

2025 MOLICEL ESG REPORT

2025 Molicel ESG Report / CONTENTS

Overview

3 About This Report
5 Message from the Management
6 2025 Sustainability Performance
7 Sustainability Blueprint and Strategy
9 Stakeholder Engagement and Material Topics Identification
18 Sustainable Development Goals (SDGs)

1 Governance Foundations

22 1.1 Organizational Overview
28 1.2 Governance Structure
32 1.3 Risk Management
34 1.4 Business Integrity and Legal Compliance
37 1.5 Information Security and Personal Data Protection
40 1.6 Supplier Management

2 Low-Carbon Transformation

45 2.1 Energy Management
48 2.2 Greenhouse Gas Management
50 2.3 Water Resource Management
52 2.4 Waste Management
55 2.5 Climate Change Adaptation

3 Product Sustainability

67 3.1 Research, Development, and Innovation
74 3.2 Product Environmental Responsibility
74 3.2.1 Product Life Cycle Management
75 3.2.2 Product Carbon Footprint and Environmental Information Disclosure
76 3.2.3 Process Resource Recycling and Material Reuse
76 3.2.4 Circular Supply Chain and Closed-Loop Recycling Systems
78 3.3 Quality Management
80 3.4 Customer Relations

4 Inclusive Prosperity & Well-Being

85 4.1 Employee Composition
87 4.2 Employee Care
87 4.2.1 Talent Development
91 4.2.2 Remuneration and Benefits
97 4.2.3 Human Rights Protection
101 4.3 Occupational Health and Safety
101 4.3.1 Safe and Healthy Workplace Environment
108 4.3.2 Workplace Fire Safety
112 4.4 Social Contribution

Appendix

115 GRI Content Index
118 Appendix: SASB Index

MOLICEL 2025 SUSTAINABILITY REPORT

Driving Energy Transition with Extreme Performance; Safeguarding a Better Future with Extreme Safety

About This Report

E-One Moli Energy Corp. (hereinafter referred to as "MOLICEL") is an enterprise dedicated to the research, development, and manufacturing of rechargeable lithium-ion batteries. This report represents the second standalone Sustainability Report published by MOLICEL.

Prepared with reference to the GRI Standards, it presents the management approaches and implementation results across governance, environmental, social, and product sustainability dimensions for the year 2025. Through comprehensive, transparent, and comparable information disclosure, MOLICEL aims to engage in effective communication with all stakeholders regarding management performance in Economic, Environmental, Social, and Governance (ESG) aspects.

Reporting Period

This report discloses actions and performance data concerning material topics across corporate governance, environmental sustainability, and social commitment for the 2025 calendar year (January 1, 2025 to December 31, 2025). The company publishes a sustainability report annually, which is simultaneously made available in the "Sustainability Corner" on the official MOLICEL website.

- **Previous Report Published**: July 2025
- **Current Report Published**: Scheduled for November 2026
- **Next Report Planned**: Scheduled for July 2027

Reporting Boundary

The boundary of this report covers the period from January 1, 2025, to December 31, 2025, encompassing actions and performance data on material topics related to corporate governance, environmental sustainability, and social commitment at MOLICEL, while incorporating key issues raised through stakeholder feedback.

The organizational boundary centers on E-One Moli Energy Corp. as the parent entity, covering operational activities and performance data of its Taipei Headquarters, Tainan Plant, and directly managed operational units. Its invested subsidiary, Molie Quantum Energy Corporation, maintains independent organizational governance, operational management, and statistical data systems. As its operational boundary differs from the standalone reporting scope of MOLICEL, its sustainability performance data for this year is excluded from the statistical scope of this report. Material matters involving this subsidiary are separately disclosed in corporate governance and financial reports in compliance with relevant regulations.
There were no restatements of information from previous reporting periods.

Reporting Principles

This report was prepared with reference to the GRI Standards2021 published by the Global Reporting Initiative (GRI). The disclosed information also aligns with international and domestic frameworks, including the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the Sustainability Accounting Standards Board (SASB) standards.

Data Collection Principles and Quality Assurance

All data presented in this report originates from actual operational records across MOLICEL's internal departments, internal management logs, external verification reports, and public disclosures. Financial figures are stated based on the consolidated financial statements of the parent entity, Taiwan Cement Corporation (TCC Group Holdings Co., Ltd). All monetary metrics are expressed in New Taiwan Dollars (NTD).

The company implements a three-tier data quality assurance mechanism:

1.Data Collection Level:
Functional departments compile primary narrative and numerical materials for professional sections according to their scope of duties.

2.Internal Review Level:
The Sustainability & Environment Department consolidates cross-departmental data.

3.External Verification Level:
Internationally accredited third-party verification bodies issue assurance statements, including compliance with GHG Protocol Corporate Standard, ISO 14067:2018 (Product Carbon Footprint), ISO 27001:2022 (Information Security Management System), ISO 50001:2018 (Energy Management System), and ISO 45001:2018 (Occupational Health and Safety Management System).

External Assurance

This report underwent independent third-party verification by AFNOR ASIA LTD., fulfilling Type 1 Moderate Level assurance requirements under the AA1000 Assurance Standard (AA1000 AS V3). The assurance statement is available in the Appendix of this report.

Feedback and Contact

If you have any comments or inquiries regarding the MOLICEL Sustainability Report, please contact the Sustainability & Environment Department via the following details:

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Message from the Management

Amid the rapid growth driven by the global energy transition and the AI-driven computing era, MOLICEL continues to anchor its strategic direction on the core philosophy of "Extreme Performance" and "Extreme Safety," striving to serve as a pivotal force driving the global paradigm shift in energy. Beyond our dedicated focus on the research, design, and manufacturing of high-energy and high-power density lithium-ion batteries, we continuously redefine new benchmarks for high-performance batteries through our ternary cathode and next-generation high-silicon anode technology platforms, with the corporate vision of becoming the most trusted energy partner for top-tier global clients.

Facing rapid growth in demand from AI data centers and Battery Backup Units (BBU), MOLICEL has successfully capitalized on key market opportunities, officially commencing shipments of relevant product series in Q4 2024, with expectations to reach a milestone where these shipments account for over half of total annual volumes by 2026. This achievement demonstrates our leadership in high-reliability battery technologies, while reflecting the foresight and execution capabilities of our strategic positioning. Concurrently, we continue to consolidate market foundations across high-end application segments—including Electric Vertical Takeoff and Landing (eVTOL) aircraft, electric hypercars, Automated Guided Vehicles (AGV), and Low Earth Orbit (LEO) satellites—thereby securing long-term growth momentum.

In terms of operational strategy, we focus on four core pillars: enhancing competitiveness in key markets via resource focus, consolidating technical foundations through established premium applications, actively building a low-carbon supply chain to sharpen green competitiveness, and promoting supply chain diversification to heighten global operational resilience. Particularly regarding environmental management and sustainable development, we not only assist clients in reducing end-product carbon footprints, but also actively construct a low-carbon supply chain system compliant with international regulations, establishing this as a cornerstone for long-term competitive advantage.

Furthermore, the company continues to advance circular economy initiatives, such as recycled slurry processes and battery second-life applications, fulfilling resource circularity and environmental responsibility to demonstrate our commitment to social and environmental sustainability. We firmly believe that only through deep collaboration with clients and suppliers—alongside building a resilient and diversified global supply network—can we balance risk management and value creation within a challenging international landscape.

Looking ahead, MOLICEL will maintain high-performance technology at its core, deepen its footprint in the AI infrastructure energy domain, and center its trajectory around low-carbon supply chains and sustainable management. Joining hands with global partners, we aim to co-create an industrial ecosystem characterized by innovation, resilience, and sustainable value, achieving steady long-term corporate growth and the ultimate objective of "Sustainable Profit."



President

Casey Shine

2025 SUSTAINABILITY PERFORMANCE

ENVIRONMENTAL

Energy & Carbon Emissions

Energy Savings
8.41%

Battery Cell Carbon Footprint Reduction
5.9%
compared to the baseline year

Production Energy Intensity
4.11 GJ/Ku
10.5%
vs. 4.59 in 2024

Renewable Energy Adoption
First-time introduction and usage of
643,000_kWh

Scope 3 Inventory
First inventory completed

Water Resources

Water Withdrawal
↓ **12.1%** /YoY

Water Consumption
↓ **14.0%** /YoY

Circular Economy & Waste

Waste Reduced through Circular Projects
165.786 _metric tons

69.6% Waste Recycling & Reuse

Low-Carbon Product & Supply Chain

- ☑ P42A Carbon Footprint Inventory Completed
- ☑ Third-party Verification Obtained

Key Supplier Decarbonization Results

Renewable Energy Use
7.8%

Lithium Salt & Precursor Emissions
13.6%

Manufacturing Process Emissions
14%

2030 Supply Chain Target
20% Carbon Reduction Commitment

SOCIAL

Occupational Health & Safety

Zero fatalities and zero serious injuries for employees and contractors

Zero fire-related injuries and near misses

General Health Exam Completion
98.9%

TRIR decreased from 0.424 to
0.268

Special Health Exam Completion Rate
100%

Maintained Healthy Workplace Certification for 3 consecutive years

Talent Development

Total Training
13,852.5_Hours

Average per Employee
18.06 hours



6 Stage Talent Development Path

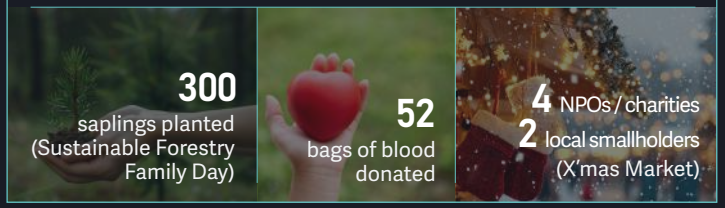
Inclusion & Human Rights

100% compliance with RBA Zero Fee Policy for migrant worker recruitment

New-hire human rights training completion rate

Achieved **RBA** Silver Status

Social Contribution



300 saplings planted (Sustainable Forestry Family Day)

52 bags of blood donated

4 NPOs / charities
2 local smallholders (X'mas Market)

GOVERNANCE



Business Integrity & Compliance

Corruption / Bribery
0_cases

ISO 37001 Anti-Bribery Risk Management Training
400_participants
200_training hours

Information Security

Maintained zero information security incidents and zero data breaches

Supply Chain Management

New Supplier ESG Screening (Environmental & Social Criteria)
100%

Sustainability Blueprint and Strategy

MOLICEL has long cultivated the design and manufacturing of high-performance rechargeable lithium-ion batteries, positioning technological innovation, stable quality, and environmental responsibility at the core of its corporate development. In response to global trends in energy transition, low-carbon manufacturing, and circular economy, the company views batteries not merely as power storage devices, but as key enablers of the global energy paradigm shift. MOLICEL continuously fulfills market needs in the era of electrification, digitalization, and decarbonization through high-power, high-energy-density, and ultra-reliable products.

To extend sustainable development from product design to full operational processes, MOLICEL has built a battery sustainability management framework centered around "Carbon Management" and "Life Cycle Management." Key priorities extend into three major pillars: Sustainable Procurement, Smart Manufacturing, and Circular Economy.

- **Upstream Management**: Starting from source controls—such as low-carbon raw materials, green pro-curement, and low-carbon logistics—the company steadily strengthens supply chain cooperation and re-sponsibility standards.
- **Manufacturing Phase**: Focus centers on water and energy conservation, process optimization, equipment upgrades, and renewable energy deployment to minimize operational environmental impacts.
- **End-of-Life Phase**: Through product life extension and battery recycling processes, resource recovery values are maximized to meet environmental and circular expectations across the battery industry.

Looking ahead, MOLICEL will uphold "Innovation, Environmental Protection, and Mutual Prosperity" as its brand ethos, integrating high-performance battery technology with sustainable management capabilities. While pursuing product efficiency and market competitiveness, the company incorporates low-carbon manufacturing, smart transformation, quality management, talent development, and social participation into its long-term strategy. In doing so, MOLICEL aims to deliver environmentally beneficial, value-added energy solutions within the global energy transition, advancing alongside customers, suppliers, employees, and society toward a low-carbon future.



Sustainability Governance Structure: Sustainability & Environment Department

To strengthen management of sustainability issues and elevate disclosure quality, MOLICEL established the dedicated "Sustainability & Environment Department" in 2025. This department serves as the specialized unit responsible for integrating ESG topics, coordinating cross-departmental actions, and driving sustainability disclosures. Top executive management oversees corporate sustainability directions, ensuring that key ESG issues align with operational strategy, risk management, and stakeholder expectations, thereby establishing a structured framework guided by governance, coordinated by the dedicated department, and executed across functional units.

In line with the spirit of GRI Standards concerning material topic management, impact identification, and stakeholder engagement, MOLICEL incorporates sustainability issues into institutionalized procedures. The Sustainability & Environment Department leads topic inventory, data consolidation, management policy tracking, performance disclosure, and cross-departmental communication. Depending on the nature of environmental, social, or governance topics, it coordinates with functional departments to provide policy content, operational performance, quantitative data, and supporting evidence, assisting the company in verifying whether management actions correspond with operational realities, legal requirements, customer expectations, and global ESG trends.

Regarding sustainability advocacy and policy implementation, the Sustainability & Environment Department is also responsible for Sustainability Report compilation, ESG disclosures, RBA code adoption, DEI initiatives, stakeholder engagement, and external rating assessments. Implementation progress, management results of material topics, and matters requiring cross-departmental alignment are reported regularly to executive management as reference points for evaluating sustainability progress, resource allocation, and operational decision-making.

Through executive oversight, dedicated unit integration, and multi-departmental participation, MOLICEL continuously reinforces its sustainability governance. This ensures material issues are not merely disclosed in reports, but systematically reviewed at the corporate governance level to respond effectively to stakeholder priorities, manage operational impacts, and drive ongoing improvement.

Sustainability Goals (Short-, Medium-, and Long-Term Targets)

Short-Term (1–2 Years):
Complete optimizations across existing product lines, swiftly executing technical refinements based on market feedback to ensure products achieve new benchmarks in safety, charge/discharge efficiency, and high-temperature tolerance.

Medium-Term (3–5 Years):
Launch next-generation battery products integrated with AI smart manufacturing technologies, realizing full-process automated control and precise data monitoring to ensure low energy consumption and high efficiency throughout manufacturing.

Long-Term (5+ Years):
Establish an industry-leading global innovation ecosystem, becoming a benchmark enterprise in new energy technology and an enabler of cross-industry applications, such as hypercars, intelligent autonomous systems, electric aircraft, and advanced energy storage/backup systems.

Stakeholder Engagement and Material Topics Identification

In accordance with the AA1000 Stakeholder Engagement Standard (SES), MOLICEL identified five primary stakeholder groups based on five core attributes: Dependency, Influence, Attention, Responsibility, and Diverse Perspectives. This identification was conducted jointly through discussions between the Sustainability & Environment Department and department heads. The five main stakeholder groups identified are: Employees, Customers, Shareholders & Investors (including the parent company and affiliates), Suppliers/Contractors, and Government Authorities. The company gathers key feedback and expectations from these groups through diverse, multi-channel mechanisms, integrating them into corporate operational strategies to ensure inclusive and collaborative business operations.

Material Topic Identification Process

MOLICEL conducts a material topic assessment every two years. The current evaluation followed the GRI Standards (2021 edition) material topic determination process. Stakeholders' concerns regarding sustainability topics were collected, and the Sustainability & Environment Department, alongside internal senior executives, assessed actual and potential positive/negative impacts on the economy, environment, and people (including human rights), as well as internal financial materiality.
The detailed process is as follows:

① **Define Scope and Framework**: Establish reporting boundaries for material disclosures and report compilation. Design the identification workflow referencing AA1000 SES and GRI reporting principles.

② **Identify Stakeholders**: Through joint evaluation by the Sustainability & Environment Department and task forces, confirm 5 primary stakeholder groups closely linked to operational impacts: Employees, Customers, Shareholders & Investors (including parent company and affiliates), Suppliers/Contractors, and Government Authorities.

③ **Consolidate Sustainability Topics**: Compile a list of 24 sustainability topics across Environmental, Social, and Governance dimensions by referencing GRI Standards, UN SDGs, TCFD, and SASB standards, while accounting for historical evaluation results, value chain impacts, industry benchmarks, and global ESG risk trends.

④ **Stakeholder Survey**: Conduct a survey on the level of stakeholder concern regarding the 24 topics. A total of 106 valid questionnaires were retrieved across the 5 stakeholder groups.

⑤ **Impact Severity Analysis**: Integrate topics into a "Sustainability Impact Assessment Table." External ESG experts consolidated and analyzed potential, actual, positive, and negative impacts of each topic on the environment, economy, and people (including human rights). Senior executives reviewed these impact briefs and evaluated the "severity" and "likelihood" of positive and negative impacts, engaging in calibration sessions with external experts. Net impact scores for each topic were derived by summing positive and negative impact scores, where each score was calculated as Severity × Likelihood.

⑥ **Financial Materiality Assessment**: Recognizing the growing double-sided connection between sustainability issues and enterprise value, MOLICEL adopted a Double Materiality framework. An evaluation team consisting of the Sustainability & Environment Department and mid-to-senior management ranked the 24 topics across four financial dimensions: Cost, Revenue, Cash Flow, and Cost of Capital. Topics with higher impact on a dimension received higher rankings. Ranking values across the four dimensions were summed; a higher aggregate score denoted higher financial materiality, producing the financial materiality ranking for all 24 topics.

⑦ **Determine Material Topics**: A weighted calculation integrated the three dimensions ("Stakeholder Level of Concern," "Impact Severity," and "Financial Materiality") using the formula: Total Score = (Impact Level × Financial Materiality) × 0.8 + (Stakeholder Concern Level) × 0.2. This balanced internal and external importance. The 24 topics were ranked by total score and converted into Percentile Ranks (PR). Topics ranking in the top 30% (PR ≥ 70, yielding 7 topics) were selected as MOLICEL's material topics for the year: **Operational Performance, Occupational Health and Safety, R&D and Innovation, Risk Management, Product Quality and Safety, Remuneration and Benefits, and Energy Management**. These topics form the basis for management approaches, target setting, and performance disclosures.

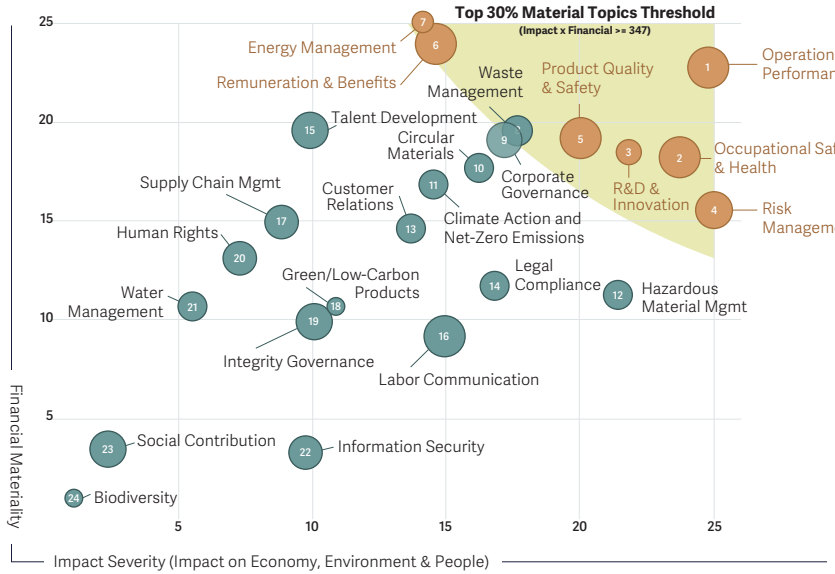
MOLICEL utilizes these 7 topics as the core framework for stakeholder communication in this report, disclosing specific management approaches and performance results to address stakeholder expectations.

List of Material Topics (GRI 3-1)

• Direct Impact ◎ Caused/Contributed

Material Topic	Significance to MOLICEL	Value Chain Impact Boundary			Corresponding GRI Standard / Topic
		Upstream	Company Operations	Downstream	
Operational Performance	Supporting sustainable transformation with stable financial performance; creating win-win value for shareholders, employees, and society toward long-term growth		•		GRI 201: Economic Performance 2016
Occupational Health & Safety	Constructing a zero-accident workplace; safeguarding physical and mental health for employees and contractors; fulfilling people-centric commitments		•		GRI 403: Occupational Health and Safety 2018
R&D and Innovation	Driving energy transition through technology; building high-performance, ultra-safe, low-carbon next-generation lithium batteries to lead industry growth		•		Topic-Specific (Custom) Topic
Risk Management	Identifying and responding to internal and external risks; enhancing corporate resilience to ensure business continuity and long-term competitiveness		•		Topic-Specific (Custom) Topic
Product Quality & Safety	Delivering safe and reliable high-performance battery products; safeguarding end-user safety and deepening trust among global customers		•	◎	Topic-Specific (Custom) Topic
Remuneration & Benefits	Establishing fair, competitive compensation and benefit systems to attract and retain talent, sharing business growth outcomes with employees		•		GRI 401: Employment 2016 GRI 405: Diversity and Equal Opportunity 2016
Energy Management	Improving energy efficiency, expanding renewable energy use, and implementing energy-saving initiatives to reduce product carbon footprints and operational impact	◎	•	◎	GRI 302: Energy 2016

Diagram: Materiality Matrix



- Top 30% Material Topics (Top 7)
- Other Sustainability Topics
- Bubble Size = Level of Stakeholder Concern

* Numbers inside bubbles represent overall ranking (smaller number = higher priority).

Stakeholder Communication Channels and Frequency

Stakeholder Group	Employees	Customers	Shareholders & Investors	Suppliers / Contractors	Government Authorities
Key Topics of Concern	Remuneration & benefits, occupational health & safety, talent development, labor human rights, career development	Product quality & safety, R&D innovation, low-carbon products, supply stability, technical support	Operational performance, corporate governance, risk management, sustainability strategy, industry outlook	Procurement policies, ESG standards, conflict minerals, workplace safety, code of conduct	Regulatory compliance, workplace safety, environmental management, taxation, industrial development, subsidy mechanisms
Communication Channels	Labor-management meetings, Town Hall meetings, supervisor interviews, employee suggestion box, friendly workplace platform, engagement surveys, migrant worker seminars	Customer satisfaction surveys, technical exchange meetings, on-site audits, video conferencing/ visits, product certification submissions	Parent company board meetings, operational reports, financial statements, strategic alignment meetings, industry forums	Supplier conferences, documentation reviews, on-site assessments, code of conduct signing, CMRT/EMRT surveys	Official correspondence, meeting participation, statutory reporting, regulatory inspections, industry association exchanges
Frequency	Quarterly, Annually, Ad-hoc	Annually, Ad-hoc	Monthly, Quarterly, Annually	Annually, Ad-hoc	Ad-hoc

Material Topic: Operational Performance

TOPIC	CONTENT
Policies / Commitments	Focus on developing lithium batteries featuring high safety, high capacity, and high power output, while actively lowering material costs to enhance competitive advantages and expand market presence.
Targets & Metrics	In response to market dynamics, continuously simplify cell specifications, reduce production costs, and improve manufacturing efficiency to raise product profitability.
Actions Taken in 2025	• Submitted monthly revenue reports per parent company (TCC Group Holdings Co., Ltd) guidelines. • Submitted quarterly financial reports to the Board of Directors. • Submitted MOLICEL annual report chapters to TCC Group Holdings Co., Ltd prior to annual general shareholder meetings for review and consolidation into TCC Group Holdings Co., Ltd's annual report.
Performance & Results	• Provided monthly revenue reports by the 3rd of each month per TCC Group Holdings Co., Ltd rules. • Submitted quarterly financials to the Board of Directors on schedule. • Submitted annual report disclosures to TCC Group Holdings Co., Ltd prior to shareholder meetings on schedule.
2026 Target (Short-Term)	Achieve full-year consolidated revenue of NTD 6.0 billion.
2030 Vision (Medium/Long-Term)	Continuously develop high-capacity energy cells to maintain market leadership; advance and execute battery material circularity systems; break into aerospace markets with active deployment in low Earth orbit (LEO) satellites.

