacts and response to climate-related opportunities

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

Carbon reduction roadmap of Simplo Group



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

Science-Based Targets initiative(SBTi)

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

Internal Carbon Pricing (ICP) strategy

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

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

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

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

Carbon Disclosure Project(CDP)

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

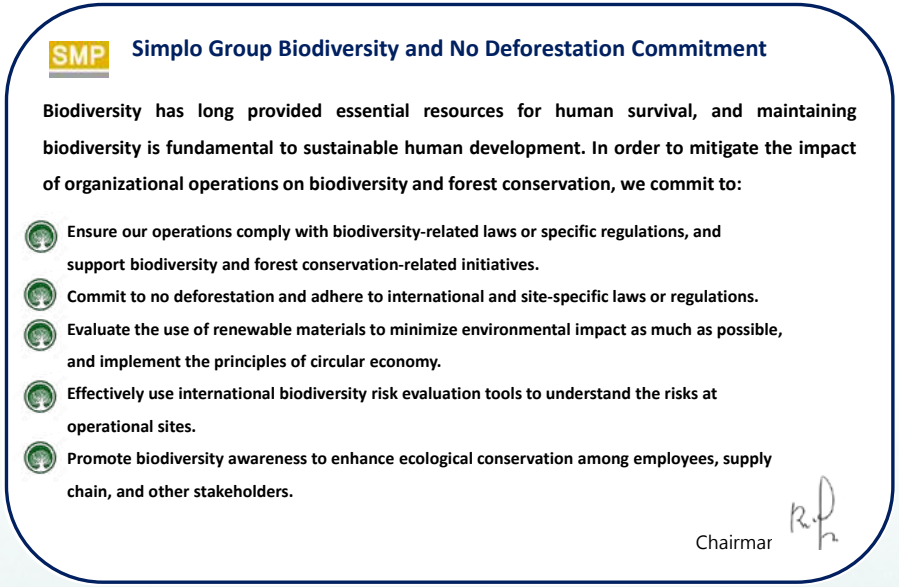
Simplo Technology has received the highest "A" rating in CDP's Supplier Engagement Assessment (SEA) for two consecutive years, 2024-2025.