Material Topic: Energy Management

TOPIC	CONTENT
Policies / Commitments	• Comply with energy regulations and practice green procurement. • Improve energy efficiency and raise energy performance. • Achieve energy targets through all-employee participation. • Implement energy management systems for continuous improvement.
Targets & Metrics	Achieve energy savings efficiency of > 1%.
Actions Taken in 2025	Promoted energy management activities in accordance with the Energy Management Standard Operating Guidelines.
Performance & Results	Completed key energy conservation projects, achieving an energy savings efficiency of 8.41%: 1.Added steam coils to MAU401/402, saving 4.99% electricity. 2.Converted CDA#3 to chilled water cooling, shutting down the 500HP unit for operational optimization, saving 2.81% electricity. 3.Installed Variable Frequency Drives (VFD) on Chilled/Cooling Water Pumps #3 and #4, saving 0.61% electricity.
2026 Target (Short-Term)	Achieve energy savings efficiency of > 2%.
2030 Vision (Medium/Long-Term)	• Continuously procure green electricity. • Maintain annual energy savings efficiency at > 1%.

Material Topic: Risk Management

TOPIC	CONTENT
Policies / Commitments	Build a comprehensive, multi-disciplinary, enterprise-wide risk management framework based on the core philosophy of "Proactive Identification, Systematic Evaluation, Assigned Accountability, and Continuous Improvement." Ensure risk management serves as a forward-looking governance tool supporting stable growth, operating under the "Internal Control System" and TCC Group audit regulations.
Targets & Metrics	• Operate a four-stage risk management cycle (Issue Identification, Risk Analysis, Risk Assessment, Risk Treatment), tracking material issues within annual plans. • Maintain zero major internal control deficiencies. • Achieve a 100% completion rate for internal audits, emergency response drills, and Corrective and Preventive Actions (CAPA).
Actions Taken in 2025	• Formulated annual audit plans using risk-oriented auditing principles; audits were conducted independently by the internal audit unit covering environmental, occupational safety, labor rights, business integrity, and info security domains. • Identified and managed strategic, operational, financial, compliance, info security, occupational safety, environmental, supply chain, climate, and IP risks, establishing corresponding mitigation measures. • Conducted internal control self-assessments via the parent company's digital platform starting from Q1 2025. • Conducted Intellectual Property training reaching 356 employee attendances and 356 total training hours.
Performance & Results	• Zero major internal control deficiencies occurred in 2025. • Reached a 100% completion rate for internal audit plan execution, deficiency remediation, emergency response drills, and CAPA measures, with 0 recurring non-conformances. • Reached 100% regulatory compliance rate and 100% on-time financial statement issuance rate. • Completed human rights and environmental due diligence for 2 key suppliers.

TOPIC	CONTENT
2026 Target (Short-Term)	• Launch supply chain "de-risking" initiatives by actively developing and qualifying diverse key raw material sources to establish a resilient supply network against geopolitical risks. • Maintain zero major internal control deficiencies; maintain a 100% completion rate for internal audits, emergency drills, and CAPAs.
2030 Vision (Medium/Long-Term)	• Deepen risk management as a forward-looking governance tool, continually strengthening operational resilience and supply chain resilience. • Construct a diversified, robust global supply chain in response to geopolitical and international regulatory shifts to establish structural competitive advantages.

Material Topic: R&D and Innovation

TOPIC	CONTENT
Policies / Commitments	Uphold technological innovation as the core competitiveness, integrating green processes, environmental responsibility, and operational resilience into R&D strategies to consolidate global market leadership: **Tech Leadership & Differentiation**: Focus on R&D of high-energy, ultra-high-power cylindrical lithium batteries, delivering differentiated solutions for global brand clients across aviation, automotive, drone, and AI data center sectors. **Green Processes & Circularity**: Promote green processes, such as organic solvent substitution, and extend battery cycle life to enable second-life usage.
Targets & Metrics	**R&D Environmental Responsibility**: Maintain R&D laboratory environments compliant with worker safety and quality standards. **Market & Operational Resilience**: Address regulatory, geopolitical, and supply chain fluctuations via technological differentiation and application diversification; manage R&D expenditure and optimize supply chain deployment. **R&D Investment Ratio**: Invest over NTD 360 million annually in R&D targeting advanced cathode/anode materials, BBU applications, and ultra-high-power cell development. **Product Performance Breakthroughs**: Increase high-end cell energy density, targeting 320 Wh/kg. **Supply Chain & Quality Control**: Integrate green design into battery engineering, ensuring material selection adheres to RBA environmental and ethical standards. **Development Completion Rate**: Complete R&D/pilot engineering or verification stages for high-performance product models including 21700-P60B and 21700-XA2.

TOPIC	CONTENT
Actions Taken in 2025	**Diversified Applications**: Expanded battery application sectors to cover aviation, hypercars, BBU, and underwater autonomous systems, increasing the proportion of specialized applications to reduce single-market volatility. **Resource Commitment**: Invested over NTD 360 million in forward-looking R&D, partnering with global brand clients in joint development to boost high-end market revenue. **Advanced Materials & Tech Development**: Conducted ongoing research on advanced materials, process optimization, and quality enhancements, including verification of single-crystal high-nickel Ni83 cathode materials and multi-tab green laser welding developments. **Green Process Optimization**: Initiated feasibility evaluations for organic solvent substitution in manufacturing processes.
Performance & Results	**Tech Breakthroughs**: Successfully developed the M65A (6.5Ah) cell, achieving an energy density of 325 Wh/kg while maintaining over 1,000 cycles under 1C charge/discharge, significantly extending product life. **Mass Production Verification**: Completed mass production engineering verification for 21700-P60B; completed R&D verification for ultra-high-power models 21700-P70X and 21700-XA2. **New Product Launch**: Officially launched INR-21700-P60C publicly, pushing capacity boundaries for high-power cells. **Application Milestones**: P45B officially entered aerospace and satellite rocket supply chains; P50B cell was adopted by a global leader in humanoid robotics for its high energy density and high pulse-current discharge capabilities (aligned with SDG 3, SDG 9). **Green Supply Chain**: Tainan Plant achieved RBA Silver Status Recognition.

Material Topic: R&D and Innovation

TOPIC	CONTENT
2026 Target (Short-Term)	**Strengthen Tech Barriers & Circularity**: Advance "high-performance, long-cycle-life, fast-charging" lithium battery solutions while reducing manufacturing energy consumption, including: 1.Development of high-capacity, high-stability advanced cathode materials. 2.Development of high-performance anode material platforms. 3.Development and multi-tab design/manufacturing of ultra-high-power 21700-XA3 cells. **Product Diversification**: Complete development of BBU models P30S and P50S, sustaining R&D investments to widen technological barriers against competitors while maintaining balanced development across product lines.
2030 Vision (Medium/Long-Term)	**Comprehensive Energy Solution Partner**: Become the premier partner for global clients in smart energy and high-end power technology domains. **Full Life-Cycle Management**: Supervise responsible sourcing, execute green processes, enhance cycle life and safety monitoring, and advance battery second-life applications and material recycling. **Tech Platform Maturity**: Build an in-house development platform for high-performance cathode/anode materials, commercializing ultra-high energy density and ultra-fast charging technologies.

Material Topic: Occupational Health and Safety

TOPIC	CONTENT
Policies / Commitments	• Comply with regulations and satisfy stakeholder requirements/expectations. • Reduce resource consumption and pollution to promote environmental sustainability. • Prevent occupational hazards and provide a safe and healthy working environment. • Ensure full participation, enhancing awareness and accountability across all organizational levels. • Establish targets, seek improvement opportunities, and continually enhance management performance.
Targets & Metrics	• Annual Frequency-Severity Indicator (FSI): Target < 0.52 • EHS Regulatory Fines: Maintain 0 fines
Actions Taken in 2025	Promoted health and safety management in accordance with the ISO 45001 Occupational Health and Safety Management System.
Performance & Results	FSI-0.12
2026 Target (Short-Term)	Annual FSI - <0.58
2030 Vision (Medium/Long-Term)	Annual FSI - <0.3

Material Topic: Product Quality and Safety

TOPIC	CONTENT
Policies / Commitments	Anchor operational focus on "Extreme Performance" and "Extreme Safety," internalizing safety as a core brand commitment and technological barrier. Establish quality management systems through institutionalized management, international standards adoption, and continuous improvement. Define quality principles per the Company Quality Policy, executing process management under Customer Oriented Processes (COP), Management Processes (MP), and Support Processes (SP).
Targets & Metrics	**Maintain and expand international quality system certifications**: IATF 16949 (Automotive), AS 9100 (Aerospace), ISO/IEC 17025 (Laboratory). **Set quality KPIs**: Raw Material Qualification Rate > 99.0%; Finished Goods Inspection Qualification Rate > 99.0%; Safety-Related Quality Complaints Recurrence = 0; New Product Development Failures = 0; Customer Satisfaction Score ≥ 8.0 points.
Actions Taken in 2025	• Implemented VDA 6.3 Process Audits in 2025, extended R-FMEA risk identification systems, and deployed automated monitoring equipment including AOI (Automated Optical Inspection). • Obtained ISO/IEC 17025 Laboratory Quality Management System accreditation. • Obtained certifications for core products, including UL 9540A (Thermal Runaway Fire Test for Energy Storage), AS 9100, EU Batteries Regulation compliance, and UN 38.3 transport safety. • Executed continuous improvement projects targeting material usage efficiency, process consumable waste, and manufacturing quality.
Performance & Results	• Raw Material Qualification Rate reached 99.6%; Finished Goods Inspection Qualification Rate reached 100%; In-process Re-inspection Disqualification Rate was 0.0%.

Material Topic: Product Quality and Safety

TOPIC	CONTENT
Performance & Results	• Yield rates across all manufacturing steps met target metrics (Electrode Coating: 99.0%, Winding: 99.7%, Assembly: 99.4%, Formation: 98.7%). • Recorded 0 new product development failures, 0 QAT failures, and achieved a 100% Engineering Change Order (ECO) execution rate. • Recorded 0 safety-related customer complaint recurrences, 0 customer quality issues caused by supplier materials, and achieved a 100% on-time resolution rate for customer quality feedback.
2026 Target (Short-Term)	• Focus on customer qualification and product certification for AI data centers and BBU markets; deepen VDA 6.3, R-FMEA, and automated inspection quality controls. • Maintain Raw Material Qualification Rate and Finished Goods Inspection Qualification Rate at > 99.0%; maintain 0 safety complaint recurrences; keep Customer Satisfaction Score ≥ 8.0 points.
2030 Vision (Medium/Long-Term)	• Become a technical standard setter and market leader in energy infrastructure for high-computing AI data centers and BBUs. • Define ultimate performance standards via high-power, high-reliability products, establishing "Extreme Safety" as the benchmark for safety in the industry.

Material Topic: Remuneration and Benefits

TOPIC	CONTENT
Policies / Commitments	Adhere to a "People-Centric" philosophy, committed to providing market-competitive compensation with equal pay for equal work. Build a comprehensive employee benefit system to elevate overall employee well-being and work-life balance, aiming to attract, retain, and motivate top talent.
Targets & Metrics	To fulfill compensation and benefit policies while strengthening talent retention, the company utilizes the Employee Turnover Rate as a key performance indicator to review the effectiveness of compensation and benefit execution.
Actions Taken in 2025	Promoted optimization measures covering compensation and benefits: **Compensation Structure Optimization**: Reviewed and adjusted salary structures based on market salary benchmark survey results. **Performance-Linked Mechanism**: Strengthened performance bonus systems to tighten the link between contribution and reward. **Expanded Employee Care**: Organized Family Days, Christmas events, and charity markets to enhance employee engagement.
Performance & Results	• Employee compensation competitiveness exceeded market salary medians. • The annual employee turnover target for 2025 was set at < 4.0%; the actual turnover rate was 8.5%. • Employee participation in corporate welfare activities increased significantly, with attendance rates rising by 80%. • Employee sense of belonging and organizational care improved.

TOPIC	CONTENT
2026 Target (Short-Term)	Continuously optimize compensation and benefits with emphasis on: • Strengthening performance-compensation linkages while keeping annual employee turnover stable at < 4.0%. • Introducing flexible benefit measures to increase welfare activity participation rates by an additional 10%. • Establishing health promotion initiatives and psychological support mechanisms.
2030 Vision (Medium/Long-Term)	• Maintain competitive, performance-linked reward structures. • Develop employee-centric benefit programs. • Elevate employee happiness and workplace engagement. • Build a holistic employee well-being management system covering physical/mental health, career development, and family support.

Sustainable Development Goals (SDGs)

The high-performance lithium-ion battery sector in which MOLICEL operates is intrinsically tied to global energy transitions, low-carbon manufacturing, product safety, and advanced application developments. For MOLICEL, the UN Sustainable Development Goals (SDGs) serve as practical reference coordinates mapping operational actions against societal and environmental needs. In 2025, MOLICEL drove initiatives across product R&D, energy and carbon management, resource circularity, supply chain collaboration, talent development, and workplace safety. By converting battery performance, safety, and environmental capabilities into trackable annual achievements, the company continues to address material ESG issues across the new energy sector.

THE GLOBAL GOALS
For Sustainable Development



Good Health and Well-Being

Obtained Healthy Workplace Certification for 3 consecutive years; provided on-site occupational medicine physician consultations and implemented 6 major workplace health risk management plans; administered 251 flu vaccines; established smoking cessation classes and health kiosk stations; offered EAP mental health counseling; organized blood donation drives gathering 52 bags; maintained zero occupational fatalities.



Quality Education

Accumulated 13,852.5 total training hours; implemented a 6-stage talent cultivation path and digital learning platforms; established industry-academic partnerships with NTUST and NYCU; hosted campus visits for NKUST students; promoted Research and Development Substitute Military Service and campus recruitment



Gender Equality

Maintained a 1:1 base salary ratio between male and female employees to enforce equal pay for equal work; established parental leave and reintegration support mechanisms; completed maternal health protection evaluations for 15 employees; set up sexual harassment prevention policies and grievance reporting channels.



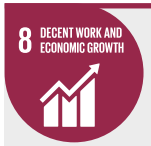
Clean Water and Sanitation

Reduced total annual water withdrawal by 12.1%; implemented process wastewater recycling and UV sterilization water-saving systems; achieved 100% regulatory compliance across 23 effluent monitoring parameters; complied with STSP Regional Water Management signaling controls



Affordable and Clean Energy

Procured and introduced 643,000 kWh of renewable electricity for the first time; maintained ISO 50001 Energy Management System certification; achieved an energy savings efficiency of 8.41%; built energy storage systems while evaluating rooftop solar expansion and direct green power wheeling



Decent Work and Economic Growth

Enforced 100% Zero Fee Policy for foreign worker recruitment; held quarterly labor-management meetings; maintained zero occupational fatalities and reduced TRIR to 0.268; ensured legal employment and guaranteed freedom of movement



Industry, Innovation and Infrastructure

Launched next-generation high-performance cells including P22S, P30B, P50B, P60B, and M65A; introduced AI smart manufacturing; maintained IATF 16949, AS 9100, and ISO/IEC 17025 certifications; increased energy and power density through low-carbon product engineering



Reduced Inequalities

Promoted DEI initiatives; built workplace prayer rooms; held migrant worker seminars and inclusion activities; supported charities through Christmas Warmth Charity Markets; hired visually impaired masseurs to support employment for people with disabilities.



Responsible Consumption and Production

Established black mass recovery and three closed-loop recycling pathways, reducing waste by 165.786 metric tons; published product environmental disclosures including PCF, LCA, and EPD; conducted CMRT/EMRT conflict mineral due diligence; maintained strict RoHS/REACH hazardous substance compliance.



Climate Action

Completed Scope 1, Scope 2, and Scope 3 GHG inventories and set carbon reduction targets; disclosed climate risks, opportunities, and scenario analyses following TCFD; signed supply chain decarbonization agreements; met product carbon footprint reduction targets; enabled end-use electrification through high-performance batteries.



Life on Land

Planted ~300 saplings and restored native Taiwanese plant species at Xinhua Forest Station during Sustainable Forestry Conservation Family Day; diverted waste wood into biomass gasification power generation.



Peace, Justice and Strong Institutions

Recorded 0 corruption or bribery incidents; achieved 100% signing rate for Integrity Codes of Conduct; implemented ISO 37001 Anti-Bribery Management System; established whistleblowing and whistleblower protection mechanisms; enforced conflict-of-interest management and information security governance.



Partnerships for the Goals

Partnered in industry-academic research with NTUST and NYCU; signed carbon reduction agreements with suppliers and participated in RBA/RMAP mechanisms; joined STSP Academic-Industry Association and Taiwan Science Park Industry Association; engaged in technical collaborations with international clients including McMurtry, Vertical Aerospace, Archer Aviation, and FlyingBasket.

1 Foundation of Governance

22 1.1 Organizational Overview

28 1.2 Governance Structure

32 1.3 Risk Management

34 1.4 Business Integrity and Legal Compliance

37 1.5 Information Security and Personal Data Protection

40 1.6 Supplier Management

Corporate governance is the vital foundation for MOLICEL's robust operations and sustainable development. Facing increasing requirements from global supply chain management, regulatory standards, and stakeholder expectations, the Company upholds principles of transparent and accountable governance. It has established a governance structure encompassing organizational operations, risk management, integrity management, information security, and supplier management to ensure that all operational activities are promoted under clear authorization and institutional norms.



1.1 Organizational Overview

Company Overview and Operational Summary

E-One Moli Energy Corp. (hereinafter referred to as "MOLICEL") was established in 1998, specializing in the research, development, and manufacturing of cylindrical rechargeable lithium-ion batteries. Building upon over 40 years of experience and deep technological accumulation in lithium-ion battery R&D, the Company has progressed from fundamental lithium battery technology to a comprehensive product portfolio featuring high power, high energy density, and fast charge/discharge capabilities. Under its proprietary brand "MOLICEL," the Company has established a globally leading technological profile in the field of cylindrical batteries.

The Company's products are widely deployed in diverse high-end applications, including high-performance electric motorsports, drones, electric vertical take-off and landing (eVTOL) aircraft, aerospace, heavy-duty tools, AI server Battery Backup Units (BBU), and AI humanoid robots. Amid the wave of electrification, digitalization, and decar-bonization, MOLICEL continuously provides global customers with energy solutions that deliver both high perfor-mance and environmental responsibility. By consistently overcoming traditional design and manufacturing bottle-necks, deepening R&D investment, and enhancing technological innovation capabilities, the Company's product performance has earned widespread industry recognition, leading the future development direction of global battery technology with forward-thinking innovation.

Corporate Mission and Vision

MOLICEL's corporate mission is to drive energy transition with cutting-edge lithium battery technology, creating a low-carbon, environmentally friendly, and socially responsible future. Upholding the brand spirit of "Innovation, Environmental Protection, and Mutual Prosperity," the Company strives to find the optimal balance between technological innovation and sustainable development, providing global customers with superior energy solutions. Facing global net-zero transition and sustainable supply chain trends, MOLICEL will leverage technological innovation as its core driving force, deepening low-carbon manufacturing, product safety, quality management, and resource circularity. Through actions in corporate governance, social welfare, and environmental protection, MOLICEL aims to co-create a resilient, sustainable future with customers, employees, suppliers, and society.

Basic Company Information

Company Name
E-One Moli Energy Corp. (MOLICEL)

Paid-in Capital
NTD 27.663 billion

Headquarters Address
11F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City

Chairman
Nelson Chang

President
Casey Shiue

Total Workforce (as of 2025/12/31)
767

Industry Sector
Other Electronics

Main Products and Services
Design and manufacturing of rechargeable lithium-ion batteries

Country of Operation
Taiwan

Operating Sites
Taipei Office:
11F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
Tainan Plant (Southern Taiwan Science Park):
No. 10, Dali 2nd Rd., Tainan Science Park, Shanhua Dist., Tainan City

Industry Value Chain

MOLICEL occupies a key midstream node in the global lithium battery industry value chain, taking high-quality raw materials—such as cathode materials, anode materials, electrolytes, and separators—from upstream suppliers, integrating them into high-performance cylindrical battery cells, and supplying them to downstream applications. The Company's position in the value chain reflects a dual role as both a "Resource Integrator" and a "Technology Leader."



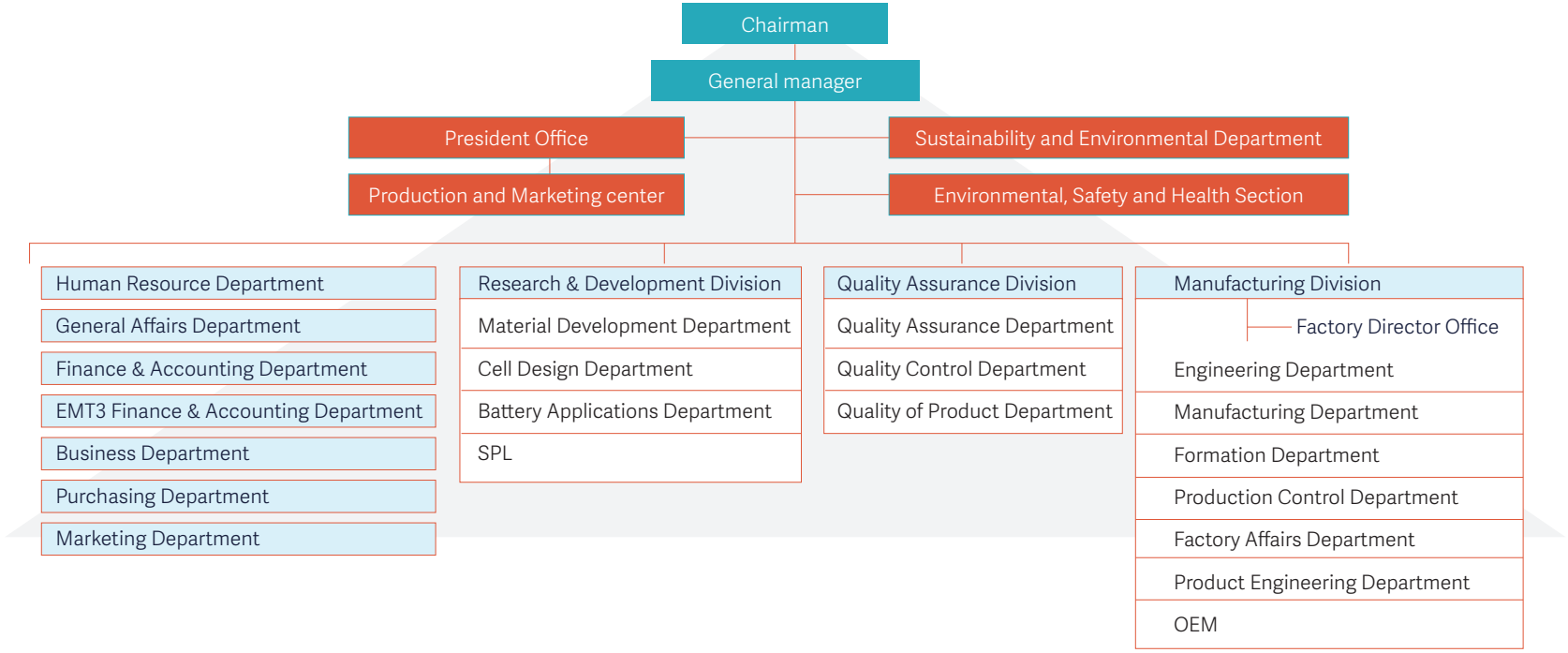
Cathode materials (NCA, NCM ternary materials), anode materials (including low-carbon graphite from steelmaking by-products), electrolytes, separators, copper foil, aluminum foil, steel cans/trays, and packaging materials. Stable raw material sources are established through diverse international and local suppliers

Design, R&D, manufacturing, quality assurance, and marketing of high-performance cylindrical rechargeable lithium-ion battery cells

High-end electric motorsports, eVTOL aircraft, heavy freight & commercial drones, AI cloud service provider BBU modules, hyperscale data centers, energy storage systems (ESS), electric hypercars, low Earth orbit (LEO) satellites, humanoid robots, power tools, etc

Organizational Chart and Departmental Responsibilities

MOLICEL adopts a matrix organizational structure characterized by professional division of labor and functional integration. Executive management is led by the President, overseeing core units including the President's Office, EHS Office, Production & Sales Center, Sustainability & Environment Department, Production Division, Quality Assurance Division, Sales Department, R&D Division, Human Resources Department, Finance & Accounting Department, Procurement Department, Marketing Department, General Affairs Department, and Information Security & Information System Management. Each performs its specific duties and collaborates to drive corporate development.