Biodiversity Commitment

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

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


SMP

Simplo Group Biodiversity and No Deforestation Commitment

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

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

Chairmar

Biodiversity Assessment

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

4.2 GHG Inventory

Material Topics | Energy and GHG Management

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

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

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

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

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

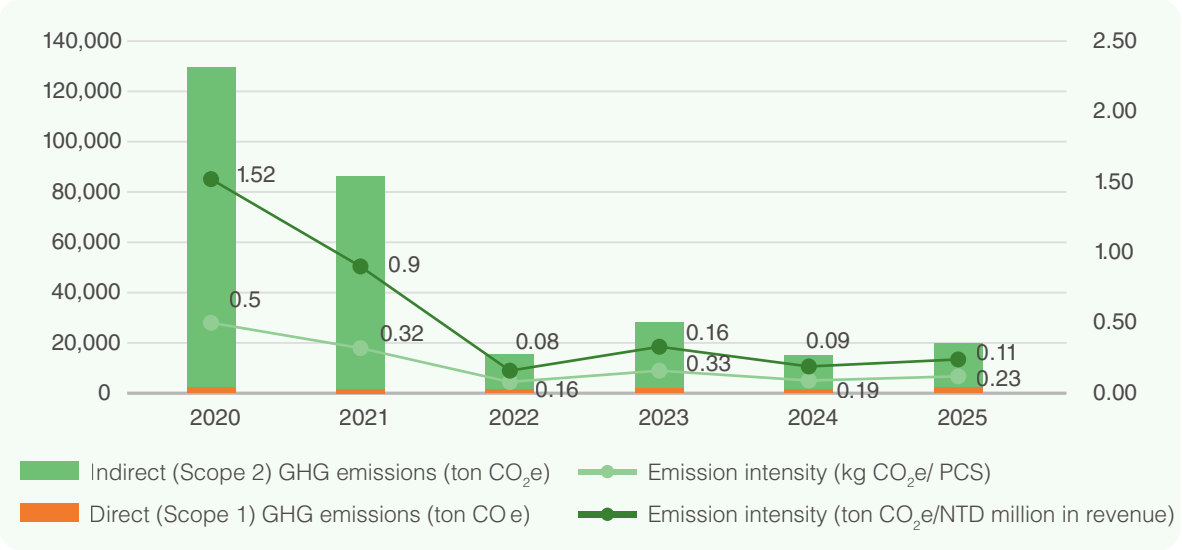
SBT Decarbonization Effectiveness

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

GHG Emissions Across 2020 to 2025

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

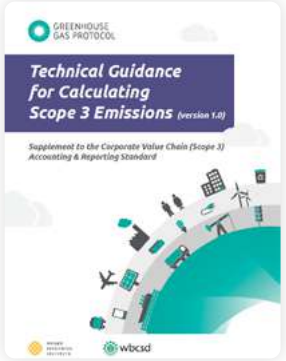
Note:
1. The disclosure scope of the data in the above table is the parent and subsidiary companies of Simplo Group's consolidated financial statements.
2. Simplo Vietnam commenced production at the end of 2025 and will begin conducting a full-year GHG inventory calculation starting in 2026.
3. The inventory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

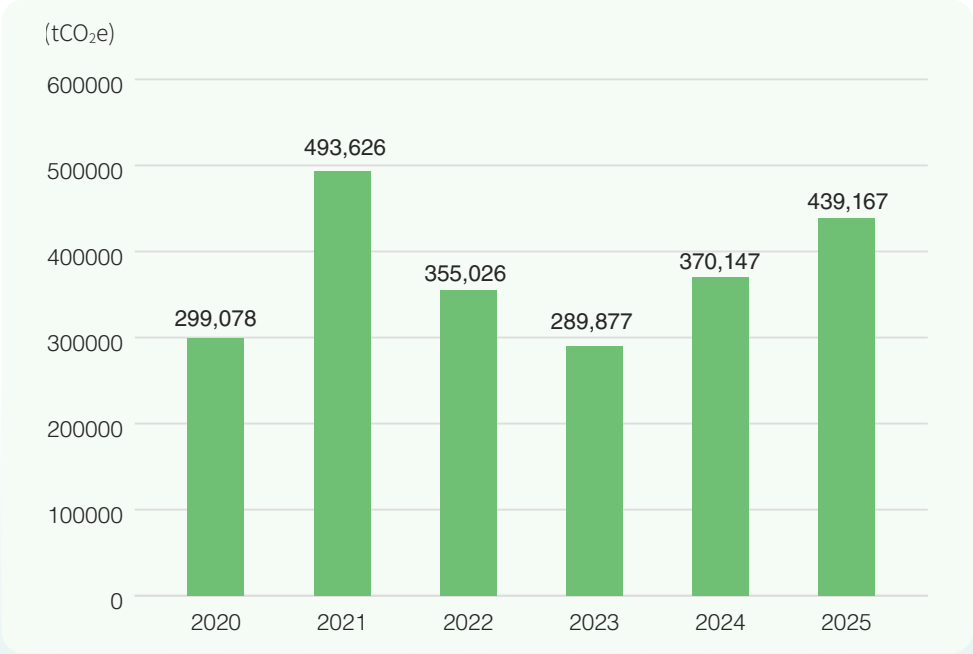


Other indirect GHG emissions (Scope 3)

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

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





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

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

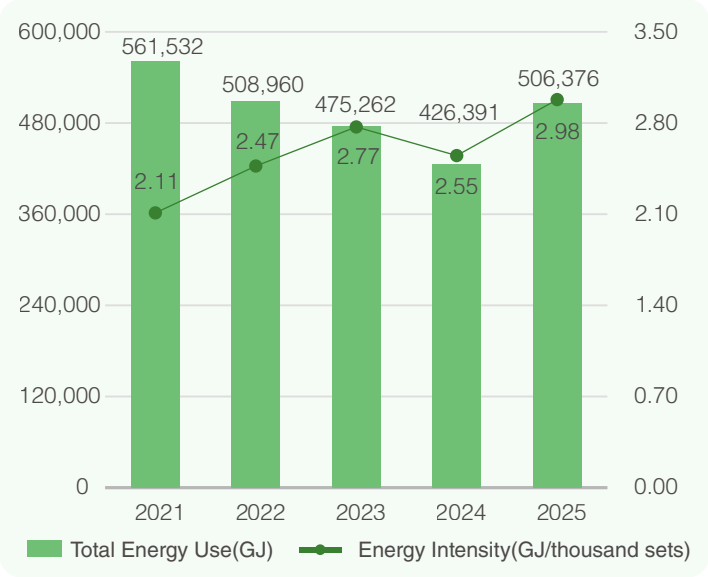
Please refer to 3.2 Supply Chain ESG Risk Assessment for C1's supply chain carbon reduction actions for purchasing products and services.

4.3 Energy Management

Energy Management Policy

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

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



Energy Use and Intensity

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

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

Energy saving plans and result

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

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

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

Useage of Renewables

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

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

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

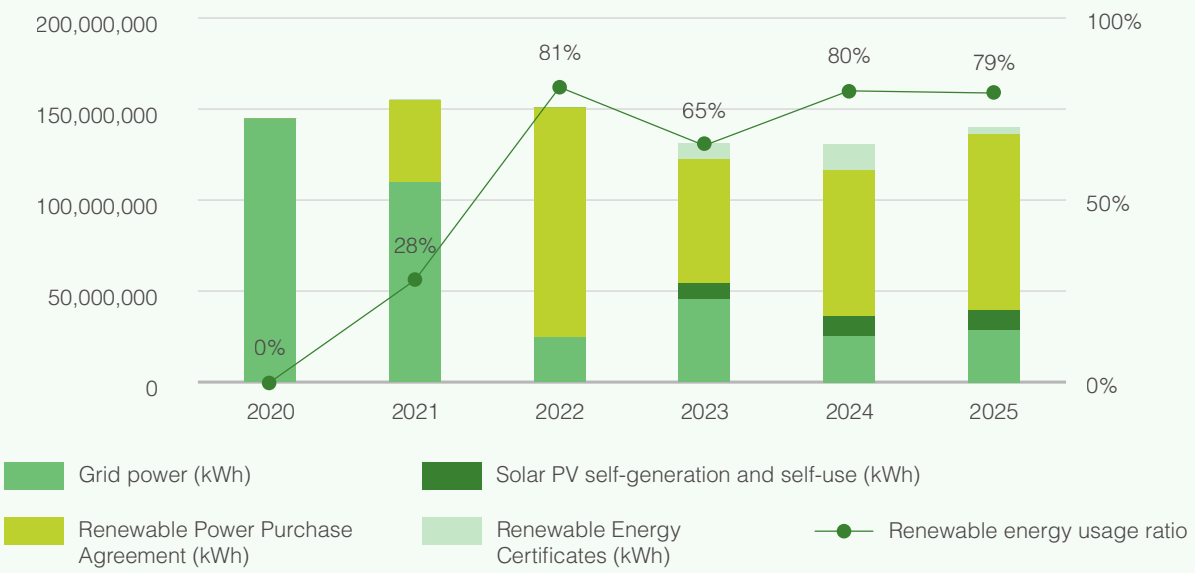
- Purchasing renewable energy certificates:
  Purchase locally sourced renewable energy certificates such as International Renewable Energy Certificates (I-RECs).