Department	Core Responsibilities
President Office	Assisting in the execution of key decisions; handling external public relations; planning and executing business plans and special projects; planning and driving corporate sustainability initiatives
Environmental, Safety and Health Section	Planning, executing, and supervising company-wide environmental and occupational health and safety (OHS) matters; planning and executing safety operations inside and outside plants
Production and Marketing center	Integrating and analyzing production and sales information; consolidating order data; planning cross-plant capacity and material mutual support; maintaining order systems
Sustainability & Environment Department	Formulating corporate sustainability strategies compliant with international regulations; coordinating cross-departmental projects to implement sustainability policies; advising on corporate carbon reduction targets; compiling and publishing sustainability reports
Manufacturing Division	Overall planning and supervision of production activities; overseeing the Plant Director's Office, Engineering Dept., Manufacturing Dept., Formation Dept., Production Management Dept., Facility Engineering Dept., Product Engineering Dept., and OEM units
Quality Assurance Division	Planning quality systems; maintaining system effectiveness; setting and reviewing annual targets; supervising quality projects. Oversees Quality Control Dept., Quality Assurance Dept., and Product Quality Dept
Business Department	Sales management and supervision; supervising sales administration systems and plans; promoting technical support business; handling technical support customer complaints and service
R&D Division	New product development; new material and technology R&D; planning and managing technical documents/patents; customized designs for key customers. Oversees Materials Dept., Battery Design Dept., Battery Application Dept., and Super Pilot Line (SPL)
Human Resources Department	Planning and reviewing organizational staffing; HR management and compensation policies; conducting training and competency development; recruitment planning and execution; employee insurance and welfare; labor relations policies
Finance & Accounting Department	Planning and executing financial policies and systems; budget control; capital planning; cash and check handling; shareholder meeting arrangements; accounting policies, budget management, and bookkeeping
Procurement Department	Managing purchasing and import/export operations; planning procurement schedules; supplier selection and management; outsourced processing management; executing group strategic procurement; bonded customs management
Marketing Department	Promoting brand image and maintaining PR; collecting public opinion and market trends for battery applications; conducting market research and promotion for emerging global application markets; developing new markets
General Affairs Department	Managing office equipment and supplies requisition/procurement; security, cleaning, landscaping, catering services, and company vehicles
Information Security & Information System Management	Planning and executing IT security and system management in accordance with the TCC Information resident maintenance agreement

Economic Performance

GRI 201-1

Item/Breakdown	2024(NTD)	2025(NTD)
Direct Economic Value Generated		
Operating Revenues	4,412,970,425	3,843,552,034
Economic Value Distributed		
Operating Costs	3,988,403,752	3,259,754,764
Employee Wages and Benefits	528,737,519	617,071,608
Payments to Providers of Capital	0	0
Payments to Government	4,455,946	9,834,252
Community Investments	0	0
Economic Value Retained		
—	420,110,727	573,963,018

Note 1: Financial data for economic performance is based on individual financial statements.
Note 2: In FY 2025, the Company did not receive financial assistance from the government.

Participation in External Organizations

GRI 2-28

Organization Name / Role / Main Activities

Southern Taiwan Science Park Industry-Academia Association
Member
Participating in park industry-academia exchanges, talent recruitment cooperation, and technical forums

Taiwan Science Park Industry Association
Member
Participating in battery industry policy dialogues, regulatory seminars, and market information exchanges

The Company has also signed industry-academia cooperation agreements with the **Graduate Institute of Applied Science and Technology at National Taiwan University of Science and Technology (NTUST) and the Department of Materials Science and Engineering at National Yang Ming Chiao Tung University (NYCU)**, establishing close ties for R&D and talent cultivation.

Milestones

Year	Major Milestone
1977	Predecessor group of MOLICEL established.
1998	E-ONE MOLI ENERGY CORP. (MOLICEL) established in Taiwan
2000	Merged with NEC MOLI ENERGY (CANADA) LIMITED
2001	Obtained ISO 9001:2000 certification
2004	Partnered with a Japanese power tool manufacturer to launch the world's first power tool lithium-ion battery pack; launched the world's first 18650 lithium-ion battery for power tools
2005	Became CTO's sole battery supplier in Asia
2006	Obtained ISO 14001:2004 certification
2013	Partnered with Taiwan ITRI to build Taiwan's first domestically made electric vehicle
2016	Partnered with ITRI Green Energy and Environment Research Laboratories to develop a 1 MWh solar energy storage system
2018	Partnered with UBER ELEVATE to develop eVTOL battery packs; won the public bid for ITRI's 1 MWh Longjing energy storage project
2019	Deployed a 1500 kWh energy storage system
2020	Won Taipower's first 5 MW AFC energy storage tender; adopted by British hypercar brand McMurtry for a limited run of 130 vehicles
2022	Technical collaboration with British electric race car builder McMurtry broke historic records at the UK International Festival of Speed; adopted by UK aircraft manufacturer Vertical Aerospace
2023	INR-18650-P30B mass production launch; Archer Aviation Midnight eVTOL powered by MOLICEL batteries received FAA certification
2024	Mass production launch of INR-21700-P50B ultra-high power battery; S series shipped globally to major cloud service providers for 5kW BBUs; ISO 50001 Energy Management System certified; became Taiwan's first aerospace-grade certified lithium-ion battery plant, entering defense and aerospace sectors
2025	Awarded RBA Silver Rating, implementing responsible business conduct.
	Official market launch of INR-21700-P60C.
	Mass production of INR-18650-P22S.
	Completed mass production of INR-21700-M65A, achieving 1,000 cycle life and 325 Wh/kg energy density.
	High-performance batteries adopted by aerospace and rocket domain clients (INR-21700-P45B).
	High-power batteries selected by humanoid robotics vendors (INR-21700-P50B).
	INR-21700-P50S and INR-18650-P30S adopted for HVDC & AI data center backup power.
	Battery technology assisted clients in setting world records:
	McMurtry Spéirling achieved world's first inverted upside-down EV driving;
	Vertical Aerospace VX4 hybrid achieved over 1,000 miles flight range;
	Archer Aviation set 10,000 feet altitude flight record



1.2 Governance Structure

Corporate Governance Structure

MOLICEL is an unlisted subsidiary under Taiwan Cement Corporation (TCC Group Holdings Co., Ltd Group), directly held by TCC Recycling Energy Technology Co., Ltd. The corporate governance structure is designed according to relevant regulations, group governance principles, and operational requirements. While aligning with group governance consistency, it addresses specific industry traits and daily operational management needs.

In accordance with the Company Act and relevant laws, unlisted companies are not mandated to set up a Remuneration Committee or Audit Committee. Therefore, the Company has not established these two functional committees, but legally retains 1 Supervisor to perform supervisory duties. Major governance matters—such as remuneration, financial report reviews, and internal control evaluations—are integrated into the parent company's existing governance mechanisms for oversight, ensuring seamlessly linked governance standards.

In daily operations, the Company relies on an independent Internal Audit unit for oversight, while the Sustainability & Environment Department coordinates ESG issues across functional units. Through the alignment of corporate group mechanisms and internal management systems, MOLICEL continuously strengthens governance performance, ensuring major decisions, conflict of interest controls, and information disclosures follow clear authorization procedures.

In 2025, MOLICEL held a total of 8 Board of Directors meetings, with an attendance rate of 100% across all directors and supervisors, who continued to review and oversee major corporate management and governance issues. Key focuses during the year included AI BBU market expansion strategies, adjustment of the Canadian plant investment plan, promotion of sustainability strategies, cybersecurity upgrades, and the deepening of risk management mechanisms.

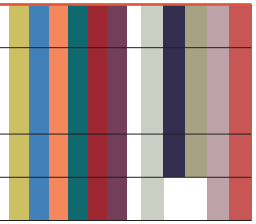
Governance Structure of Board of Directors and Executive Management

GRI 2-9、2-10、2-11

The Board of Directors is composed of corporate representatives designated by the direct parent company, TCC Recycling Energy Technology Co., Ltd., consisting of 3 Directors (including 1 Chairman) and 1 Supervisor: The Board of Directors is the highest governance body.

Mr. Nelson Chang serves as Chairman and Board Leader, convening and chairing board meetings under group governance rules. Mr. Casey Shiue serves as President, executing operational strategies approved by the Board and overseeing daily management. The Board approves major operational decisions, annual business plans, financial reports, sustainability strategic directions, and oversees major risk issues.

Title	Name	Designation	Representative Legal Entity	Appointment Date	Term of Office	Nationality	Important Concurrent Roles	Gender	Age Distribution 31-50	Age Distribution 51-70	Age Distribution >71	Industry Experience	Professional Capabilities
Chairman	Nelson Chang	Non-Executive Director	TCC	2025.06.03	2025.06.03-2028.06.02	Taiwan	Chairman of Parent Group	Male			v		
Director	Casey Shiue	Executive Director (Concurrently President)	Recycling Energy Technology Co., Ltd.	2025.06.03	2025.06.03-2028.06.02	Taiwan Taiwan	Director & President of Subsidiary	Male Male		v			
Director	Roman Cheng	Non-Executive Director		2025.06.03	2025.06.03-2028.06.02	Taiwan	President of Parent Group	Male		v			
Supervisor	Ming-Jen Yu	—		2025.06.03	2025.06.03-2028.06.02		CFO of Parent Group			v			



Industry Experience : Battery & Energy Storage | Tech Manufacturing | Energy | Financial Accounting | Int'l Business | M&A
Professional Capabilities : Executive Management | R&D/Innovation | Int'l Expansion | Financial/Risk Management | ESG

Supervision and Division of Responsibility for Impact Management

GRI 2-12、2-13、2-14

As the highest governance body, the Board plays a central role in impact oversight: reviewing material sustainability issue identification results, monitoring climate-related risk and opportunity responses, reviewing major incident responses, and rendering decisions on matters affecting business resilience.

Day-to-day impact management execution is managed by the President, with departmental execution divided among Sustainability & Environment, EHS, HR, QA, Finance & Accounting, and Audit units. Compiling the Sustainability Report is led by Sustainability & Environment, submitted to the President for review, and presented to the Board for approval prior to external publication.

Impact management metrics across themes are reported monthly, quarterly, and annually to the President and Board, with critical concerns communicated immediately.

Management of Conflicts of Interest

GRI 2-11

Directors and senior management abide by TCC Group Holdings Co., Ltd Group's Code of Integrity Management and Code of Ethical Conduct. Where agenda items involve personal interests or those of spouses/second-degree relatives/controlled entities, recusal from discussion and voting is required and recorded in meeting minutes. Related-party transactions follow the Regulations Governing Related Party Transactions to guarantee fairness and transparency.

Communication of Critical Concerns

GRI 2-16

Critical incidents potentially impacting operations, compliance, finances, reputation, cybersecurity, OHS, or stakeholder rights are escalated by responsible units through board, committee, or special project channels. In FY 2025, a critical concern occurred on July 14, 2025- a fire incident at the ambient resting area for formation semi-finished products at MOLICEL's subsidiary plant (Molie Quantum Energy Corporation). Emergency responses were activated immediately, establishing stakeholder communication through neighborhood engagement, third-party monitoring, and employee care.

The event served as an opportunity to strengthen operational resilience and community trust. Detailed progress, impact assessments, and improvement plans are publicly disclosed via:

→ Taiwan Stock Exchange Market Observation Post System (MOPS)
→ TCC Group Official Website
→ MOLICEL Official Website

Collective Knowledge of the Highest Governance Body

GRI 2-17

Board members participate in annual professional development per TCC Group Holdings Co., Ltd Group policies, covering corporate governance, insider trading prevention, risk management, business resilience, workplace harassment prevention, and ESG transformation. In 2025, Chairman Nelson Chang completed 8 hours and Director Roman Cheng completed 11 hours of training, fulfilling regulatory requirements.

Performance Evaluation

GRI 2-18

As an unlisted subsidiary, regular formal board self-evaluations have not been established. Governance supervision is maintained directly through executive leaders (Parent Group Chairman, Parent Group President, Subsidiary President, and Parent Group CFO serving on the Board) overseeing strategy and risk execution.



Remuneration Policy for Directors and Senior Executives

GRI 2-19、2-20

Directors and Supervisor:
Directors and Supervisors receive zero compensation from MOLICEL; hence, no standalone board remuneration policies exist.

Senior Executives:
Executive compensation ties strategy, profitability, individual performance, and market standards. Proposed compensation packages are reviewed by the Group Remuneration Committee and approved under group governance procedures.

Executive sustainability performance targets cover three dimensions:

Dimension	Assessment Indicators
Financial Targets	Net profit after tax, revenue growth rate, Return on Assets (ROA)
Personal Targets	Task execution performance, AI innovation adoption/value realized, legal compliance and risk prevention, talent development, international perspective
Sustainability & Climate Targets	ISO 14064 & GHG Protocol carbon reduction results, green energy adoption, green procurement, zero water fines, zero OHS penalties, DEI metrics

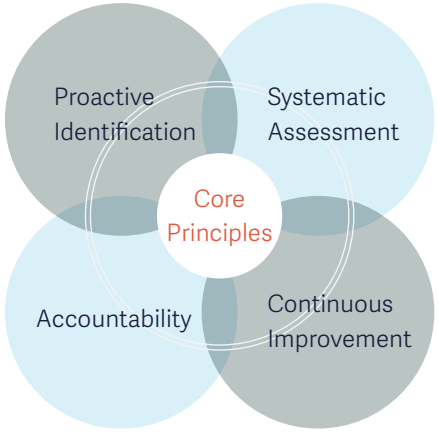
Through a three-tier performance linkage mechanism encompassing **"Financial Performance, Personal Development, and Sustainability & Climate,"** MOLICEL ensures that senior executives' decisions, actions, and resource allocation remain closely aligned with its long-term sustainability strategy while addressing stakeholders' expectations for corporate governance.



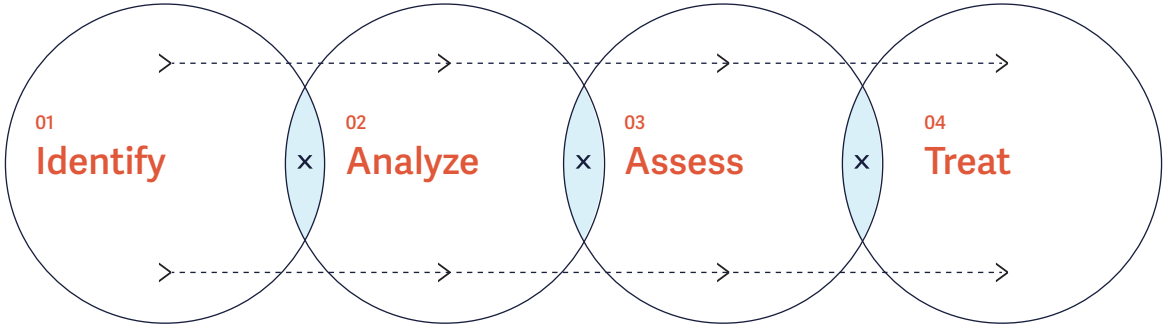
1.3 Risk Management

Risk Management Philosophy

MOLICEL recognizes that operational risks are dynamic—spanning product quality, process stability, supply chain resilience, human resources, cybersecurity, climate change, geopolitics, and regulatory compliance. Adopting "Active Identification, Systematic Assessment, Accountable Ownership, and Continuous Improvement," MOLICEL operates a comprehensive, enterprise-wide risk management framework.



Four-Stage Risk Management Cycle



Departments identify external, internal, and stakeholder issues to maintain an issue inventory

Analyze impact, likelihood, and detection difficulty dimensions for identified issues

Calculate quantitative risk scores to classify general versus critical risk issues

Propose specific response measures and targets for critical issues, incorporating them into annual department plans

Critical Risk Determination Mechanism

Critical risk issues are identified when risk scores cross quantitative thresholds or when impact and likelihood scores are concurrently high. Responsible units set specific mitigation plans tracked via annual departmental action goals.

2025 Key Risk Categories and Mitigation Mechanisms

Risk Category	Major Issues	Management / Mitigation Measures
Strategic Risk	EV market volatility, client shifts, Canadian plant adjustment	Diversifying high-end applications, expanding AI server BBUs, rolling reviews of overseas investments, close board alignment
Operational Risk	Production yield, capacity elasticity, raw material stability, equipment uptime	Maintaining ISO 9001:2015, IATF 16949:2016 automotive, and AS9100:D aerospace standards; deploying AI smart manufacturing; secondary sourcing tests; equipment preventive maintenance
Financial Risk	FX volatility, tax compliance, AR collection, liquidity	FX hedging via group policies, strict invoice management, credit limit monitoring, maintaining sufficient liquidity
Compliance Risk	Regulatory shifts, export permits, international battery regulations, ethics	Regular regulatory tracker updates, permit renewals, aligning designs with EU Battery Regulation, expanding anti-bribery training
Cybersecurity Risk	Cyberattacks, data leaks, system outages, supply chain risks	Maintaining ISO 27001:2022, routine MES/AD backup restoration drills, enforcing 2FA and restricted sensitive data access
Occupational Safety Risk	Work injuries, chemical handling, fire safety, radiation safety	Maintaining ISO 45001, conducting inspections, contractor safety controls, organizing health promotion events
Environmental Risk	GHG emissions, wastewater discharge, waste treatment, raw material carbon footprint	Driving GHG Protocol inventories, ISO 50001 energy management, waste recycling/circularity, low-carbon material purchasing
Supply Chain Risk	Conflict minerals, hazardous substances, single sourcing, operational disruptions	Conducting CMRT/EMRT surveys, signing restricted substance declarations, developing dual sourcing, maintaining safety buffer stock
Climate Risk	Earthquakes, water scarcity, extreme weather, energy supply disruptions	TCFD scenario analysis, establishing emergency power and backup water systems, enhancing plant disaster resilience
Intellectual Property Risk	Patent Infringement Patent infringement, trade secret leakage, technology licensing	Managing per IP Management Regulations, annual IP employee training (356 attendees, 356 hours in 2025)

Internal Control Operations

MOLICEL operates annual audit plans independently managed by the Internal Audit unit following TCC Group Holdings Co., Ltd Group standards. ESG themes—including environment, OHS, labor rights, integrity, and cybersecurity—are integrated into annual audits. Audit findings and tracking reports are regularly presented to the Board and Parent Group Audit Committee. No material internal control deficiencies occurred in 2025. Routine cycles cover purchasing, sales, import/export, finance, HR, production, QA, and IT security.

1.4 Business Integrity and Legal Compliance

MOLICEL adopts integrity management as a core governance pillar, fully aligning with TCC Group Holdings Co., Ltd Group's Code of Integrity Management, Anti-Corruption and Anti-Bribery Policy, and Code of Ethical Conduct. Anti-corruption controls are embedded across internal systems, standard certifications, routine audits, and grievance mechanisms.

Management Approach and Framework

Management Dimension	Mechanism Description	Covered Target
Policy Compliance	Fully aligned with Parent Group's Code of Integrity Management, Anti-Corruption/Anti-Bribery Policy, and Code of Ethical Conduct integrated into internal controls.	All Employees & Business Partners
International Standards	Adopted RBA Code of Conduct (Silver Rating). Implemented ISO 37001 Anti-Bribery Management System	Enterprise-wide Operations
Dedicated Oversight	Cooperating with Parent Group's "Anti-Corruption and Anti-Bribery Promotion Taskforce" with departmental operational controls	All Functional Departments
Performance Linkage	Incorporating legal compliance and integrity management indicators into employee performance appraisals	All Employees

Preventive Controls: Operational Standards and Risk Assessments

Business Partner Due Diligence:
Suppliers, contractors, and clients undergo six-dimension corruption risk assessments under the Business Partner Corruption Risk Assessment and Due Diligence Procedures. Anti-corruption clauses are mandated in contracts; failing parties are blacklisted.

Employee Integrity Pledges:
New hires sign the Integrity Code and Ethical Norms Declaration, and high-risk role personnel sign position-specific integrity pledges.

Training:
Annual ethics and anti-corruption training is conducted for employees and commercial partners.

Compliance Risk Identification:
Internal/External Issue Registers continuously track local legislative changes to update internal controls.

Audit and Self-Assessment Mechanisms

Routine On-Site Audits:
Internal controls and anti-corruption operations undergo periodic audits by the Parent Group Audit Office.

Rectification Tracking:
Deficiencies must be resolved within designated deadlines and reported to the Audit Committee and Board.

Systemic Self-Assessment:
Since 2025 Q1, digital platform self-assessments cover key compliance focus areas, including environmental sustainability and fair trade regulations.

Grievance Mechanisms and Whistleblower Protection

MOLICEL maintains confidential reporting channels under the group's Friendly Workplace Taskforce Case Handling Guidelines and Employee Grievance and Handling Guidelines:

Dedicated emails	**Telephone hotline**	**Physical suggestion boxes**	**Fax hotline**	**Friendly Workplace Platform**
7885@molicel.com MOLIsuggestion@molicel.com	06-5050666 ext.7885		06-5050777	

All reported cases are handled in accordance with their severity levels and established procedures, and are received, tracked, and followed up on by the cross-departmental Friendly Workplace Group to ensure the confidentiality of the whistleblower's identity and protection against retaliation.

Reporting Channels and Case Handling Procedure

Stage	Execution Details
Reporting Channels	Multiple channels (email, written, in-person); executive-related reports can go directly to the Audit Committee email.
Case Registration	The Audit unit registers reports within 5 days and verifies details to decide on acceptance.
Investigation	Investigative teams gather facts and submit findings/recommendations to the President and Chairman
Independence	Cases involving the President level report directly to the Chairman to maintain independence
Internal Review	Confirmed cases prompt internal control procedural reviews and corrective actions
Follow-up	Progress is reported regularly to the Audit Committee

Whistleblower Protection Principles

Strict Confidentiality:
Anonymous reporting is permitted (with concrete evidence). Identity and report content remain strictly confidential.
Non-Retaliation:
Explicit commitment that whistleblowers will not face retaliation, unfair treatment, or adverse personnel action.

2025 Key Integrity Performance Highlights

100%
Employee Integrity Code Declaration Signing Rate

0 cases
Incidents of Corruption and Bribery Regulatory Fines / Fines (Integrity Category)

400 attendees
200 hours
ISO 37001 Anti-Corruption Training

2025 Legal Compliance Training

Training Topic	Trainees	Hours / Course	Total Hours
2025 Personal Data Awareness Training	197	1	197
2025 Group Major Policy Advocacy	773	1	773
2025 Corporate Governance & Legal Compliance (Fair Trade Act - Concerted Actions)	497	3	1,491
2025 TIPS – Employee IP Concepts & Trade Secrets Protection	356	1	356

2025 Anti-Corruption Policy Communication and Training Status

Employee Category	Total Headcount	Policy Communicated	Policy Communicated	Training Completed	Training Completed
Managerial	72	72	100.0%	50	69.4%
Non-Managerial	695	695	100.0%	353	50.8%
Total	767	767	100.0%	403	52.5%

Regulatory Compliance GRI 2-27

In accordance with our parent company's "Compliance Management Regulations," MOLICEL tasks each functional department with tracking applicable regulatory updates within its respective area of responsibility, as well as establishing internal training and operational workflow update mechanisms. In 2025, no major fines or sanctions occurred regarding environmental or social non-compliance.

1.5 Information Security and Personal Data Protection

Information Security Management

GRI 418-1

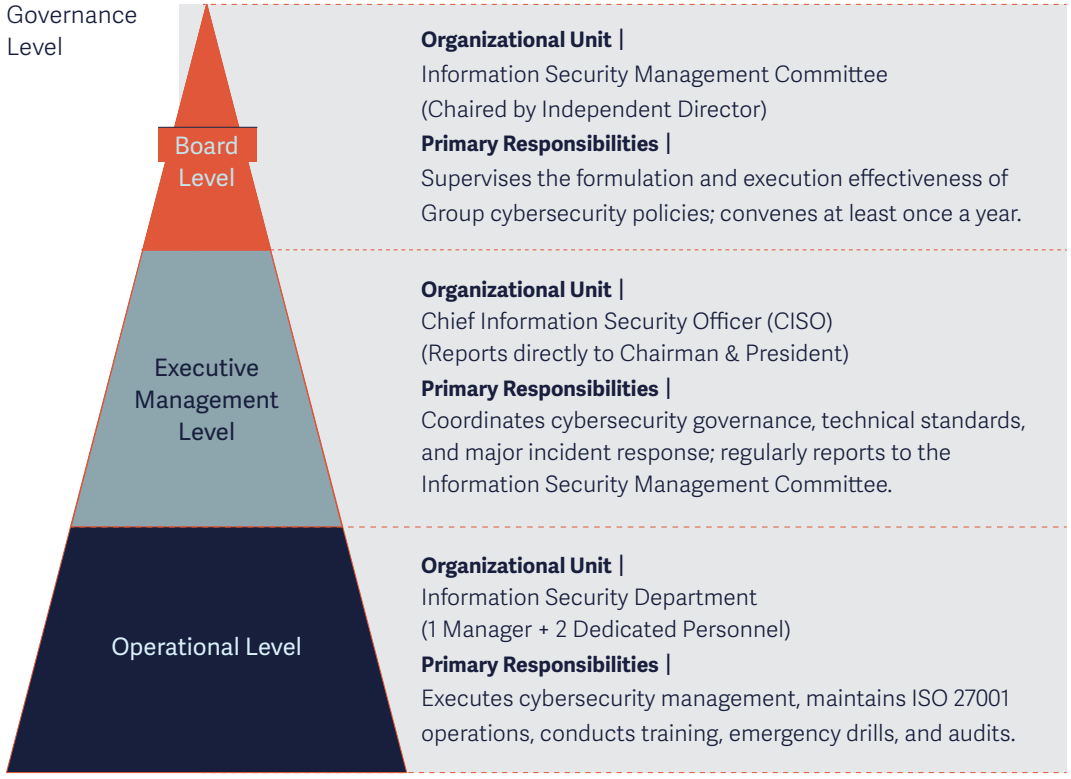
MOLICEL attaches great importance to information security and business continuity management, viewing cybersecurity safeguards as an essential foundation for maintaining production stability, protecting confidential information, and mitigating operational risks. Since 2021, the Company has actively constructed a plant-level cybersecurity management framework and introduced the ISO 27001 Information Security Management System (ISMS). Through risk assessments, technical safeguards, access controls, employee training, and regular drills, we continue to enhance the security capabilities of our information systems and operational environments.

Information Security Governance Structure

To strengthen cybersecurity governance and clear division of responsibilities, the Board of Directors approved the appointment of a Chief Information Security Officer (CISO) and the establishment of the Information Security Department on April 11, 2022. The Information Security Department is staffed with one dedicated cybersecurity manager and two dedicated personnel. They are primarily responsible for overall cybersecurity architecture design, cybersecurity operations and monitoring, and internal and external incident response and investigation, reporting progress regularly to the CISO. The CISO, in turn, reports cybersecurity management performance directly to the Chairman and the President.

In 2024, the Board approved the establishment of the "Information Security Management Committee," chaired and convened by an Independent Director. Starting in 2025, the CISO regularly reports annual cybersecurity achievements to the Information Security Management Committee, ensuring cybersecurity issues are embedded within governance-level oversight and management.

Three-Tier Cybersecurity Governance Framework



Information Security Management Systems and International Certifications

The Company obtained ISO/IEC 27001 ISMS certification in 2022. To align with updated international standards, the Company launched the ISO 27001:2022 transition project in September 2024 and successfully completed the transition and surveillance audit in May 2025, obtaining the renewed standard certificate to maintain continuous certification.

Information Security Management Strategy

Our cybersecurity strategy is driven by three core principles:

Risk-Oriented Control Strategy:
Implementing appropriate control measures based on risk assessment results to align resource allocation and protection priorities with actual risk exposure.

Least Privilege Access Management:
Executing identity and access management based on the principle of least privilege, ensuring information is accessible only to authorized personnel to reduce internal risk.

Continuous Monitoring and Maturity Enhancement:
Continuously improving the effectiveness and maturity of cybersecurity management through monitoring, auditing, and educational training.

Incident Response and Business Continuity Mechanisms

The Company has established a comprehensive cybersecurity incident management mechanism, detailing Standard Operating Procedures (SOPs) for incident classification, notification, handling, statistics, and tracking. This ensures prompt notification, effective response, and rapid recovery to maintain business continuity.

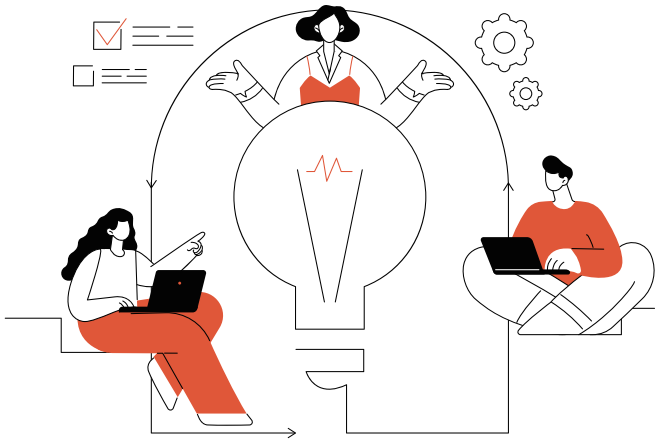
To strengthen practical response capabilities, the Company conducts the following regular annual drills:

Social Engineering Drills:
Testing employees via phishing email simulations to enhance cybersecurity awareness and incident response skills.

Business Continuity Drills:
Performing annual backup and recovery drills for the MES (Manufacturing Execution System) and AD (Active Directory) systems to simulate system disruptions or security incidents, evaluating backup and restoration mechanisms.

Personal Data Protection Management

To ensure personal data security, the Board approved the "Personal Data Protection and Management Policy" on May 13, 2025, establishing clear principles for personal data collection, processing, utilization, retention, and destruction. On November 7, 2025, the Company conducted personal data awareness training to promote management awareness and security measures, ensuring all employees fully understand compliance requirements for handling personal data.



2025 Information Security Training Achievements

To address increasingly complex cyber threats, the Company actively promotes security training and awareness campaigns. Topics cover ISO 27001 awareness, personal data protection, AI-driven cyberattack techniques (social engineering, ransomware, deepfake scams), protective measures, and security policy enforcement. Security awareness courses are also uploaded to the Group e-learning platform for all employees.

Training Program | **Security Awareness Course**
Target Audience | **Group Employees (E-learning)**
Target Performance | **Cumulative**

2,350 attendees
total training hours approx. 1,950 hours

Training Program | **ISO 27001 Professional Training**
Target Audience | **Core IT Personnel (In-depth training)**
Target Performance | **2 sessions (3 hours total) cumulative**

24 attendees
total training hours 36 hours

2025 Overall Information Security Performance

The Company maintained zero cybersecurity incidents in 2025. Through integrated operations—including the ISO 27001:2022 standard transition, social engineering drills, business continuity drills, Multi-Factor Authentication (MFA), and anomaly connection detection—we ensured stable system operations and complete protection of sensitive data.



2025 Information Security Targets and Performance

Management Target	**Management Mechanism**	**2025 Performance**
Prevent Sensitive Data Leakage	Established sensitive data zones; applied firewall and jump host login mechanisms.	Zero data leakage incidents in 2025.
Ensure Uninterrupted System Operations	Conducted annual MES and AD system backup and recovery drills to ensure system availability.	MES recovery drill completed in 1h 55m (RTO target: 2 hours); AD recovery drill completed in 29m (RTO target: 8 hours).
Prevent Hacker Attacks	Established anomalous connection detection and Multi-Factor Authentication (MFA).	Zero unauthorized intrusion incidents.

1.6 Supplier Management

MOLICEL recognizes that the supply chain is a critical foundation for long-term competitiveness and sustainable operations. Viewing suppliers as long-term partners for mutual prosperity, we have established a comprehensive management system covering selection, performance evaluation, capacity building, and sustainability implementation. Through institutionalized review processes, ESG evaluation integration, responsible business conduct demands, and diverse capacity-building activities, we continuously strengthen supply chain resilience, compliance, and sustainability maturity.

Supplier Management System

The Company maintains robust selection, evaluation, and performance management mechanisms for both new and existing suppliers, conducting comprehensive assessments via document reviews and on-site audits. New supplier selection results are categorized into three tiers:

Grade A Qualified high-performance suppliers prioritized for long-term partnership.

B Qualified suppliers provided with improvement recommendations to reach Grade A.

C Below qualification standards; must complete corrective actions before partnership reconsiderations.

Evaluation dimensions cover technical capability, quality, cost, delivery, service, and corporate social responsibility (CSR). ESG indicators are gradually being integrated into supplier selection and evaluation, balancing quality and operational risk management with supply chain sustainability.

Environmental and Social Screening for New Supplier

GRI 308-1、414-1

All new suppliers undergo holistic evaluations via document review and/or on-site audits during onboarding, managed hierarchically by quality, technology, and ESG standards. 100% of new suppliers are screened using environmental and social criteria.

Year	Number of New Suppliers	Percentage Screened using Social / Environmental Criteria
2025	1	100%



Existing Supplier Performance Evaluation

GRI 308-2、414-2

The Company conducts quarterly and annual performance reviews for existing suppliers, covering quality, cost, delivery, service, technical capability, and social responsibility. Grade C suppliers are required to submit corrective action plans within a specified timeframe, triggering special project reviews or on-site audit evaluations depending on the nature and risk level of the issue.

Evaluation Result	Number of Suppliers	Percentage
Grade A (Priority Procurement)	34	Approx.65%
Grade B (Qualified Performance)	18	Approx.35%
Grade C (Needs Improvement)	0	0%
Total	**52**	**100%**

Supplier Code of Conduct and Sustainability Commitment

To continuously strengthen supply chain sustainability governance, the Company fully revised its Supplier Code of Conduct at the end of 2025, outlining baseline requirements across five key dimensions:

Integrity:
Operating business with strict adherence to integrity principles.
Labor & Human Rights:
Complying with international labor standards; prohibiting forced labor, child labor, and any form of discrimination.
Occupational Safety:
Ensuring safe and healthy working environments and implementing occupational accident prevention.
Environmental Protection:
Minimizing environmental impacts and implementing environmental management systems.
Regulatory Compliance:
Adhering to local regulations to ensure supply chain compliance.

The Company has initiated the signing process with existing suppliers; this Code of Conduct will also serve as a mandatory onboarding document and evaluation baseline for prospective suppliers.

Supply Chain Capacity Building and Sustainable Cooperation

In 2025, the Company organized the "Supply Chain Capacity Building Program" to enhance supplier capabilities in quality management, environmental management, and responsible business conduct through educational training, helping them stay aligned with international management trends and build stable, sustainable partnerships. Core training topics included:

ISO 14001 Environmental Management System:
Assisting suppliers in establishing and strengthening environmental management frameworks.
ISO 9001 & ISO 20400 Key Trends:
Enhancing quality management efficiency and introducing sustainable procurement concepts.
ISO 14064 GHG Inventory Standards:
Improving supplier understanding of greenhouse gas accounting and carbon management.
Responsible Business Conduct:
Reinforcing supplier commitment to integrity, compliance, and corporate responsibility.

Simultaneously, the Company utilized the Group's Supplier Sustainability E-Learning Platform to digitize learning resources. Content covers labor conditions, human rights, diversity, equity and inclusion, safety and occupational health, environmental protection, and ethical governance. A dedicated onboarding module helps new suppliers quickly align with our sustainability policies, enhancing overall supply chain maturity and resilience.

Sustainable Procurement

Green Procurement:
Environmental protection principles are integrated into procurement policies. The scope includes eco-labeled products, equipment, and raw materials, as well as items with recycled content, recyclability, energy efficiency, or low-pollution characteristics. Suppliers' environmental performance during manufacturing, usage, and disposal stages—along with their certifications and regulatory compliance documents—serve as key selection criteria.

Low-Carbon Procurement:
Low-carbon procurement concepts are embedded within battery cell manufacturing. This refers to selecting products or processes with superior carbon performance or active carbon reduction measures, provided quality and safety standards are met. Beyond quality, delivery, and technology, carbon management performance is treated as a major evaluation factor, positioning low-carbon suppliers as preferred strategic partners.

Local Procurement:
Localizing the supply chain boosts service efficiency, shortens lead times, reduces transport distances and carbon emissions, and supports local economic development and job creation.

2025 Sustainable Procurement Performance

Procurement Type	Spend (NTD 100 Million)	Percentage of Total Spend
Local Procurement	8.24	25%
Green Procurement	7.01	29%
Low-Carbon Raw Material Procurement	2.97	12%

Responsible Minerals and Hazardous Substance Management

For the lithium-ion battery industry, sustainability encompasses not only downstream low-carbon product applications, but also upstream raw material sourcing, supply chain transparency, and chemical substance management. MOLICEL integrates conflict minerals and hazardous substance controls across procurement, material development, quality control, and EHS processes, establishing a traceable, manageable supply chain responsibility mechanism.

Conflict Minerals Management

Committed to responsible mineral sourcing and supply chain risk management, the Company aligns with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Having completed CMRT and EMRT surveys, key material recovery tracking reached 100%, enhancing information completeness and transparency.

Due Diligence Practices

CMRT / EMRT Surveys:
Conducted Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) surveys for applicable suppliers to enhance supply chain transparency.

Smelter & Refiner Identification:
Compiled and identified smelter and refiner sources to serve as a baseline for supply chain risk assessments, maintaining active tracking of complex or information-deficient supply chains.

RMAP Compliance Tracking:
Monitored the compliance status of identified smelters using independent third-party audit data (such as the Responsible Minerals Assurance Process / RMAP), encouraging suppliers to prioritize RMAP-conformant smelters.

Hazardous Substance Management

Hazardous substance management is collaboratively executed across product lifecycle stages by the EHS, Quality Control (QC), and Material Development departments, establishing a robust chemical management and supplier substance control system.

Management Mechanisms

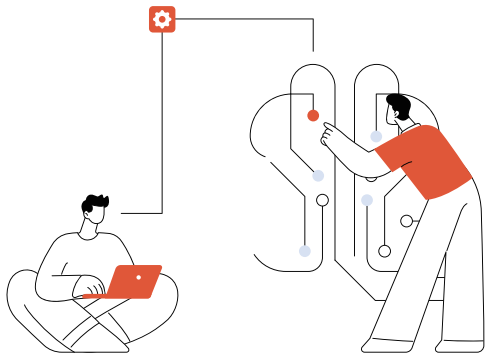
Facility-Wide Chemical Inventory:
Maintained by the EHS department, with restricted and high-concern substances tracked under dedicated control lists.

Raw Material Compliance:
Required suppliers to verify that raw materials comply with RoHS, REACH, and PFAS-free (fluorine-free) requirements.

Product Certification:
Battery products are certified under RoHS and REACH standards prior to market release.

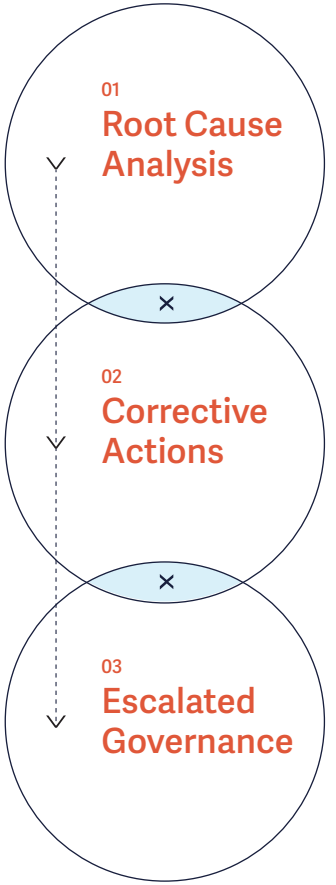
Supplier Hazardous Substance Management Process

During supplier onboarding and routine management, suppliers must provide substance declarations, compliance guarantees, or test reports based on material characteristics and regulatory standards.
The Company periodically conducts unannounced third-party sampling tests and requires valid testing reports. Additionally, internal quality controls execute annual sample testing across product lines.



Non-Compliance Handling Process

If materials or products fail to meet hazardous substance standards during document review, sample testing, or operational use, the Company executes the following protocol:



Require the supplier to submit a formal root cause analysis.

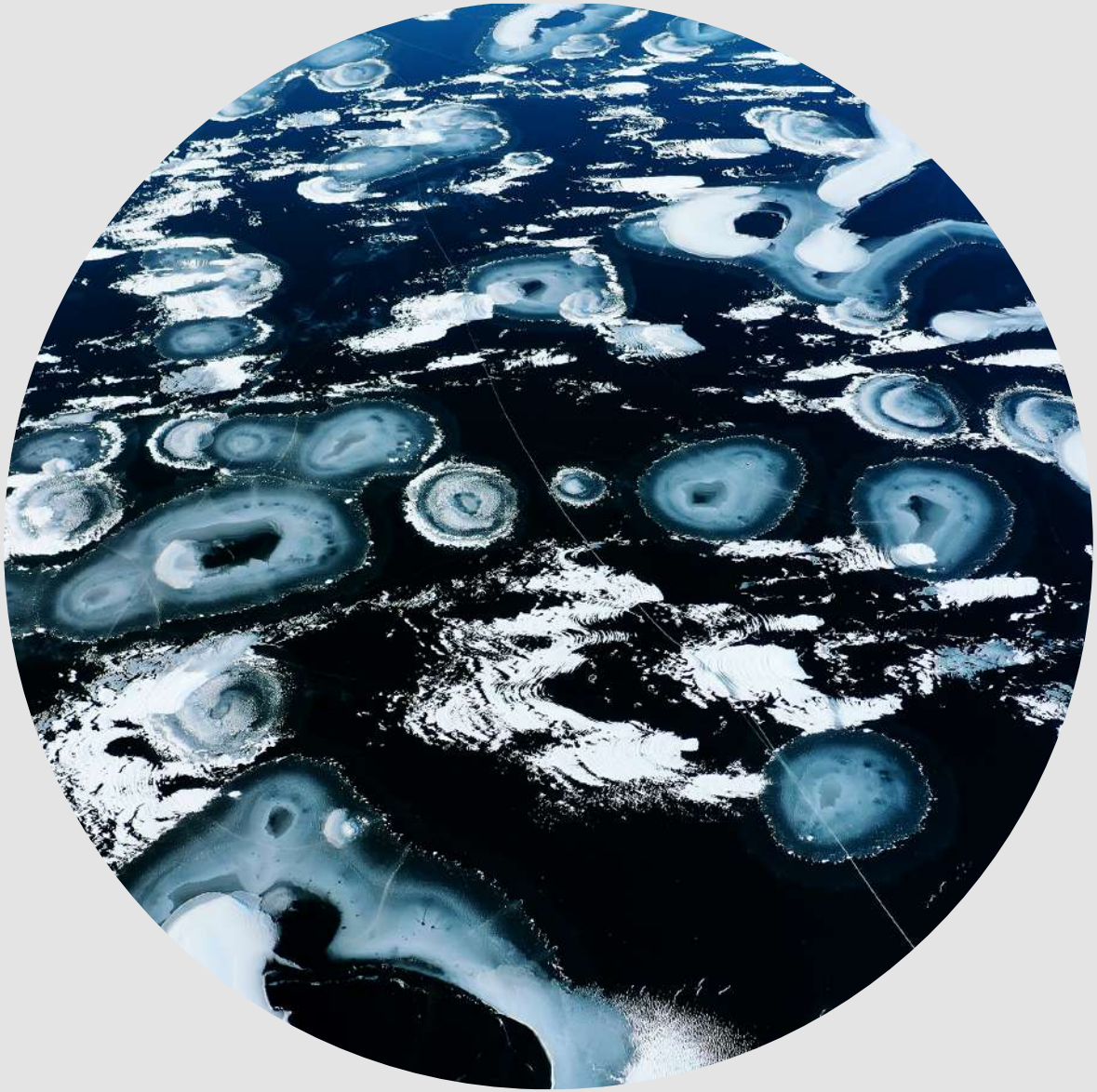
Obligate the supplier to execute corrective actions within a designated timeframe, with continuous tracking of improvement outcomes.

Initiate supplier audits, re-evaluations, or further management sanctions if necessary.

2 Low-Carbon Transformation

45 2.1 Energy Management
48 2.2 Greenhouse Gas Management
50 2.3 Water Resource Management
52 2.4 Waste Management
55 2.5 Climate Change Adaptation

Climate change and energy transition have become the most critical sustainability issues for global industries. As a manufacturer of high-performance lithium-ion batteries, MOLICEL is an essential link in the energy transition supply chain. The Company not only incorporates "low-carbon" principles into its product design philosophy but also implements systematic environmental management across its operations—covering energy, water resources, greenhouse gas (GHG) emissions, and waste—while disclosing climate-related risks, opportunities, and scenario analyses in alignment with the TCFD framework. Facing the operational challenges and market opportunities brought by low-carbon transformation, MOLICEL continuously strengthens environmental management across three dimensions: resource utilization, emissions management, and climate risk governance, serving as a vital foundation for advancing sustainable operations and responding to stakeholder expectations.



2.1 Energy Management

MOLICEL recognizes that as an energy-intensive lithium battery manufacturer, energy management is not merely a tool for reducing operational costs, but a core responsibility in fulfilling its climate action commitments and achieving sustainable development. The Company views energy management as a long-term investment rather than a short-term cost. By synergistically advancing three main pillars—systemic management at the institutional level, performance optimization at the technical level, and total employee participation at the cultural level—we are committed to continuously improving energy efficiency.

Energy Management Systems and Policies

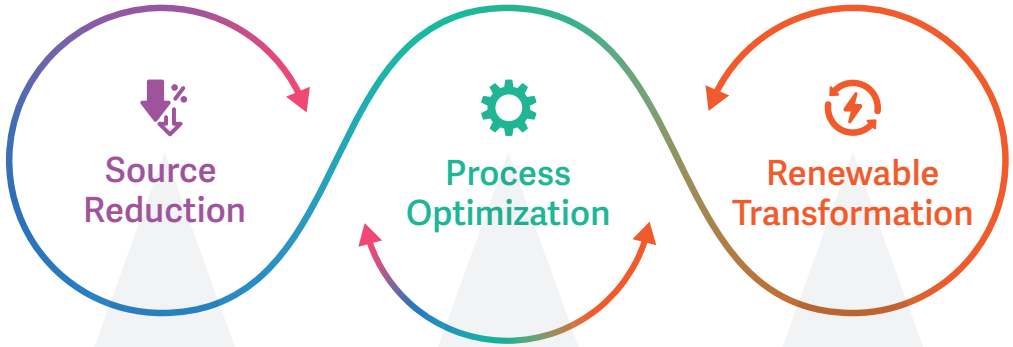
GRI 302-1, 302-3, 302-4

The Company officially introduced the ISO 50001 Energy Management System in April 2024, passed third-party verification to obtain certification on December 1, 2024, and has since maintained valid certification. To implement total employee involvement in energy management, the Company established an Energy Conservation Taskforce, led by the Facilities Department to coordinate cross-de-partmental energy-saving initiatives guided by four core energy policies:

Comply with Energy Regulations: Ensure compliance with energy laws and implement green procurement.
Improve Energy Efficiency: Enhance energy efficiency through equipment optimization and process improvements.
Achieve Energy Targets: Engage total employee participation to achieve annual energy-saving goals.
Implement Energy Systems: Continuously improve performance through management sys-tems.