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

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

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

Renewable energy usage ratio





Taiwan HQ


China Site


Vietnam Site

4.4 Environmental Impact Mitigation

Simplo Group's 2030 environmental goals

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

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

Simplo Group Waste Reduction Progress

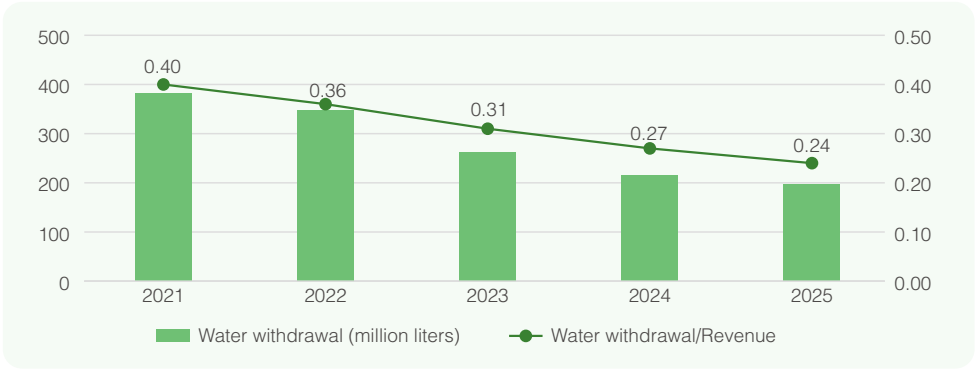


Note:
Data scope： Simplo Taiwan、Simplo Chongqing、Simplo Changshu

Simplo Group's Water Reduction

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

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



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

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

Water Risk Assessment

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

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

Water Policy

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

SMP

Water Resource Management Policy

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

we commits to the following principles and actions:

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

Chairman



Water Risk Assessment



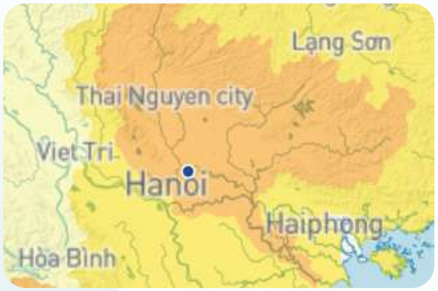
Simplo Taiwan
(Low-Medium 10%-20%)



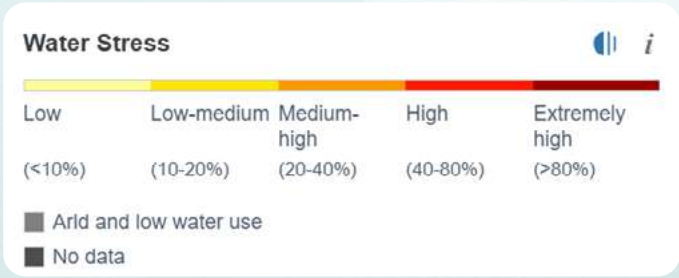
Simplo Chongqing
(Low-Medium 10%-20%)



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



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



Water sourcing of operating sites

Unit: million liters

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

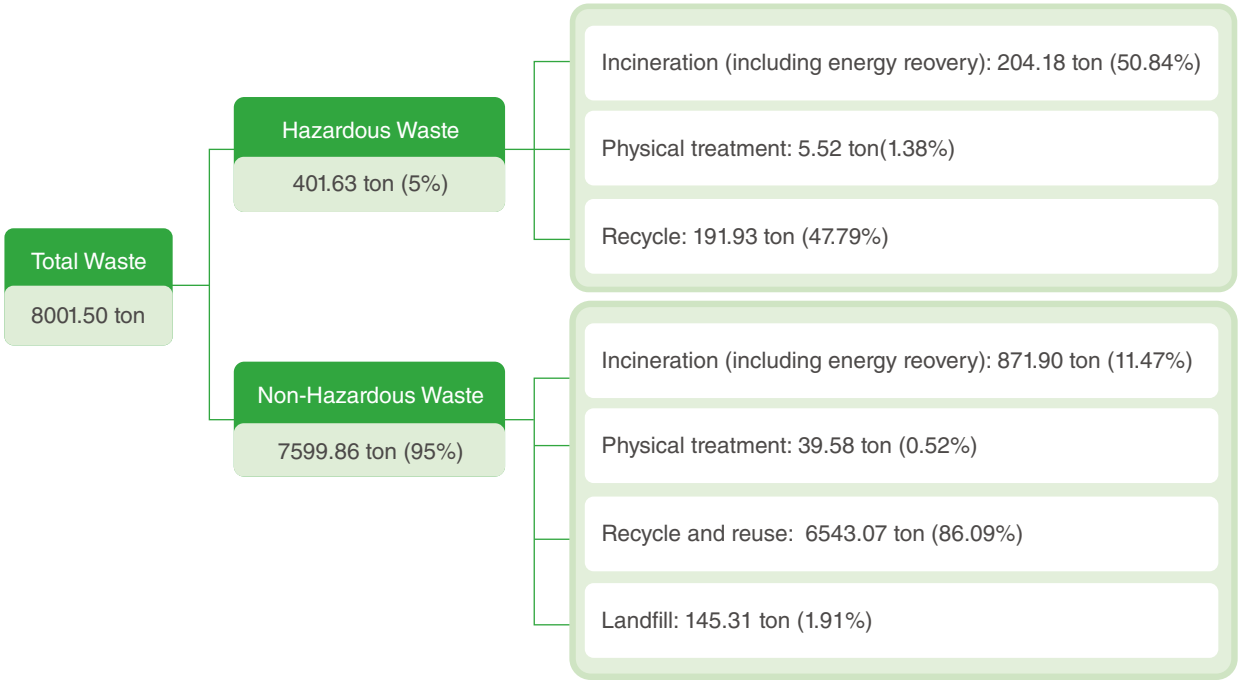
Note:
1. Water withdrawal = water discharge + water consumption.
2. Water recycling rate = water recycling / (water withdrawal + water recycling) * 100%
3. Water intensity = water withdrawal / number of employees at the end of 2024.
4. Water withdrawal is measured and water discharge is estimated.