Three Major Pillars of Energy Management

Energy consumption in lithium battery manufacturing consists primarily of process electricity; thus, the priority of energy management focuses on three directions: "reducing electricity demand, improving electricity efficiency, and transforming electricity structures". Accordingly, the Company built a value chain around three main pillars—"Source Reduction, Process Optimization, and Renewable Transformation"—to reduce demand at the front end, increase efficiency during processes, and expand green energy proportions at the outcome level:



Lowering electricity loads at the source by optimizing process designs, improving equipment energy efficiency, and replacing high-consumption machinery.

Identifying high-consumption links through energy monitoring and analysis, and introducing process improvements to enhance overall energy efficiency.

Increasing the proportion of renewable energy annually, transitioning from purchasing Re-newable Energy Certificates (RECs) to direct power purchase agreements (PPAs) for physical green power to achieve a low-carbon energy structure.

Cultivating a Dynamic Culture of Continuous Improvement

The benefits of energy management cannot be achieved by a single energy-saving project; they are the result of long-term accumulation and continuous refinement. Guided by the Plan-Do-Check-Act (PDCA) cycle of ISO 50001, the Company tightly links annual energy performance reviews, target settings, project execution, and performance tracking. By using each year's results as the baseline for the following year's planning, we establish a sustainable culture of continuous improvement, preventing energy-saving initiatives from becoming one-off investments.

Two-Way Link Between Energy Management and Climate Action

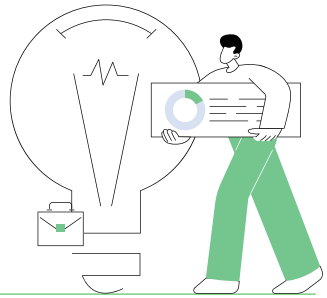
For MOLICEL, energy management and greenhouse gas reduction represent two sides of the same coin. The Company reduces Scope 2 emissions by improving electricity efficiency and gradually converts the remaining power structure to low-carbon energy sources through green power purchases and RECs. This dual-track approach makes energy management a direct action toward reducing carbon emissions, supporting the Company's long-term low-carbon operational goals.

Energy Management Targets and 2025 Performance

The Company sets an annual energy-saving target of >1% and established 2025 as the base year to achieve a 5% carbon reduction target. Through concrete energy-saving projects, the Company achieved an 8.41% energy-saving performance in 2025.

2024–2025 Raw Energy Consumption Data

	Raw Usage	
Energy Category	**2024**	**2025**
Non-Renewable Energy		
Diesel (Thousand Liters)	689.5	520.1
Gasoline (Thousand)	0	0
Natural Gas m^3	1,953,762	1,799,029
Purchased Electricity (GWh / Million kWh)	46.891600	44.894360
Renewable Energy (kWh)	0	643,000



2024–2025 Total Energy Consumption

	Energy Consumption (GJ)		Percentage	
Energy Category	**2024**	**2025**	**2024**	**2025**
Total Non–Renewable				
- Diesel	24.931	18.793	0.01%	0.01%
- Gasoline	0	0	0%	0%
- Natural Gas	70,828.095	68,350.356	29.55%	29.72%
- Purchased Electricity	168,808.320	159,304.896	70.44%	69.27%
Total Renewable	0	2,314.800	0%	1.01%
Total Energy Consumption	239,661.346	229,988.845		
Energy Intensity - Revenue	54.308	59.831		
Energy Intensity - Output	4.591	4.109		

Notes:
1.Operating Revenue: NTD 4,413 million in 2024; NTD 3,844 million in 2025.
2.Production Volume: Approx. 52,202.139 Ku in 2024; approx. 55,979.243 Ku in 2025 (Ku = thou-sand cells).
3.Data collection covers the Tainan Plant only. The Taipei Office conducts general administrative operations in a leased space without independent utility me-ters; its consumption is allocated by the building and difficult to calculate precisely, hence ex-cluded from this scope.

Key Energy-Saving Initiatives

Added Steam Coils to MAU401/MAU402

Power Saving
4.99%

Steam coils were added to the Make-up Air Unit (MAU) systems to utilize existing plant steam heat for fresh air heating and dehumidification. This replaced electric condensation reheating, significantly reducing the system's power load while maintaining air conditioning quality.

Converted CDA#3 to Water Cooling & Shut Down 500HP Compressor

Power Saving
2.81%

Converted the cooling method of the Compressed Dry Air system (CDA#3) from air-cooled to chilled-water-cooled, improving heat exchange efficiency. Operational optimization allowed the continuously running 500HP compressor to switch to standby mode, cutting high-power equipment consumption.

Installed VFDs on Chilled/Cooling Water Pumps #3 and #4

Power Saving
0.61%

Variable Frequency Drives (VFDs) were installed on Chilled Water and Cooling Water Pumps #3 and #4 to automatically adjust motor frequencies according to actual cooling demand. This prevents energy waste caused by constant full-load operation and lowers pump power con-sumption during partial load periods.



2.2 Greenhouse Gas Management

MOLICEL fully introduced the ISO 14064-1:2018 standard in 2023 to establish organizational-level GHG inventory and verification mechanisms, obtaining third-party verification statements. In 2025, MOLICEL expanded its inventory scope to Scope 3, using updated GHG Protocol categories for detailed accounting to fully understand its value chain carbon footprint.

GHG Inventory System

GRI 305-1, 305-2, 305-3, 305-4, 305-5

In response to global corporate disclosure trends, MOLICEL transitioned its verification framework from ISO 14064-1:2018 to the GHG Protocol in 2025, setting 2025 as the new base year to re-establish organizational carbon inventories, reduction goals, and long-term carbon pathways. Precision Machinery Research & Development Center (PMC) served as the independent third-party auditor to conduct Scope 1, Scope 2, and Scope 3 inventories under the GHG Protocol Corporate Standard. Scope 1 and Scope 2 achieved reasonable assurance, while Scope 3 received limited assurance.



2025 GHG Emissions (Scope 1 + Scope 2)

Unit: metric tons CO_2e/metric tons COe per NTD Million

Scope 1	4,656.7730
	7.2%
Scope 2	20,975.1446
	32.5%
Scope 3	38,974.2866
	60.3%
Total	**64,606.204**
Scope 1 + Scope 2 Total	25,631.9176
2025 Revenue (NTD Million)	**3,844**
Emissions Intensity (tCO_2e / NTD Million)	**6.6680**
2025 Production Volume (Ku)	**55,979.243**
Emissions Intensity (tCO_2e / Ku)	**0.4579**

1.Operational control approach used; scope covers STSP Plant.
2.Gases included: CO_2, CH_4, N_2O, HFCs.
3.Global Warming Potential (GWP) values sourced from the IPCC Sixth Assessment Report (AR6 2021).
4.Scope 1 direct emission factors referenced from CPC Corporation (Yung-An LNG Plant) & IPCC 2021 AR6 (Natural Gas), and MOENV & IPCC 2021 AR6 (Diesel).
5.Scope 2 electricity emission factor referenced from the Energy Administration, MOEA (2025 published factor: 0.474 kg CO_2e/kWh).
6.The Company has no Ozone-Depleting Substances (ODS) emissions (GRI 305-6) and no signifi-cant NOx or SOx air emissions (GRI 305-7).

Scope 3 Breakdown (2025 GHG Protocol Inventory)

GHG Protocol Scope 3 Category		**2025 Emissions** (metric tons CO_2e)
3.1	Purchased Goods and Services	31,657.2721
3.3	Fuel- and Energy-Related Activities	5,919.5951
3.4	Upstream Transportation and Distribution	298.4855
3.5	Waste Generated in Operations	252.2422
3.6	Business Travel	88.1565
3.9	Downstream Transportation and Distribution	758.5352
Total		**38,974.2866**



Carbon Fee Mitigation and Voluntary Reduction Plans



To accelerate low-carbon transformation, the Ministry of Environment (MOENV) began collecting carbon fees from high-emission and heavy electricity-using facilities in 2025. Ahead of the carbon fee implementation, MOLICEL conducted comprehensive site-wide emission inventories and planned reduction measures to act as a responsible corporate citizen.

The Company proactively submitted a Voluntary Carbon Reduction Plan to the MOENV. Utilizing measures such as adding steam coils, applying pump coatings, installing VFDs, and adopting green power, the Company aims to achieve the technical benchmark reduction rate. Between the base year (2022) and the target year (2030), MOLICEL expects to reduce emissions by at least 1,951.48 metric tons CO_2e.

As of the publication date of this report, the Voluntary Reduction Plan was officially approved by MOENV in 2026, allowing the Company's carbon fee rate to be reduced from the standard rate of NTD 300/tCO_2e to the preferential rate of NTD 100/tCO_2e. Under MOENV standards, MOLICEL's 2025 taxable emissions stood at 25,513.951 tCO_2e, resulting in an actual carbon fee of NTD 51,395—a cost savings of NTD 102,790 compared to the general rate.

2.3 Water Resource Management

MOLICEL recognizes water as an indispensable shared natural resource. Operating within the Southern Taiwan Science Park, our water usage is closely linked to the local ecosystem. We view water stewardship as a core environmental responsibility, implementing systematic management across four phases: withdrawal, usage, conservation, and discharge. Guided by the principles of "reduction, recycling, and compliant discharge," we continuously improve water efficiency to maintain a sustainable co-existence with the local ecosystem.

Interactions with Water as a Shared Resource

GRI 303-1

MOLICEL relies 100% on third-party municipal water provided by the Taiwan Water Corporation. The Company does not withdraw groundwater, surface water, seawater, or industrial water, avoiding direct impacts on natural water bodies and aquifers.

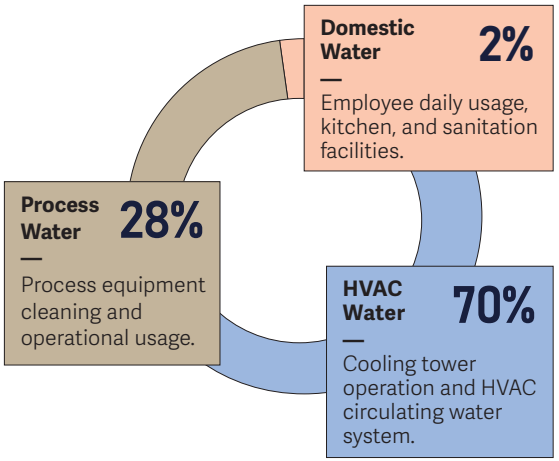
Although MOLICEL accounts for less than 1% of the total water usage in STSP, we actively support park-wide management mechanisms:

Aligning with STSP Water Warning Signals:
Adjusting plant water usage modes in real time based on official drought warning alerts to execute emergency response procedures.

Promoting Park-Wide Efficiency:
Reducing burden on local infrastructure through internal conservation initiatives and wastewater management.

Plant Water Consumption Breakdown

In 2025, plant water consumption was primarily attributed to HVAC and cooling systems:



MOLICEL prioritizes conservation in high-consumption operations (HVAC, cooling towers, process cleaning) using daily usage analytics, equipment adjustments, and water recycling to lower overall withdrawal demand.

Water Conservation Initiatives and Achievements

In 2025, MOLICEL reduced its annual water consumption by 14% through daily water usage analysis and real-time water management mechanisms. Specific initiatives include:

Conservation Project
Steam Recovery & Leak Repair
Improvement Measures | Improved steam recovery efficiency and repaired pipeline leaks to boost heat recovery and water efficiency.
Conservation Benefit | **Reduced boiler water usage by 3%**
Process Water Saving (UV Disinfection)
Improvement Measures | Installed UV sterilization in cleaning processes to reduce water replacement frequency and cleaning demand.
Conservation Benefit | **Reduced total plant water usage by 6%**
Cooling Tower Conductivity Optimization
Improvement Measures | Increased operating conductivity from 1700 μS/cm to 1800 μS/cm and reduced operational frequency to minimize drift losses.
Conservation Benefit | **Decreased water usage by 4.76%**
Process Wastewater Recycling
Improvement Measures | Reused process wastewater in HVAC circulating systems.
Conservation Benefit | **Recycled approx 10 m^3 per day**

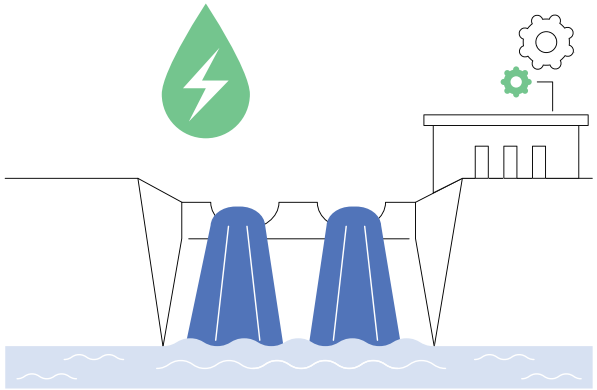
Wastewater Management

GRI 303-2, 303-4

Operational wastewater consists of cooling tower discharge, domestic sewage, and process cleaning wastewater. All wastewater undergoes equalized pre-treatment on-site to meet standard discharge limits before being routed to the STSP Wastewater Treatment Plant for final treatment and managed discharge.

Effluent Quality Monitoring

The Company conducts regular water testing per regulatory mandates. Both sampling tests in 2025 fully complied with all 23 regulated parameters, recording zero discharge violations.



Water Usage Statistics

GRI 303-3, 303-4, 303-5

In 2025, total water consumption decreased by 10.928 million liters (a 14.0% reduction compared to 2024). MOLICEL continues to lower withdrawal and consumption requirements via data tracking, process conservation, cooling optimization, and recycling.

Unit: Million Liters / ML

Metric	2024	2025	Change
Water Withdrawal (Third-party municipal water)	131.616	115.632	–15.984 (–12.1%)
Water Discharge (Third-party STSP WWTP)	53.572	48.516	–5.056 (–9.4%)
Water Consumption	78.044	67.116	–10.928 (–14.0%)

Notes:
1.Water withdrawal is 100% municipal tap water; no groundwater, surface water, or seawater is used.
2.Water discharge goes entirely to a third-party destination (STSP Wastewater Treatment Plant).
3.Water Consumption = Water Withdrawal - Water Discharge.
4.Scope covers the STSP Plant only; the leased Taipei Office space is excluded due to shared building billing.

Water Targets and Future Plans

Although MOLICEL accounts for under 1% of STSP's total water consumption, we operate under the principle of "maximizing finite resources". Future focus areas include:

Evaluating Reusable Wastewater:
Inventorying plant discharge streams to assess recycling feasibility and establish closed-loop systems.

Routing Process Rinses to Cooling Towers:
Directing process cleaning water into cooling tower cycles to expand recycling scope and improve overall recovery rates.

Aligning with Science Park Water Management:
Continuing full compliance with STSP drought warning protocols during water shortages to protect regional resource sustainability.

2.4 Waste Management

In accordance with the Waste Disposal Act and ISO 14001 Environmental Management System requirements, MOLICEL has established structured management mechanisms for waste classification, recording, storage, outsourced transport, and treatment. The Company periodically reviews waste generation and disposal conditions. Through source reduction, sorting management, and resource recycling, we work to minimize environmental impacts. All waste streams are handled by licensed vendors using recycling, incineration, or landfilling based on material characteristics.

Guided by core management principles, MOLICEL prioritizes the reuse of recyclable materials. Packaging, metals, production scrap, and timber with resource value are directed into recycling or remanufacturing pipelines. For instance, waste wooden pallets and crates are shredded and utilized as biomass fuel for gasification power generation; waste bulk bags (super sacks) are recycled and converted into plastic pellets; and high-value scrap metals—including spent batteries, copper, aluminum, and iron—are individually recovered and recycled. Through these practices, the Company continuously improves resource efficiency and reduces final disposal volumes destined for incineration or landfills.

Waste Generation and Management Process

GRI 306-1 306-2

MOLICEL's waste originates primarily from manufacturing operations, raw material packaging, logistics transportation, and daily facility operations. Waste is classified into hazardous industrial waste and general industrial waste based on material properties, with appropriate disposal methods arranged accordingly. Under current statistical scopes, plant-level domestic refuse cannot be fully segregated from operational waste; therefore, both are managed and reported collectively under general industrial waste.



Waste Management Lifecycle

Lifecycle Stage	Key Management Focus
Raw Materials & Production	Manage material usage at the source; evaluate applications for recycled raw materials and recyclable packaging.
Waste Generation	Categorize process scrap, packaging, wood, metals, and general operational waste by material characteristics.
Sorting & Storage	Segregate hazardous industrial waste, general industrial waste, and recyclable resources; maintain compliant storage and records.
Resource Circularity	Recover black mass from cathode scrap to remanufacture raw materials; process bulk bags into secondary resin pellets; route waste wood to energy recovery; re-segregate mixed waste to lower disposal volume.
Final Disposal	Entrust remaining non-recyclable waste to certified vendors for resource reuse, incineration, or landfilling.

Source Reduction and Resource Circularity Initiatives

MOLICEL advances multiple reduction and recycling projects tailored to specific waste characteristics. Through process optimization, enhanced sorting, and material reuse, we reduce waste removal volumes and disposal costs while maximizing resource value.

Project	Content and Achievements
Waste Slurry Re-Segregation Treatment	Plant-level waste slurry was originally outsourced for treatment at NTD 66/kg. Due to solid slurry sedimentation, vendor processing capacity was severely limited. The Company introduced solid-liq-uid separation via dewatering, achieving a **40% reduction in waste slurry volume**. Following dewatering of water-based slurry, liquid components are treated via coagulation and sedimentation, reducing waste slurry output by an average of **3,852 kg per month**. Physical processing successfully recovered **69.33 metric tons of carbon**, driving down removal costs from **NTD 66/kg to NTD 16/kg**.
Separation of Waste Aluminum Foil Bags and Carbon Powder Packaging	Raw material packaging utilizes multi-layer laminated aluminum foil bags and composite carbon bags to ensure light shielding, moisture resistance, and anti-static protection. The Company intro-duced separate collection for these bags (annual output approx. 4,440 kg), reducing mixed plastic waste volume by **40%** and cutting disposal costs from **NTD 46/kg to NTD 15/kg**. Future evaluations will explore aluminum-plastic separation technology to facilitate independent re-cycling of regenerated plastics and aluminum.
Battery Cathode Scrap Valorization	Battery cathode scrap undergoes chemical extraction to refine black mass, which is synthesized back into cathode material precursors, reducing prima-ry raw material consumption. In 2025, approximately **145.9 metric tons** of cathode scrap were processed, yielding **109.4 metric tons** of recovered black mass—achieving a **75% recovery rate**.
Waste Bulk Bag (Super Sack) Recycling	Woven fiber bulk bags used for raw material pow-ders are collected and reprocessed into secondary plastic pellets (approx. **5,310 kg annually**). This initiative lowered the output of hazardous chemi-cal-contaminated mixed waste by **40%**, reducing disposal costs from **NTD 46/kg to NTD 10/kg**.
Waste Timber Recovery and Energy Valorization	The plant generates approximately **5,572 kg** of waste wooden pallets and crates monthly. These are sent to vendor facilities for gasifica-tion power generation, producing an estimated **83,575 kWh of electricity annually** for indus-trial park usage. Gasification biochar is further reprocessed into solid recovered fuel, enhanc-ing the circular value of timber resources.
Copper Foil Substrate Recycling	Copper foil substrates have been integrated into material recovery and recycling frameworks, with management practices continuously evaluated for optimization.

Waste Generation and Disposal Performance

GRI 306-3, 306-4, 306-5

In 2025, MOLICEL generated a total of 717.7829 metric tons of waste, representing an increase of 26.5929 metric tons compared to 691.19 metric tons in 2024. Resource recycling and reuse served as the primary disposal pathway in 2025, accounting for 69.6% of total waste, followed by incineration (29.1%) and landfilling (1.3%). Overall, resource recovery remains the core direction of the Company's waste management strategy as we systematically divert usable materials from final disposal.

Waste Generation and Disposal Breakdown (Unit: Metric Tons)

Waste Category	Final Disposal / Treatment Method	**2024**	**2025**
Hazardous	Off-site Landfill	3.66809	2.948
Industrial Waste	Off-site Incineration	7.7	13.11
General	Off-site Incineration	234.936	195.8976
Industrial	Off-site Landfill	–	6.49
Waste	Off-site Reuse & Recycling	444.886	499.3373
	(incl. general waste)	**691.19**	**717.7829**
Total Waste Volume —			

Notes:
1.All weight figures are presented in metric tons.
2.Plant domestic refuse cannot currently be isolated from manufacturing waste; thus, both are aggregated under general industrial waste statistics.

Major recycled materials in 2025 included empty chemical containers, bulk bags, waste wood, paper, plastics, ABS resins, scrap iron, aluminum foil pouches, spent dry batteries, copper, and aluminum. Segregated collection and certified third-party recycling continue to boost our circular utilization rate while cutting total mixed waste volumes.

Future Roadmaps for Waste Management

The Company will continuously strengthen waste reduction at the source and diversify resource recycling channels through the following strategic focus areas:

Deepening Source Reduction

Optimizing existing reduction initiatives and exploring process modifications to minimize waste generation during raw material procurement and process design stages.

Refining Segregation Precision

Further segregating previously mixed waste streams to unlock higher recovery values, such as evaluating aluminum-plastic separation for foil packaging.

Advancing Battery Circular Economy

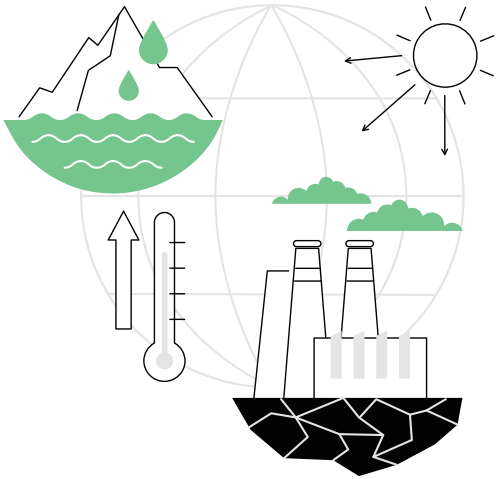
Aligning with the EU Battery Regulation by deepening closed-loop circular economy models (black mass recovery→ cathode precursors→cathode active materials) to build product competitiveness with a low-carbon footprint advantage.

Strengthening Downstream Vendor Collaboration

Deepening technical partnerships with downstream recyclers to co-develop innovative pro-cessing technologies, enabling broader waste categories to enter the circular economy eco-system.

2.5 Climate Change Adaptation

MOLICEL aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework across four core pillars—Governance, Strategy, Risk Management, and Metrics & Targets—to disclose climate-related impacts, management strategies, and operational results.
Facing regulatory mandates, shifting market demands, and operational challenges driven by climate change, the Company continuously evaluates climate risks and opportunities within its core management processes. Through scenario analysis, risk identification, carbon reduction target-setting, and performance tracking, we progressively strengthen climate governance to inform business decisions, support low-carbon transformation, and guide product development.



Governance

The Board of Directors serves as the highest governing authority for major business operations and risk management at MOLICEL. Climate-related issues are integrated into Board meetings or executive governance discussions based on their material impact on operations, financial performance, regulatory compliance, and stakeholder expectations. At least once a year, executive management reports to the Board on climate risk and opportunity management, GHG inventories, carbon reduction target progress, and TCFD disclosure milestones, ensuring high-level oversight of climate topics.
At the management level, the President supervises strategic climate directions and leads decision-making and cross-departmental coordination regarding major decarbonization actions and resource allocation. The Sustainability & Environment Department coordinates data aggregation, target tracking, and information disclosures, while orchestrating relevant departments to execute GHG inventories, product carbon footprint (PCF) assessments, scenario analyses, and TCFD report preparation. Progress and material outcomes are reported to executive leadership and escalated to the Board when necessary, serving as strategic reference points for reviewing climate risk resilience, carbon reduction initiatives, and low-carbon transformation goals.

Strategy

Climate change exerts multifaceted impacts across MOLICEL's operations, product roadmap, supply chain management, and financial planning. Guided by the TCFD disclosure recommendations, the Company evaluates potential short-, medium-, and long-term impacts of climate risks and opportunities on business models, operational strategies, and financial performance. The assessment results inform resource allocation, carbon mitigation plans, and low-carbon product innovation.
Risk Dimension: The Company monitors both physical risks and transition risks. Physical risks encompass potential disruptions to manufacturing operations, supply chain stability, and fa-cility safety caused by extreme weather events or water shortages. Transition risks include emerging regulatory mandates, shifting market demand, low-carbon technology develop-ments, customer expectations, and brand reputation management. Through formal climate risk identification procedures, the Company identifies risks and opportunities across business activities and evaluates their likelihood, impact severity, and potential financial implications.
Opportunity Dimension: The Company capitalizes on market opportunities driven by global energy transitions and electrification trends, which boost demand for high-performance lithi-um-ion batteries. Strategic considerations include product performance enhancements, low-carbon design, product carbon footprint management, and supply chain decarbonization. By utilizing risk prioritization matrixes and scenario analyses, MOLICEL systematically enhances operational resilience, refines low-carbon transformation strategies, and strengthens overall product competitiveness.

1. Physical Risk Mitigation Countermeasures

Risk Type	Risk Identification	Risk Category / Dimension	Operational Impact	Risk Level	Mitigation Countermeasures
Acute Physical Risk	Tropical Cyclones (Typhoons)	Immediate	ImmediateIncreasing typhoon intensity and rainfall pose risks of power outages, flooding, and logistics disruptions. Because manufacturing processes are sensitive to environmental controls, unscheduled downtime causes work-in-progress scrap, equipment damage, and delivery delays, impacting customer trust.	Medium-Low	• Improve emergency power supply circuits. • Adjust HVAC and non-essential power loads. • Install backup gas generators. • Maintain generator operations, using grid power solely for energy storage. • Use energy storage backup and cross-plant capacity dispatch.
	Extreme Temperature Changes	Immediate	Rising heatwave frequency and intensity increase operational loads on plant HVAC, cooling towers, and process cooling systems, driving up electricity/water costs and accelerating equipment aging. Temperature-sensitive steps like formation and aging face higher thermal runaway and quality defect risks.	Medium-Low	• Implement ISO 50001 Energy Management System. • Execute energy-saving projects for HVAC and cooling systems. • Increase cooling tower conductivity to conserve water. • Prioritize upgrading high-water-consuming cooling systems.
	Extreme Rainfall and Drought	Immediate	Rainfall patterns are becoming extreme, leading to short-duration intense rainfall flooding or prolonged droughts that deplete reservoirs. As a major water consumer, severe water rationing forces production curtailment, directly reducing shipment volumes.	Medium-Low	• Establish a three-stage drought emergency response mechanism. • Increase conductivity and extend water replacement cycles during early drought stages. • Implement zoned water supply and storage systems during rationing. • Activate water truck hauling during full supply cutoffs. • Align with Science Park drought warning protocols.
Chronic Physical Risk	Changes in Mean Temperatures	Long-Term	Long-term increases in annual mean temperatures elevate baseline annual loads on HVAC and process cooling, raising electricity costs and equipment replacement frequencies. Thermal stress risks for outdoor personnel increase, forming accumulated hidden costs.	Medium-Low	• Plan process cleaning water recycling. • Continuously refine energy management via PDCA cycles. • Evaluate rooftop solar PV expansion. • Promote AI smart manufacturing to lower unit energy consumption. • Implement ISO 45001 and strengthen occupational health management.

1. Physical Risk Mitigation Countermeasures

Risk Type	Risk Identification	Risk Category / Dimension	Operational Impact	Risk Level	Mitigation Countermeasures
Chronic Physical Risk	Water Stress	Long-Term	Southern Taiwan is classified as a high water-stress region. Long-term water scarcity will drive up utility rates and force investments in alternative water solutions. Competing with neighboring industrial consumers for limited water resources poses structural challenges to operational continuity.	Medium-Low	• Rely 100% on third-party municipal water supply. • Align with Science Park drought warning protocols. • Execute steam recovery and pipeline leak repairs. • Apply UV process sterilization and cooling tower water conservation. • Recycle process wastewater into cooling loops.

2. Transition Risk Mitigation Countermeasures

Risk Type	Risk Identification	Risk Category / Dimension	Operational Impact	Risk Level	Mitigation Countermeasures
Policy & Legal	Carbon Pricing	Transition / Legal	Global carbon pricing adoption and Taiwan's carbon fee impose direct carbon liabilities, while the EU CBAM passes upstream raw material costs downstream. Without early decarbonization pathways, carbon fees and supply chain carbon costs will accumulate annually.	Medium-Low	• Implement ISO 50001 to achieve energy-saving goals. • Expand GHG accounting to Scope 3. • Sign supply chain decarbonization agreements with suppliers. • Incorporate green/low-carbon principles into procurement policies.
	Product Labeling Regulations & Standards (Product Carbon Footprint)	Transition / Legal	The EU Battery Regulation mandates Product Carbon Footprint (PCF) disclosures and Digital Battery Passports. With core products distributed in Europe, failure to establish PCF accounting and digital disclosure frameworks will result in market entry disqualification.	High	Prepare for Digital Battery Passports by: • Completing ISO 14067 PCF accounting for core battery cells. • Setting and executing PCF reduction targets. • Aligning LCA methodologies with EU Battery Regulation rules. • Establishing PCF / LCA / EPD management mechanisms.
	Renewable Energy Regulations	Transition / Legal	The Renewable Energy Development Act mandates major electricity users to fulfill renewable obligations, with 2026 serving as the primary compliance deadline. Both plant facilities qualify as major users. Renewable power has shifted from a compliance requirement to a prerequisite for international customer orders.	Medium-High	• Install onsite solar PV generation systems. • Expand energy storage for self-consumption green power. • Sign power purchase contracts with Taipower and join tenders. • Continuously raise the proportion of renewable energy. • Evaluate green power wheeling agreements and REC purchases.

2. Transition Risk Mitigation Countermeasures

Risk Type	Risk Identification	Risk Category / Dimension	Operational Impact	Risk Level	Mitigation Countermeasures
Technology	Demand for Low-Carbon Products and Services	Transition / Technology	Climate imperatives accelerate the commercialization of alternative technologies like solid-state, sodium-ion, and LFP batteries. Breakthroughs in energy density, safety, or cost could displace ternary lithium product portfolios in specific applications, diminishing competitiveness.	Medium-High	• Continuously elevate energy and power density. • Enhance product cycle life prediction accuracy. • Launch next-generation high-performance battery cells. • Obtain energy storage safety certifications. • Promote low-carbon raw material utilization. • Conduct secondary material source validation.
Market	Shifts in Customer Behavior	Transition / Market	Net-zero transition has become a supply chain mandate. International clients integrate ESG performance into procurement and vendor evaluations. Failure to respond to sustainability disclosures and decarbonization commitments risks audit point deductions, loss of orders, or failed biddings.	Medium-High	• Sign carbon reduction agreements with suppliers. • Enforce conflict mineral and hazardous substance management. • Promote supply chain localization to reduce transport emissions. • Expand Scope 3 inventory to cover transportation. • Systematically disclose performance per international standards. • Strengthen market positioning in high-end applications.
	Climate-Induced Changes in Natural Resources	Transition / Market	Lithium, nickel, and cobalt origins are concentrated in climate-sensitive areas, exposing them to supply disruptions and extreme price volatility. This inflates procurement costs, disrupts production schedules, and complicates supply contract hedging.	Medium-High	• Validate secondary raw material sources to diversify supply. • Diversify supply chains and optimize production dispatch. • Maintain strategic safety stocks of critical raw materials. • Implement chemical extraction recycling for cathode scrap.
Reputation	Reputational Damage	Transition / Reputation	Environmental and social performance face heightened scrutiny. Any environmental incident, misstated carbon disclosure, or human rights flaw spreads rapidly via media and ESG rating agencies. This impairs customer trust, investor evaluations, and recruitment or financing terms.	Medium-High	• Establish closed-loop recycling models and increase recycled content. • Execute ISO 14001 and ensure dual-track legal compliance. • Integrate conflict minerals and hazardous substance management. • Strengthen anti-bribery and IP protection training. • Establish multi-channel labor-management communication. • Systematically disclose performance per international standards.

3. Climate Opportunity Responses

Opportunity Type	Opportunity Identification	Opportunity Category / Dimension	Operational Impact	Opportunity Level	Strategic Countermeasures
Resource Efficiency	Recycled Materials	Resource Efficiency	The EU Battery Regulation mandates recycled content minimums for cathode metals. MOLICEL possesses chemical extraction recycling capabilities for cathode scrap, reducing reliance on virgin ores, lowering carbon footprints, and creating competitive cost advantages.	Medium-High	• Chemically extract black mass from cathode scrap for reuse. • Apply solid-liquid separation to reduce waste slurry. • Reprocess waste bulk bags into secondary plastic pellets. • Utilize waste timber for gasification power generation. • Establish closed-loop recycling pathways. • Partner with suppliers to build recycling infrastructure.
	Water Resource Usage	Resource Efficiency	Water efficiency is a key metric in customer ESG audits and government water allocation. Ongoing water conservation lowers utility and wastewater expenses, boosts drought resilience, and secures bonus points in client evaluations.	Medium-High	• Improve steam recovery and repair pipeline leaks. • Apply UV process sterilization to conserve water. • Increase cooling tower conductivity operating parameters. • Route process wastewater into HVAC circulating systems. • Build real-time water consumption management systems. • Plan process cleaning water recycling loops.
Energy Source	Low-Carbon Energy	Energy Source	The global shift toward renewable energy is irreversible, with international clients setting higher green power ratios. Securing green power serves as a prerequisite for high-end orders while hedging against carbon fees and tariff hikes.	Medium-High	• Install onsite solar PV generation systems. • Expand energy storage to construct self-consumption networks. • Sign power purchase contracts with Taipower and join tenders. • Continuously raise the proportion of renewable energy. • Evaluate rooftop solar PV expansion. • Leverage green energy synergies within the TCC Group Holdings Co., Ltd. (TCC) Group.
Products & Services	Low-Carbon Products or Services	Products & Services	The Company's products inherently serve as climate solutions; high-power cells drive hypercars, eVTOLs, drones, and BBUs. As transport and grid systems electrify, target markets grow exponentially, aligning core business growth with climate action.	High	• Deploy product strategies across P/S/X/PX series. • Elevate energy and power density parameters. • Expand product adoption into cloud BBU markets. • Secure thermal runaway safety certifications for storage systems. • Complete PCF accounting for core battery cells. • Promote cross-industry circularity for low-carbon materials.

3. Climate Opportunity Responses

Opportunity Type	Opportunity Identification	Opportunity Category / Dimension	Operational Impact	Opportunity Level	Strategic Countermeasures
Products & Services	Adaptation and Solutions	Products & Services	Extreme weather threatens grid stability, surging demand for backup power and distributed energy storage. The high-safety, long-life S Series cells enter cloud BBU markets, serving as vital infrastructure for grid resilience.	Medium-High	• Promote the S Series for cloud BBU applications. • Improve charge/discharge efficiency of BBU cells. • Secure thermal runaway safety certifications for storage systems. • Advance high-capacity, high-wattage battery cells. • Participate in Taipower energy storage tenders to stabilize the grid.
	Shifts in Customer Behavior	Products & Services	Net-zero commitments drive corporate procurement of low-carbon solutions, accelerating electrification in data centers, aerospace, and commercial vehicles. High-power cells offer advantages in density, fast charging, and lightweighting, enabling market expansion.	High	• Focus strategic expansion on high-end application markets. • Establish partnerships with leading international corporations. • Deepen market presence in AI server BBU sectors. • Address emerging applications like eVTOLs and drones. • Cover high-end applications through four core cell series.
Market	New Commercial Revenue	Market	The convergence of climate goals and digitalization accelerates growth in AI data centers, eVTOLs, and electric heavy machinery. These applications demand extreme power, lifespan, and safety—strengths where traditional battery plants face high entry barriers.	High	• Deploy the S Series for cloud and AI infrastructure scenarios. • Drive BBU shipments to build revenue streams. • Deepen market presence in AI server BBU sectors. • Dynamically evaluate overseas investment opportunities. • Construct low-carbon supply chains to reinforce competitiveness.
Resilience	Energy Efficiency Improvements	Resilience	Energy efficiency represents the most direct pathway to concurrently reduce power bills, carbon fees, and Scope 2 emissions. Sustained efficiency gains provide immediate cost savings, enhance resilience against carbon fee increases, and meet client requirements.	Medium-High	• Implement ISO 50001 Energy Management System. • Build on three pillars: Source Reduction, Process Optimization, Renewable Transformation. • Execute multiple equipment energy-saving projects. • Implement AI smart manufacturing to improve yields. • Track energy-saving performance via PDCA cycles.

Risk Management

MOLICEL aligns with the TCFD Risk Management framework by integrating climate-related risks and opportunities into its established operational management processes. The Sustainability & Environment Department coordinates climate data consolidation, risk identification, target tracking, and information disclosure. It works alongside EHS, Facilities, R&D, Procurement, and relevant functional units to evaluate climate-impacted management scope within their respective areas.

For risk identification and assessment, the Company aggregates climate topics based on operational realities, regulatory trends, client requests, and facility requirements. Initial evaluations measure potential impact, likelihood, and threats to business continuity. For material risks, cross-departmental teams evaluate scenarios, operational impacts, mitigation measures, and necessary resource allocations to guide management actions and improvement plans.

In scenario analysis, the Company simulates operational resilience scenarios addressing power supply interruptions and severe water shortages. Simulations examine the impacts on production scheduling, backup power, water dispatch, and emergency response costs. Findings inform measures including electrical system upgrades, non-essential power adjustments, backup generation, water conservation, onsite storage, and emergency water-hauling protocols.

For tracking and reporting, the Sustainability & Environment Department aggregates climate initiatives, target achievement progress, and significant management outcomes. Reports are presented to executive leadership based on issue significance and escalated to the Board or executive governance meetings as necessary. Through cross-departmental collaboration, scenario analysis, and performance tracking, the Company continuously reviews climate risk impacts, applying findings to guide energy management, water stewardship, GHG accounting, PCF evaluations, and low-carbon transformation roadmaps.



Metrics and Targets

The Company establishes quantitative climate targets across a dual-track framework—covering both product-level carbon footprints and plant-level emissions—and tracks annual progress toward these goals.

Target Category	Specific Target Objective	Base Year
ISO 14067	Reduce single-cell carbon footprint by 5.9% by 2025	2023
	Reduce single-cell carbon footprint by 20% by 2030	2023
ISO 14064-1	Reduce GHG emissions by 1% by 2026 compared to 2025	2025
	Reduce GHG emissions by 5% by 2030 compared to base year	2025

TCFD Scenario Analysis

To evaluate the operational continuity impacts of external environmental changes, MOLICEL conducted scenario analyses for power supply interruptions and severe water shortages. These simulations evaluate potential operational impacts, financial expenditures, and emergency requirements under varying risk conditions, guiding the formulation of appropriate mitigation countermeasures. Through scenario analysis, the Company proactively identifies constraints facing critical manufacturing operations and enhances operational resilience and resource dispatch capabilities across electrical power, water resources, facility retrofits, and emergency response protocols.

1. Energy Supply Risk Mitigation Strategies Under Earthquake Scenarios

A potential magnitude 6.1 earthquake in southern Taiwan could damage Taipower's baseline grid infrastructure. Under this scenario, Taipower has announced that industrial power supply over the next three months will follow a non-continuous schedule (Mon/Wed/Fri 08:00–12:00; Tue/Thu/Sat 18:00–22:00; full supply on Sun), directly disrupting MOLICEL's production scheduling.

Beyond existing emergency generation equipment, current generators lack synchronization panels (paralleling switchgear), preventing them from switching under load or powering non-emergency power circuits. To ensure business continuity, the Company has established response countermeasures, aligning "Opportunities," "Risks," and "Countermeasures" under the TCFD framework as summarized below:

Power Supply Continuity:
Based on scenario settings, earthquake-induced grid disruptions force power supply into scheduled time blocks, directly impacting continuous manufacturing. In response, the Company will first modify existing emergency power circuits, investing approximately NTD 10 million to improve electrical infrastructure. Second, load adjustments across HVAC and auxiliary power equipment are expected to yield energy savings of NTD 20 million. Third, to resolve generator capacity constraints caused by the absence of synchronization panels, the Company plans to invest approximately NTD 50 million in installing gas-fired generators, securing stable energy support during grid power shortfalls. Furthermore, because the current electrical architecture cannot support fast load-switching between power sources, grid electricity during available hours will be dedicated solely to charging energy storage systems while maintaining continuous generator operation, thereby mitigating production interruption risks caused by unstable power switching.

Equipment Upgrades and Automation:
Technological limitations in existing emergency generators (lacking synchronization panels) restrict their application across non-emergency circuits. However, this challenge presents an opportunity for equipment upgrades. Introducing synchronization panel technology or upgrading to next-generation generators not only resolves power transfer issues, but also enhances long-term system efficiency and lowers operating and maintenance costs. Adopting new technology also positions the Company to attract government subsidies or collaborative resources, accelerating its energy management transition.

Financial and Risk Management:
While addressing electricity supply risks from sudden events like earthquakes requires significant upfront capital (approximately NTD 60 million), optimizing equipment and refining power architecture effectively diversifies risks and mitigates severe financial impacts from production downtime in the long run. Periodically conducting risk and fi-nancial impact assessments under TCFD guidance ensures timely investment adjustments and reasonable capital returns, strengthening overall corporate resilience.



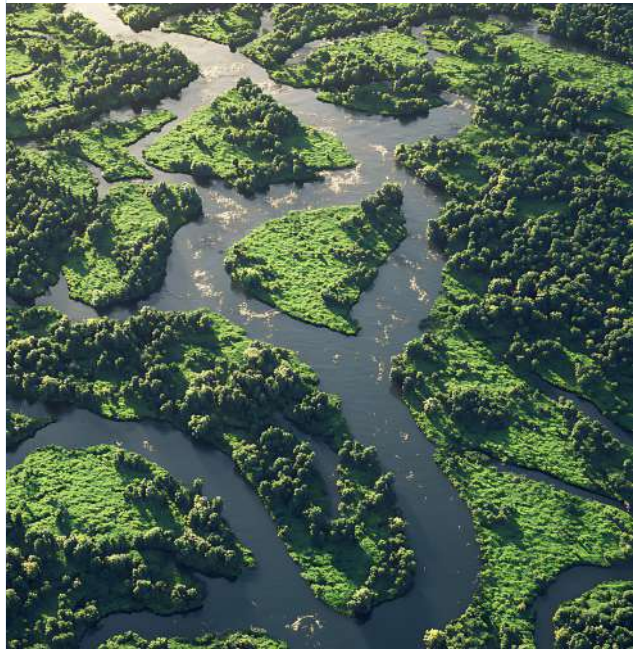


Power Supply Interruption Risk & Opportunity Matrix (TCFD Disclosure)

Opportunities	Risks	Mitigation Countermeasures
Focus Area: Power Supply Continuity		
Drive electrical infrastructure upgrades by installing gas-fired generators and improving auto-transfer systems to boost power stability. Position the business to secure government subsidies and technical collaborations to enhance green energy storage and dispatch flexibility.	Scheduled power rationing announced by Taipower may cause production interruptions and prevent energy storage systems from fully operating. Existing emergency generators lack synchronization panels and cannot fulfill non-emergency power loads.	• Invest approx. NTD 10 million to modify emergency power supply circuits and upgrade system architecture. • Execute HVAC and non-essential power reduction measures, projected to save NTD 20 million. • Invest approx. NTD 50 million to install gas-fired generators, securing continuous power to critical production units. • Maintain continuous generator operation and dedicate grid power exclusively to charging storage systems, avoiding live load-switching issues.
Focus Area: Equipment Upgrades & Automation		
Advance synchronization panel technology and upgrade generating equipment to reinforce the overall power management system, lowering long-term operational costs and sudden outage risks.	Existing equipment constraints prevent live load-switching, risking excessive equipment wear and system instability.	• Introduce or replace equipment with new generators featuring synchronization panel functionality to improve existing power architecture. • Redesign power distribution and transfer workflows to enable smooth power switching under live load conditions.
Focus Area: Financial & Risk Management		
Proactive investments in power emergency response and equipment upgrades diversify single-source power risks, optimize corporate capital allocation, and reinforce risk disclosures to boost investor confidence.	Short-term emergency response measures require high initial capital outlay—including emergency circuit retrofits, HVAC energy adjustments, and gas generator additions—increasing CapEx and maintenance expenses.	• Regularly review emergency plans and perform risk and financial impact analyses using TCFD guidelines. • Dynamically adjust investment plans according to market and technological developments, monitoring countermeasure efficacy to ensure reasonable returns on capital.

2. Water Conservation and Water Supply Emergency Strategies Under Drought Scenarios

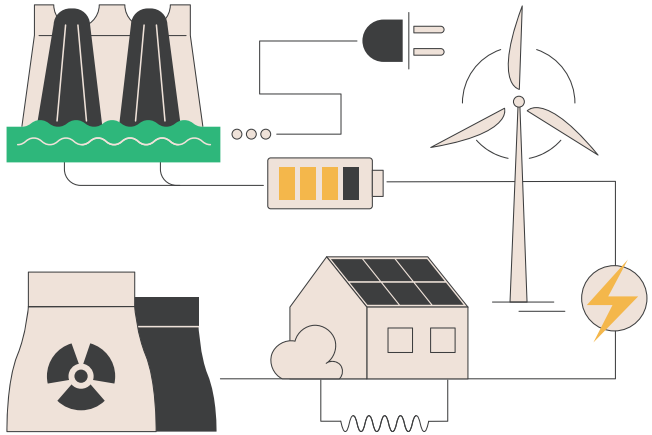
In response to prolonged drought scenarios (e.g., severe water shortages lasting up to three months at operating sites), the Company adjusts water management strategies per regulatory mandates, client expectations, and internal targets while actively exploring water-saving efficiencies and supply flexibility to mitigate operational disruption risks. The following framework outlines the opportunities, risks, and concrete countermeasures across different drought phases under the TCFD disclosure structure:



Initial Drought Phase —
Autonomous Water Conservation: In the early stages before water supplies are completely cut off, the Company aligns with Science Park conservation measures by initiating voluntary water-saving actions (e.g., rainwater harvesting, increasing cooling tower conductivity parameters, and adjusting domestic and process water protocols) to rapidly lower wa-ter demand. This maintains production continuity during current droughts while building operational experience for ongoing water management optimization.

Heightened Water Rationing —
Zoned Rotational Supply: As drought conditions escalate, the Company activates a zoned rotational water supply plan. Onsite water storage systems reserve approximately 5 days of water supply (approx. 2,500 metric tons), dispatching water to production lines based on critical priority rankings to cushion process impacts and maximize water use efficiency.