Waste Management

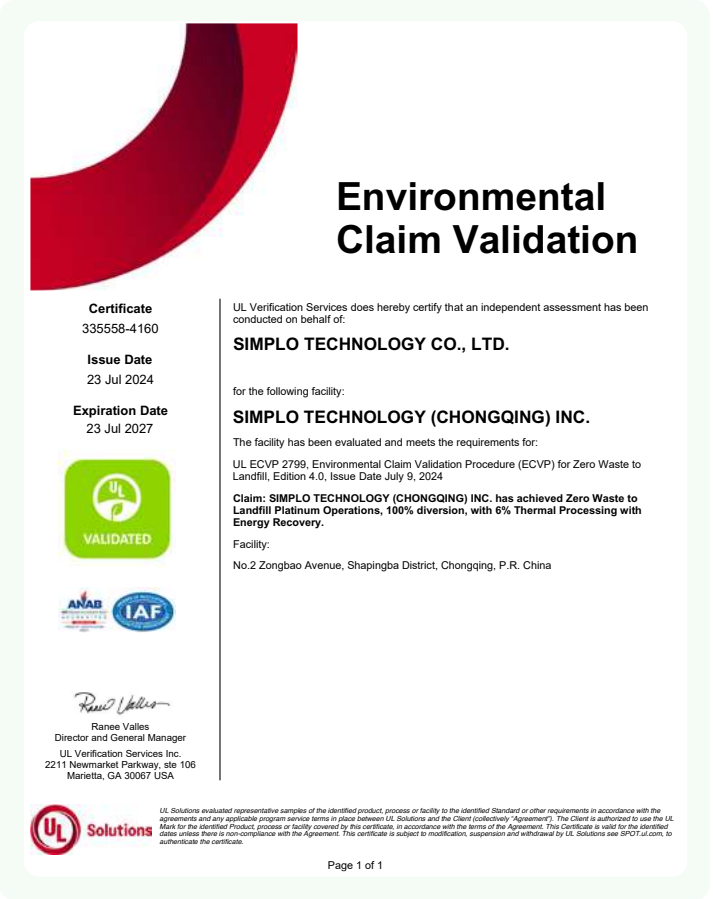
Simplo Technology establishes waste management regulations in accordance with local laws to ensure regulatory compliance, while upholding the concept of "Reduce at Source, Resourcefulness of Waste" to achieve waste reduction and resource recovery as the basis of its waste management. In 2026, Simplo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

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

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



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



Environmental Claim Validation

Certificate
335558-4160

Issue Date
23 Jul 2024

Expiration Date
23 Jul 2027

VALIDATED

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

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

SIMPLO TECHNOLOGY CO., LTD.

for the following facility:

SIMPLO TECHNOLOGY (CHONGQING) INC.

The facility has been evaluated and meets the requirements for:

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

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

Facility:

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

UL Solutions

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