Full Water Cutoff —
Water Truck Hauling Emergency Response: Should a complete municipal water cutoff occur, external water procurement becomes mandatory. Although water hauling via tanker trucks is a higher-cost emergency measure (approx. NTD 20,000 per 10-ton truckload), it guarantees a stable water supply under extreme conditions. Pre-negotiated emergency plans and supply contracts lower the severe operational shocks of complete water cutoffs.



Drought Stage	Opportunities	Risks	Mitigation Countermeasures
Initial Drought Phase — Autonomous Conservation	Unlock internal water conservation potential across the Science Park, utilizing existing measures to rapidly reduce water demand. Cultivate employee conservation awareness through internal steward-ship programs, enhancing long-term resource efficiency.	Initial conservation steps may not fully offset drought risks; short-term water supply deficits could slightly affect specific manufacturing steps.	• Align immediately with park-wide conservation protocols: raise cooling tower conductivity parameters, extend process water replacement cycles, and reduce domestic water consumption (e.g., irrigation, cleaning, and switching meal services to box lunches). • Monitor water data regularly to dynamically adjust conservation strategies according to operational realities.
Heightened Water Rationing — Zoned Rotational Supply	Fine-tune water allocation across designated plant zones via rotational supply management, enhancing water utilization efficiency. Construct water tank storage systems (approx. 5-day supply buffer) to safeguard continuous operations for critical production units.	Rotational supply may cause uneven production across different plant zones, reducing operational efficiency in units experiencing supply shortfalls.	• Formulate zoned water supply plans that allocate limited water resources by production priority, ensuring critical steps receive adequate water. • Install plant-level storage tanks to ensure at least 5 days of backup water supply. • Strengthen internal coordination to dynamically balance zone production against available water resources.
Full Water Cutoff — Water Truck Hauling Emergency Response	Build long-term partnerships with local authorities and water suppliers to establish reliable external water procurement channels. Pre-sign water hauling contingency contracts to reduce production shocks and build emergency response experience.	Complete water cutoffs cause severe production disruptions. Water truck hauling carries high unit costs (approx. NTD 20,000 per 10-ton truckload), increasing short-term operating expenses.	• Pre-sign water truck hauling emergency contracts and establish dedicated contingency funds for sudden cutoffs. • Formulate full-cutoff activation plans to rapidly transition to water hauling mode, safeguarding critical water needs. • Conduct regular emergency drills and update contingency plans to ensure rapid, stable external water deployment while exploring long-term technical and cost optimizations.

3 Product Sustainability

67 3.1 Research, Development, and Innovation
74 3.2 Product Environmental Responsibility
74 3.2.1 Product Life Cycle Management
75 3.2.2 Product Carbon Footprint and Environmental Information Disclosure
76 3.2.3 Process Resource Recycling and Material Reuse
76 3.2.4 Circular Supply Chain and Closed-Loop Recycling Systems
78 3.3 Quality Management
80 3.4 Customer Relations

As a global leader in high-performance lithium-ion battery technology, MOLICEL integrates sustainability into every stage of the product lifecycle—from R&D, design, and manufacturing to usage and recycling. Through a diversified strategy spanning R&D innovation, Product Carbon Footprint (PCF) accounting, the circular economy, and quality management, we deliver energy solutions that combine high performance with low environmental impact.



3.1 Research, Development, and Innovation

From starting power tools and launching drones to maintaining seamless cloud data center operations, batteries serve as the vital foundation for equipment performance and daily life. In the battery industry, R&D innovation transcends a mere race for specifications and power output; it defines how safely and reliably a product answers user needs and maximizes energy efficiency within finite resource boundaries.

Distinct application scenarios impose unique demands on discharge output, energy density, thermal tolerance, and safety. The starting point for MOLICEL's R&D remains rooted in real-world customer requirements. Guided by continuous enhancements in energy density and power density, MOLICEL designs tailored product lines, carefully balancing performance, safety, cost, mass-production feasibility, and low-carbon materials to advance products toward higher efficiency, greater safety, and resource conservation.



R&D Strategy

To ensure products effectively address customer requirements, MOLICEL comprehensively evaluates market applications, technology, safety, mass-production feasibility, and cost structures during the initial specification phase of new products or next-generation product lines:

Market Demand and End-Use Applications:
Discharge performance, energy density, thermal tolerance, and cycle life requirements vary significantly across application domains. MOLICEL back-calculates required cell specifications from real-world operating conditions, ensuring product development aligns with customer needs from day one.

Technical Feasibility and Safety:
While responding to market demands, MOLICEL evaluates whether raw materials, cell structures, and overall designs meet practical development criteria. Safety is an uncompromisable prerequisite; any performance enhancement must maintain ab-solute structural integrity during overcharge, short-circuit, or high-temperature events.

Mass-Production Stability and Manufacturing Cost:
R&D breakthroughs must support sta-ble mass production and reliable long-term supply to deliver real customer value. MOLICEL in-corporates process capabilities, yield rates, cell consistency, and manufacturing costs into specification evaluations, ensuring technology transitions seamlessly from laboratory devel-opment to commercial volume delivery.

Technology Roadmap: Dual-Track Advancement in Materials and Structure

Simultaneous increases in energy density and power density directly elevate stored energy and output efficiency while minimizing product size and weight. For end users, this translates to higher energy capacity within spatial constraints and stable operations under high-load scenarios. From a resource-efficiency perspective, it optimizes raw material consumption for equivalent energy demands.

Guided by the R&D department's annual development master plan, MOLICEL executes multiple innovation projects to overcome technical bottlenecks, integrating results to enhance energy storage capacity and output efficiency across two main tracks:

Materials Track — Enhancing Energy Storage Capacity

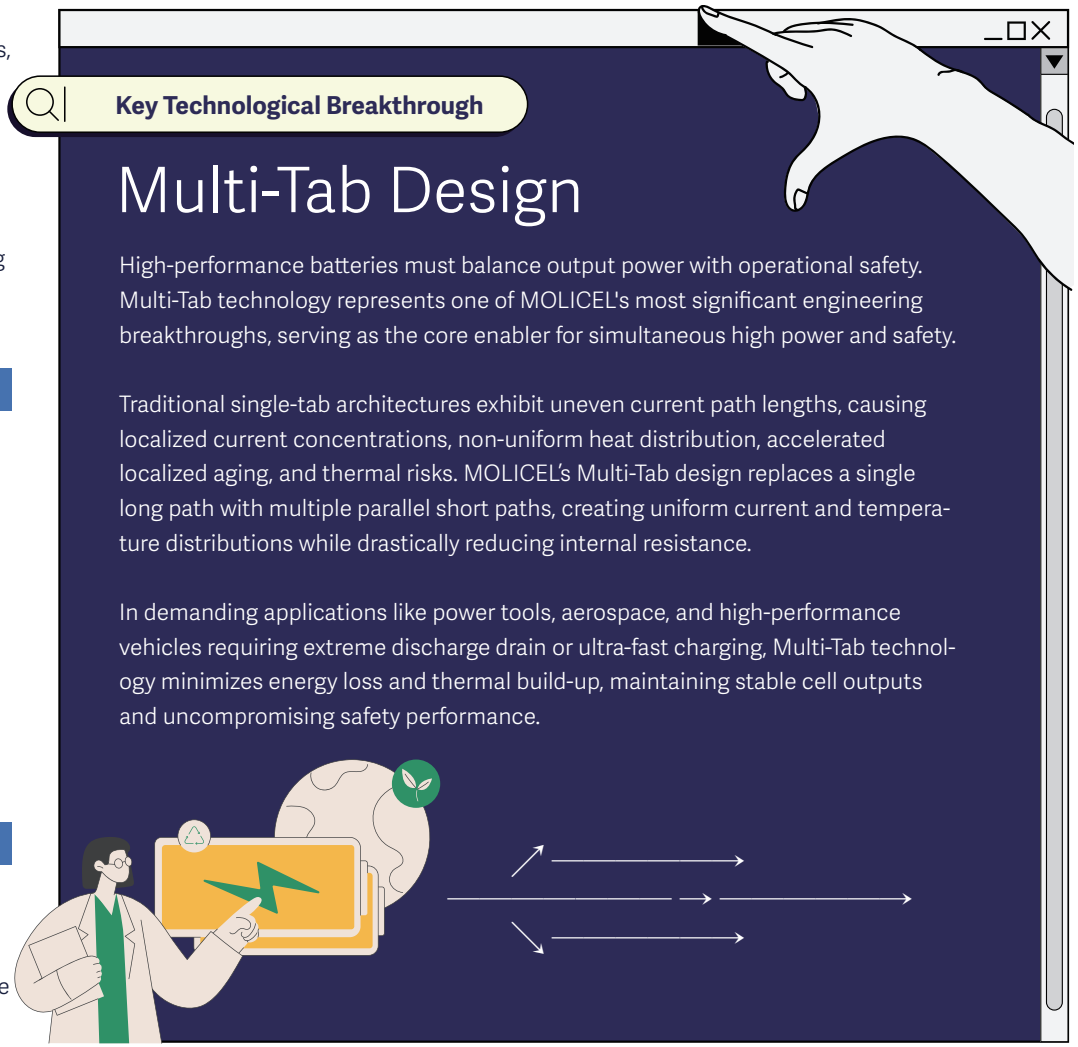
Silicon-Based Anode Integration:
While graphite offers a theoretical specific capacity of approximately 372mAh/g, silicon exceeds 3,500 mAh/g. Incorporating even a single-digit percentage of silicon elevates overall anode capacity and cell energy storage.

Next-Generation High-Nickel Cathode:
Advanced high-nickel cathode formulations increase cathode capacity and voltage utilization efficiency, elevating total cell energy density.

Carbon Nanotube (CNT) Conductive Additives:
CNTs establish robust conductive networks at lower dosing levels, reserving weight and volumetric space for active materials while improv-ing electrical conductivity during high-current discharges.

Structural Track — Optimizing Energy Output Efficiency

MOLICEL implements structural innovations such as Multi-Tab designs, shortening internal electrical pathways and lowering internal resistance (AC-IR/DC-IR). Reduced internal resistance minimizes resistive heating and energy loss during discharge, enabling cells to maintain stable power outputs under extreme drain conditions while maximizing usable energy.



Product Safety Design

Battery safety directly impacts user security and system reliability, representing an uncompromisable foundation in R&D. MOLICEL incorporates safety criteria into initial design stages, mitigating potential risks via thermal management and structural protection.

Thermal Management (Pre-empting Risk at the Design Stage):
Operating batteries generate thermal energy. Uncontrolled heat accumulation accelerates cell degradation and thermal runaway risks. Rather than relying solely on post-production physical testing or failure analysis, MOLICEL deploys Computer-Aided Engineering (CAE) thermal modeling during preliminary design. Simulation models predict heat generation and spatial temperature gradients under diverse operating conditions, enabling engineers to adjust tab configurations, material selections, and structural layouts early to mitigate thermal runaway risks at the source. Multi-Tab technology stands as a primary result of this simulation-guided approach.

Structural Protection (Maintaining Cell Integrity):
Beyond thermal management, maintaining mechanical integrity against external impacts and internal pressure build-up is vital. MOLICEL continually refines key structural materials—such as engineered steel cans—to ensure mechanical strength, internal pressure resistance, and structural integrity under abnormal opera-tional stress.

Product Portfolio: Addressing Diversified Applications

MOLICEL aligns its commercial product portfolio into four distinct series engineered for power tools, cloud data center backup power (BBU), drones, aerospace, and high-performance mobility:

P SERIES

Application Scenarios

Power tools
high-performance vehicles
drones, and aerospace

Key Performance Metrics & Development Status

Core series combining high power and high energy density, featuring ultra-fast charging capability (3 C+) and low internal resistance. The P45B is deployed in aerospace and space rocketry, the P50B is adopted in humanoid robotics, and the next-generation P60C has been officially launched.

S SERIES

Application Scenarios

Cloud Service Providers (CSPs)
hyperscale data centers
Generative AI computing infrastructure

Key Performance Metrics & Development Status

Engineered for data center Battery Backup Units (BBUs), prioritizing extreme safety and high-temperature performance. Centered on low-flammability technology, it supports OCP ORV3 specifications and next-generation high-voltage systems, with active commercial shipments to major global CSPs.

X SERIES

Application Scenarios

Motorsports
hybrid aviation propulsion
ultra-high pulse load applications

Key Performance Metrics & Development Status

Emphasizes extreme discharge rates with peak pulse discharges reaching 100 C, prioritizing immediate power delivery and thermal safety.

PX SERIES

Application Scenarios

Defense, eVTOL, and high-value cutting-edge applications with high returns on investment.

Key Performance Metrics & Development Status

Flagship series integrating Multi-Tab technology, achieving energy densities approaching 300 Wh/kg alongside continuous high-rate discharges up to 30C.

2025 Product Technology Highlights

In 2025, MOLICEL introduced next-generation battery cells that deliver performance breakthroughs alongside environmental benefits:

Cell Model	Technical Breakthrough	Environmental & Sustainability Significance
P22S	Withstands direct thermal propagation tests for over 10 minutes; serves as the first cell deployed in BBU markets.	Ultra-high safety design minimizes environmental and operational impact risks during thermal anomalies.
P30B	Increases energy density by 7% and power density by 87% compared to previous-generation P28A; raises charge/discharge capacity from 80 W/hr to 150 W/hr.	Enables high-load applications to deliver higher power output per cell, reducing total cell count per pack.
P30S	Increases BBU discharge power from 85W/hr to 150 W/hr; achieves UL 9540A certification.	Reduces total cell count for data center backup requirements while passing international thermal runaway safety standards.
P42A / P45B	Conducted secondary raw material source validation to establish diversified material supply channels.	Mitigates supply disruption risks and enhances supply chain resilience, supporting stable, low-carbon production.
P50B / P50S	Delivers high capacity and power output in the 21700 form factor 200W/hr to 250 W/hr; 4.5Ah to 5.0Ah; P50S achieves UL 9540A certification.	Higher single-cell capacity reduces the physical cell count needed for equivalent energy backup capacity.
P60B	Breakthrough in 21700 form factor, delivering 300W/hr/kg discharge power—an approximate 15% increase over P50B.	Reduces cell counts in high-power applications, lowering manufacturing energy consumption and material throughput.

2025 Product Certifications

In 2025, MOLICEL secured international safety, transport, and environmental certifications spanning its INR-18650 and INR-21700 form factors (covering models M35A, M35A-A3, M38A, P22S, P26A, P28A, P28A-A3, P30B, P30B-A3, P30S, P42A, P42A-A3, P42B, P45B, P50B, and P50S):

Battery Safety Standards:
UL 1642, UL 1973, UL 2580, UL 62133, IEC 62133, IEC 62619, JIS C 62133, BIS IS 16046, GB 31241, BSMI CNS 15364.
Environmental Compliance:
EU RoHS, REACH SVHC, EU New Battery Regulation (Regulation (EU) 2023/1542).
Transportation Safety:
UN 38.3, 1.2m Drop Test (Air/Sea), 3m Stack Test, Sea Certificate for Safe Transport, PACKAGING compliance.
High-End Application Certifications:
AS 9100 (Aerospace Quality Management System), UL 9540A (Test Method for Evaluating Thermal Runaway Fire Propagation in Battery Energy Stor-age Systems), IATF 16949 (Automotive Quality Management System).

Industry-Leading Certification Benchmarks Secured:
UL 9540A Thermal Runaway Verification:
P30S and P50S cells passed this rigorous global en-ergy storage safety standard.
AS 9100 Quality Management System:
Secured essential aerospace-grade supply chain qual-ification.
EU New Battery Regulation:
P30S became an early adopter in achieving compliance with the latest European regulatory mandates.

Resource Efficiency Derived from Performance Enhancements

Performance breakthroughs directly advance decarbonization: higher energy storage per cell reduces total cell count, overall pack weight, and structural component consumption for equivalent system-level demands.



Next-Generation Cell Efficiency Improvements

Compared to the P50B, the next-generation P60C achieves an approximate 20% increase in volumetric energy density and a 10% increase in gravimetric energy density. For space-constrained installations, it stores more energy within identical physical dimensions; for weight-sensitive applications (e.g., EVs, drones, eVTOLs), it reduces battery pack mass while delivering equivalent energy.

Configuration Comparison for Equivalent System Requirements

The table below estimates pack configurations comparing 6.0Ah next-generation cells against 4.5Ah legacy cells for an equivalent application requirement:

Metric	**Legacy Cell (4.5 Ah)**	**Next-Gen Cell (6.0 Ah)**	**Resource & Efficiency Gains**
Required Cell Count	480 cells	~360 cells	~120 cells saved (~25% reduction)
Bare Cell Weight	~33.6 kg	~25.0 kg	8–10 kg weight reduction (~25–30% lower mass)
Module Volume & Enclosure	Enclosure size for 480 cells	Enclosure size for 360 cells	Reduced module footprint; ~25% reduction in weld joints, busbars, and BMS voltage/temperature sensing nodes

Note: Reduced cell counts lower raw material consumption for steel cans, top caps, seals, tabs, and insulation components, while smaller module volumes reduce structural framing materials and freight transport loads.

From Resource Efficiency to Low-Carbon Roadmaps

MOLICEL builds environmental benefits across product lifecycles through performance optimization, process improvements, and circular designs:

Simulation-Driven Design:
CAE simulations replace physical prototyping, eliminating material waste and energy consumption associated with scrap trial cells during R&D.

Low-Carbon Raw Material Innovation:
MOLICEL is exploring anode materials derived from steelmaking by-products (e.g., coal tar and pitch generated during coking). Replacing virgin fossil materials with industrial by-products lowers upstream extraction and processing carbon footprints. This industrial symbiosis pathway is currently under preliminary evaluation, with im-plementation roadmaps updated as supply chain readiness matures.

Circular Design Alignment:
MOLICEL aligns product design with the mandatory recycled con-tent timelines of the EU Battery Regulation (Regulation (EU) 2023/1542)—which mandates re-cycled content disclosures for cobalt, lithium, nickel, and lead starting in 2028, followed by mandatory minimum recycled content thresholds in 2031.

Future R&D Roadmap

MOLICEL maintains a structured short-, medium-, and long-term R&D roadmap to advance technological capabilities and low-carbon product designs:

Short-Term (1–2 Years)
Optimize existing product series based on market feedback to enhance safety, charge/discharge efficiency, and thermal performance. Among them, the P60C product, with an energy density approaching 300 Wh/kg, is currently nearing mass production.

Medium-Term (3–5 Years)
Launch next-generation battery lines integrated with AI smart manufacturing for automated process control and precise data monitoring, minimizing production energy consumption. Evaluate steelmaking by-product anode material applications based on technical and supply chain feasibility.

Long-Term (5+ Years)
Build a global innovation network targeting hyper-EVs, intelligent autonomous systems, electric aircraft (eVTOL), and next-generation backup power infrastructure.

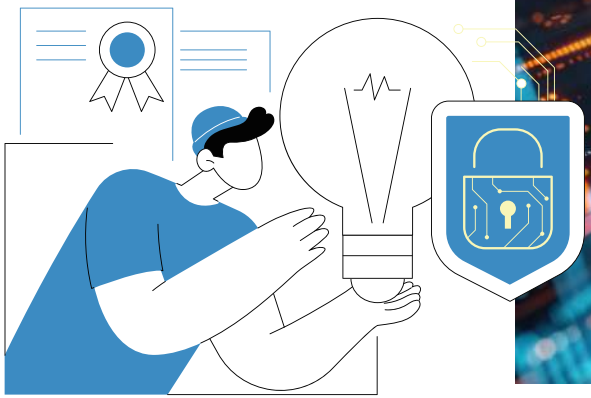


Intellectual Property Management

To safeguard proprietary technology and retain competitive advantages, MOLICEL maintains a centralized Intellectual Property (IP) management mechanism overseeing patents, trademarks, trade secrets, and technical documentation:

Intellectual Property Management Mechanism

IP Management Dimension	Core Practices & Key Actions
Patent Management	Comprehensive mechanisms governing patent prosecution, annuity maintenance, landscape searches, and infringement monitoring.
Trademark Protection	Registration and periodic renewal of the MOLICEL brand and product trademarks across target global markets.
Trade Secret Protection	Classified management of technical files, process parameters, and customer data; non-disclosure agreements (NDAs); tracking mechanisms for departing personnel.
Licensing & Collaboration	Joint technical assessments by R&D and Legal teams prior to external licensing or joint development projects.
Employee Training	Conducted "TIPS Employee IP Concepts & Trade Secret Protection" training in 2025 (356 participants, totaling 356 training hours).
Internal Audit	Integrated IP management into annual corporate internal audit plans.

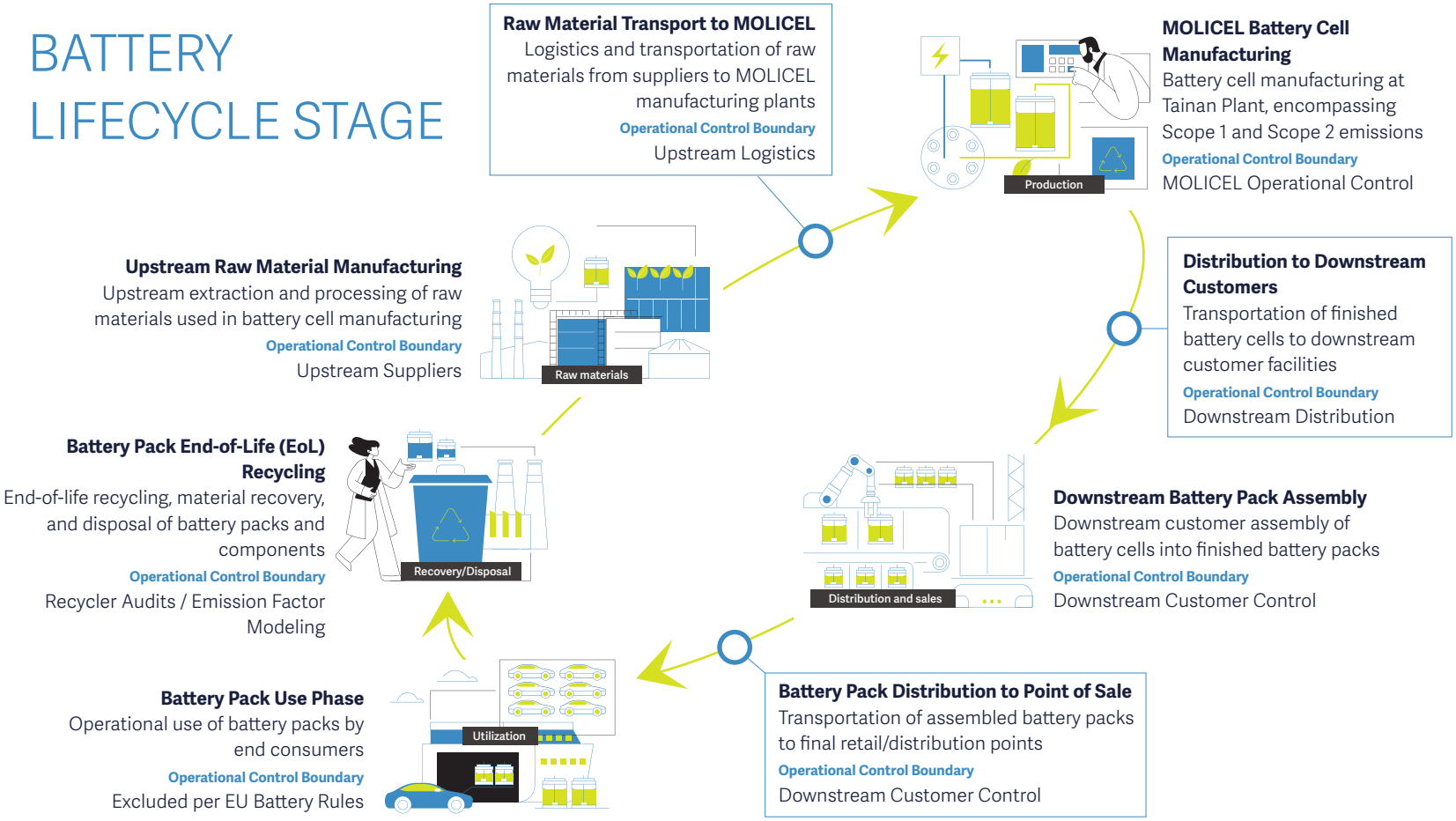




3.2 Product Environmental Responsibility

3.2.1 Product Lifecycle Management

MOLICEL incorporates lifecycle thinking into product R&D, manufacturing, environmental disclosures, and supply chain management. Using the EU Battery Regulation (Regulation (EU) 2023/1542) as a key reference, the Company defines organizational boundaries and lifecycle stages per Annex II carbon footprint rules to guide product carbon footprinting and environmental disclosures:



3.2.2 Product Carbon Footprint and Environmental Information Disclosure

MOLICEL leverages Product Carbon Footprints (PCF), Life Cycle Assessments (LCA), and Type III Environmental Product Declarations (EPD) to enhance environmental transparency. Beginning with 2025 inventories, MOLICEL aligned its LCA evaluation methodologies with EU Battery Regulation rules to prepare for Digital Battery Passport disclosures.

MOLICEL's **INR-21700-P42A** rechargeable lithium-ion cell completed lifecycle carbon footprint verification under **ISO 14067:2018** standards. The Precision Machinery Research & Development Center (PMC) issued a formal Verification Opinion Statement (**No. CFP11410-001**) on October 2, 2025, achieving a **Reasonable Assurance Level**.

2024 P42A Lifecycle Carbon Footprint Breakdown

Lifecycle Stage	per kg($kg CO_2e$)	per cell($kg CO_2e$)
Raw Materials	16.5150	1.0920
Manufacturing	11.5361	0.7628
Distribution	0.1166	0.0077
Use Phase	N/A	N/A
End-of-Life (EoL) Processing	1.0579	0.0699
Total Carbon Footprint	**29.2256**	**1.9324**

Note: Per EU Battery Regulation guidelines, the cell use phase is excluded from PCF boundary calculations and marked as "N/A".

Product Carbon Footprint Reduction Targets & Performance

MOLICEL established quantitative PCF reduction targets: the 2025 target of a 5.9% reduction against the base year was successfully achieved, targeting a 20% reduction by 2030. Decarbonization progress is driven by energy efficiency gains, process optimizations, and material yield improvements.

Target Item	Target Metric	Achievement Status
2025 Cell Carbon Footprint Reduction	5.9% reduction vs. Base Year	Achieved
2030 Cell Carbon Footprint Reduction	20.0% reduction vs. Base Year	Ongoing(In Progress)

Life Cycle Assessment (LCA)

Beginning with 2025 inventories, MOLICEL aligned its LCA methodologies with Annex II ("Carbon Footprint") of the EU Battery Regulation, standardizing lifecycle boundaries to support future Digital Battery Passport integration.

Type III Environmental Product Declaration (EPD)

EPD disclosures under ISO 14025 provide third-party verified, comparable product environmental data for downstream customers:

Inventory Year	Target Product	Implementation Status
2025 Inventory	MOLICEL P22S (2024 Production)	Pending audit; third-party verification targeted for September 2026.
2026 Inventory(Planned)	MOLICEL P45B / P50 (2025 Production)	Activity data collection stage.

Product Carbon Footprint & Environmental Disclosure Roadmap

Disclosure Tool	Completed Milestones	Ongoing / Planned Milestones
ISO 14067 (PCF)	P42A (2024 Inventory; PMC Verified; Statement obtained in 2025).	P22S (2025 Inventory initiated; verification targeted for September 2026).
Life Cycle Assessment (LCA)	Legacy internal evaluation processes.	Re-aligned methodology per EU Battery Regulation (EU) 2023/1542 Annex II starting with 2025 inventories.
Type III EPD	P22S (2024 Inventory completed; submitted for audit).	P45B / P50 (2025 Inventory; activity data collection in progress).

3.2.3 Process Resource Recycling and Material Reuse

Since 2024, MOLICEL has operated in-plant raw material recovery systems alongside N-Methyl-2-pyrrolidone (NMP) solvent recycling and cathode slurry recovery processes to maximize material efficiency and minimize waste.

Process Material Recovery Performance

MOLICEL recovers cathode off-cuts generated along cathode manufacturing lines. These off-cuts contain high-value active materials. Through internal thermal processing to remove residual solvents, off-cuts are processed into recovered active material powder (black mass) for re-entry into material production:

Slurry Input	Black Mass Yield	Yield Recovery Rate
748.24 kg	522.55 kg	69.8%

This process lowers waste disposal costs while raising internal circularity. MOLICEL continues to optimize recovery parameters and re-utilization workflows to maximize material yield.

NMP Closed-Loop Solvent Recovery

N-Methyl-2-pyrrolidone (NMP) serves as the primary solvent in cathode slurry coating. MOLICEL operates continuous in-plant NMP recovery systems, recycling and purifying solvent vapor back into production loops.

3.2.4 Circular Supply Chain and Closed-Loop Recycling Systems

MOLICEL's circular supply chain strategy spans input procurement and waste stream management:

Procurement Input Track:

Collaborates with major suppliers to track recycled content ratios in incoming raw materials based on vendor disclosures.

Waste Management Track:

Partners with licensed processors and upstream raw material vendors across three closed-loop recycling pathways, converting operational scrap back into manufacturing-grade raw materials.



Recycled Material Content Ratios in Upstream Supply Chains

MOLICEL tracks the recycled content rate of key raw materials based on supplier feedback data to monitor the use of recycled materials in incoming materials.

Material Category	Recycled Content Ratio	Notes & Source Data
Cathode Material	**~30% (Precursors)**	Supplier disclosed data.
Anode Material	**Reused low-carbon by-products**	Formulated from steelmaking by-products (low-carbon re-use material).
Wooden Pallets	**70% Re-use rate**	Enhanced logistics resource circularity.
Electrolyte Drums	**100% Re-use rate**	Full circular drum return system.
Copper Foil	**~80%**	High metal recovery rate.
Aluminum Foil	**~17.5%**	Ongoing supplier tracking and optimization.
Steel Cans / Trays	**~10%**	Partial integration of recycled content in carriers.

Three Closed-Loop Recycling Pathways

Waste Material Stream	Intermediate Processor	Downstream Destination	Circular Loop Nature
Scrap Cathode (Foil / Powder / Slurry)	ZENITH Chemical Corporation	Returned to cathode powder suppliers for re-synthesis into battery-grade materials.	Same-Industry Closed Loop
Scrap Anode (Graphite)	Wishes Technology Corporation	Regenerated graphite processed for secondary product applications.	Cross-Industry Re-use
Scrap Copper Foil	Formosa Copper Technology Co., Ltd.	Returned to MOLICEL's primary copper foil suppliers.	Same-Industry Closed Loop

2025 Quantitative Circular Recovery Results

Closed-Loop Recovery Pathway	2025 Intermediate Processor Volume (kg)
Scrap Cathode (Foil / Powder / Slurry)	**149,455 kg**
Scrap Copper Foil	**15,583 kg**
Total Project Waste Reduction	**165.786 metric tons**



Supply Chain Carbon Reduction Agreements

MOLICEL incorporates decarbonization criteria into raw material procurement. For cathode powders, anode powders, and critical raw materials, the Company encourages suppliers to increase renewable energy adoption, lower precursor processing emissions, and modernize production equipment.

To formalize these expectations, MOLICEL executed legally binding Supply Chain Carbon Reduction Agreements with key suppliers, establishing a mandatory target of a 20% carbon reduction by 2030. This extends decarbonization accountability upstream, aligning supplier reductions with MOLICEL's cell-level PCF reduction targets.

Procurement Requirement/Implementation Actions	Interim Performance Outcomes
Renewable Energy Adoption	
Encouraged key suppliers to procure I-RECs (hydroelectric certificates).	**Supplier renewable energy usage ratio increased by ~7.8%.**
Upstream Decarbonization	
Pushed decarbonization mandates upstream to lithium salt and precursor refining processes.	**Lithium salt and precursor processing emissions decreased by ~13.6%.**
Equipment & Process Retrofits	
Retrofitted facilities to replace purchased liquid oxygen with self-generated oxygen.	**Processing emissions reduced by ~14%, lowering unit energy consumption.**

3.3 Quality Management



MOLICEL prioritizes systematic management, the adoption of international standards, and continuous improvement as the pillars of its quality management system. We establish and maintain robust operational frameworks encompassing key processes, procedures, documentation, and quality control practices to ensure consistent product reliability and service excellence.

Our quality management framework categorizes operational activities into three primary streams: Customer-Oriented Processes (COP), Management Processes (MP), and Support Processes (SP). Through standardized input/output controls and continuous performance tracking, MOLICEL allocates necessary operational resources, identifies improvement opportunities, and implements corrective actions to elevate overall system effectiveness.

Quality Policy and Management Architecture

MOLICEL sets Key Performance Indicators (KPIs) as operational targets and defines clear management principles through the corporate Quality Policy. To guarantee system effectiveness, we progressively adopt international quality standards across specialized operating departments.

International Quality Management Systems Adopted

MOLICEL is implementing the following international quality management systems in phases:

Year	Quality Management System Standard
2023	ISO 9001 / IATF 16949 Automotive Quality Management System
2024	ISO 9001 / AS 9100 Aerospace Quality Management System
2025	ISO/IEC 17025 Testing and Calibration Laboratories Management System

These certified standards span the automotive, aerospace, and advanced laboratory testing domains, ensuring MOLICEL's quality management framework satisfies the rigorous requirements of global tier-one customers.



Core Quality Management Mechanisms

MOLICEL operates a comprehensive quality management cycle covering the following core mechanisms:

Customer Requirements & Regulatory Identification: Identifies customer specifications and regulatory standards via sales management procedures, ensuring quality expectations are ful-ly integrated into product development.

Internal Audits: Conducts periodic internal audits to review system effectiveness and regula-tory compliance.

Management Reviews: Holds executive reviews to evaluate quality performance metrics and track improvement initiatives.

Management by Objectives (MBO): Sets annual quality targets and monitors completion rates across departments.

Quality Inspections: Enforces incoming material, in-process, and finished goods inspections to ensure strict compliance with quality benchmarks.

Non-Conformance & Anomaly Control: Manages non-conformance events through root-cause analysis, corrective actions, and preventative measures to prevent recurrence.

2025 Quality Enhancement Initiatives

In 2025, MOLICEL further strengthened its quality assurance capabilities through the deployment of advanced analytics, monitoring tools, and audit frameworks:

R-FMEA System Integration: Implemented Reverse Failure Mode and Effects Analysis (R-FMEA) to identify latent risks and improve proactive failure prevention.

VDA 6.3 Process Audits: Adopted VDA 6.3 process auditing standards to monitor production processes in alignment with stringent international automotive require-ments.

Continuous Improvement Projects (CIP): Executed cross-engineering continuous improve-ment projects with defined quantitative targets.

Automated Inspection Equipment: Deployed Automated Optical Inspection (AOI) systems on production lines to enhance inspection accuracy and consistency.

Key Results of 2025 Continuous Improvement Projects

Through cross-departmental collaboration and root-cause analysis, MOLICEL executed targeted manufacturing optimization projects focused on material efficiency, scrap reduction, and process stability:

Focus Area	Key Implementation Focuses	Strategic Execution
Material Efficiency Enhancement	Conducted process reviews and parameter optimizations based on cathode material consumption patterns to minimize operational scrap.	Conducted process reviews and parameter optimizations based on cathode material consumption patterns to minimize operational scrap.
Consumable Scrap Reduction	Optimized separator handling and process controls to reduce operational waste.	Optimized separator handling and process controls to reduce operational waste.
Process Quality Improvement	Refined tab alignment welding and rework workflows to strengthen process stability.	Refined tab alignment welding and rework workflows to strengthen process stability.

Culture of Continuous Improvement

MOLICEL refines its Quality KPIs annually, cultivating a corporate culture grounded in data-driv-en validation and measurable outcomes. Engineering teams formulate targeted improvement projects, set quantitative goals, track progress, and consolidate learnings into final reports. This ensures every quality action delivers traceable, quantifiable, and reproducible value, strengthen-ing MOLICEL's intellectual capital in quality management.

3.4 Customer Relations

MOLICEL serves the global high-end battery market by building long-term customer partnerships based on quality stability, engineering support, and mutual trust. We capture client feedback on product quality, delivery performance, and collaboration models through satisfaction surveys, structured grievance channels, and joint engineering initiatives to guide continuous internal optimization.



Customer Structure and Market Distribution

MOLICEL operates an export-led commercial strategy targeting high-end applications worldwide.

In 2025
international sales accounted for approximately

99%
of revenue

concentrated primarily in European and Asian markets. Europe represents a key market driving green transition initiatives and battery regulations, while Asia serves as the manufacturing center for global electronics and energy system supply chains.

Domestic sales in Taiwan accounted for the remaining 1%.

MOLICEL products are deeply integrated into critical battery and energy system supply chains. This international footprint diversifies market risk while enabling the Company to track regional requirements for quality, technical support, supply stability, and ESG compliance.

Customer Satisfaction Measurement

MOLICEL treats customer satisfaction as a critical Key Performance Indicator (KPI). We gather structured feedback on product quality, technical responsiveness, service support, and commercial collaboration through annual satisfaction surveys.

In 2025, MOLICEL achieved an overall customer satisfaction score of 8.464, reflecting a steady improvement from 8.452 in 2024. This trend underscores the impact of ongoing investments in service quality, technical response times, and product reliability.



Customer Engagement & Communication Channels

MOLICEL maintains proactive, multi-channel engagement mechanisms to foster long-term commercial relationships and capture real-time customer feedback:

Communication Channel	Operational Mechanism	Engagement Frequency	Core Focus Areas	Responsible Department
On-Site Sales Visits	Regular client visits by sales representatives to review requirements, strengthen relationships, and log feedback.	Monthly or customized by account tier	Customer requirements, operational status, joint issues	Sales Department
Virtual Engineering Meetings	Technical forecasting and mass-production tracking conducted via online confer-ences to maintain dynamic communication loops.	Alignment with project milestones	Technical requirements, production timelines, market trends	Sales Department R&D Department
Customer Feedback Forms	Structured capture and logging of client feedback for immedi-ate evaluation and response by commercial teams.	Real-time / Immediate	General feedback, issue resolution, improvement suggestions	Sales Department

Customer Grievance & Dispute Resolution Mechanism

MOLICEL manages customer complaints through a standardized operational framework covering intake, evaluation, response, and post-resolution tracking to ensure transparent, efficient issue resolution:

Standardized Resolution Framework

Processes major client complaints and disputes in accordance with standard operating proce-dures to guarantee process consistency

Categorized SLA Timelines

Enforces strict response deadlines tailored to specific complaint categories (e.g., quality, de-livery, or technical support) to address pain points promptly.

Post-Resolution Satisfaction Tracking

Conducts follow-up evaluations to verify issue resolution, using client feedback to refine inter-nal service workflows.

Customer Value Creation: Engineering Case Studies

MOLICEL's R&D teams address performance bottlenecks in high-end applications, translating technical problem-solving into long-term commercial growth:

Case Study 1

P60 and M65 Series — High-Load & High-Capacity Solutions

Customer Pain Point

Severe technical gaps in high-discharge rates under extreme load conditions and high energy storage within space-constrained battery packs.

Engineered Solution

R&D developed the P60 and M65 series, deploying advanced high-energy-density materials and optimized cell structural architectures.

Measurable Impact

Resolved client performance bottlenecks in critical applications, driving annual sales growth and strengthening technical retention.

Case Study 2

S Series — Strategic BBU Account Development

Customer Pain Point

Battery Backup Unit (BBU) clients required extreme reliability and thermal safety standards to eliminate system downtime risks.

Engineered Solution

Introduced the S Series, satisfying stringent compliance and safety certifications for hyperscale data center applications.

Measurable Impact

Secured major strategic BBU clients, locking in firm demand for over 1.5 million cells scheduled for delivery between 2026 and 2028.



Global Market Strategy & Strategic Customer Collaborations

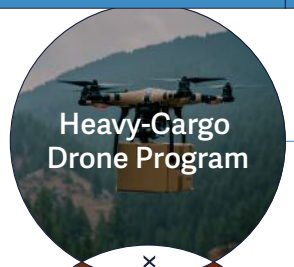
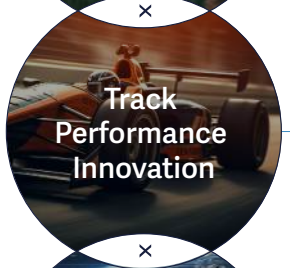
MOLICEL aligns its commercial strategy with global decarbonization and electrification trends, establishing strategic partnerships with international industry leaders across key sectors:

High-End Application Expansion:
Accelerating deployment in high-performance electric mo-torsports, industrial drones, electric motorcycles, and eVTOL platforms requiring high energy density, fast charging, and safety performance.

AI Infrastructure Integration:
Commenced commercial shipments of 5kW BBU battery mod-ules to leading global Cloud Service Providers (CSPs) in Q4 2024, co-develop-ing next-generation battery architectures.

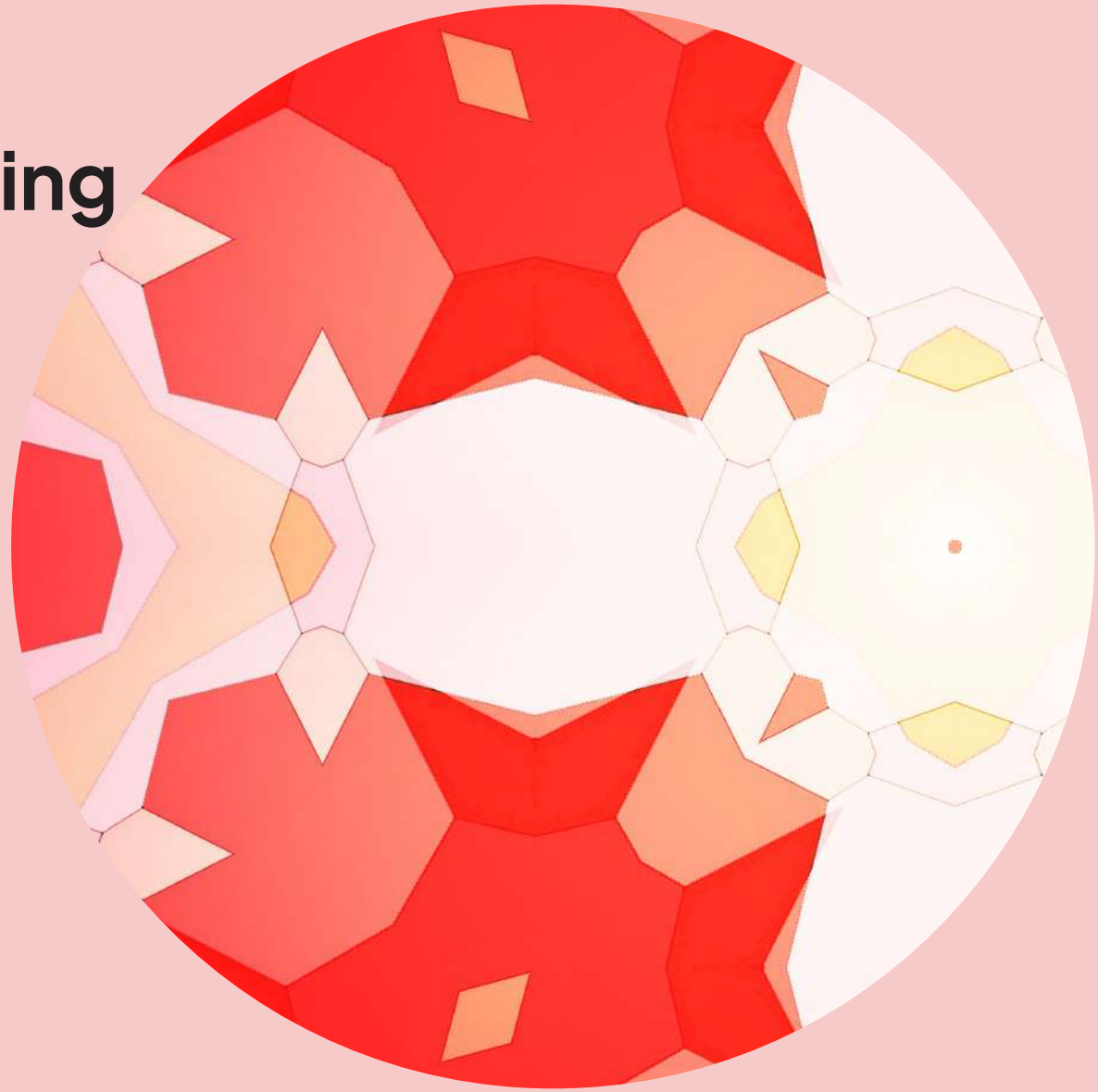
Global Strategic Partnerships:
Partnering with industry leaders across Europe, the Americas, and Asia to drive competitive advantage through joint technical innovation.

Key Strategic Customer Projects in 2025

Strategic Partnership Project	Partner Organization	Technical Highlights & Measured Project Outcomes
	FlyingBasket (Leading European heavy-cargo drone manufacturer)	Supplied **INR-21700-P45B** and **INR-21700-P50B** cells for the FB3 heavy-lift drone, increasing flight range by **9%** with a **100 kg payload capacity**. In 2025, supported offshore logistics programs in the UK, delivering **38.1 metric tons** of supplies to 400 offshore wind turbines, and enabled 15-minute medical supply deliveries in Italy.
×		
	McMURTRY AUTOMOTIVE	Integrated **INR-21700-P50B** cells into the Spéirling PURE track car, setting historic lap records at Hockenheim, Castle Combe, and Laguna Seca. Demonstrated the world's first inverted electric car flight using patented Downforce-on-Demand™ technology in 2025, with global commercial deliveries scheduled for Summer 2026.
×		
	VERTICAL ARCHER	Provided **INR-21700-P50B** cells for aerospace applications. Archer's Midnight aircraft achieved a record flight altitude of **10,000 feet** and completed its international debut test flight in Abu Dhabi in 2025. Vertical's VX4 hybrid aircraft achieved flight ranges exceeding **1,000 miles** with a **1,100 kg payload capacity**.
×		
	Globally Renowned Cloud Service Providers	Validated and initiated volume production readiness for the **S Series**, supplying high-voltage **800V HVDC BBU** modules and co-developing next-generation backup power systems for AI data centers.

4 Happy & Shared Well-Being

85 4.1 Employee Composition
87 4.2 Employee Care
87 4.2.1 Talent Development
91 4.2.2 Remuneration and Benefits
97 4.2.3 Human Rights Protection
101 4.3 Occupational Health & Safety
101 4.3.1 Safe and Healthy Workplace Environment
108 4.3.2 Workplace Fire Safety
112 4.4 Social Contribution



MOLICEL firmly believes that people are the ultimate foundation of corporate sustainability. We are committed to building a safe, healthy, diverse, inclusive, and growth-oriented workplace. From workforce composition and talent development to competitive compensation, human rights protection, occupational health, and community engagement, MOLICEL fosters a holistic workplace ecosystem for shared well-being. This chapter outlines our strategies and measurable actions across four core sub-topics: Workforce Structure, Employee Care, Occupational Health & Safety, and Community Engagement.

4.1 Employee Composition

Human Resources Management Philosophy

MOLICEL views employees as our most valuable asset. Guided by the core vision of "Holistic Talent Development," we offer market-competitive compensation, an inclusive working environment, and systematic training frameworks. We strive to attract and retain high-caliber talent, achieving mutual growth and shared success.

Workforce Overview

GRI 2-7, 2-8, 401-1, 405-1

MOLICEL maintains a stable talent structure aligned with operational demands, production requirements, and specialized functional roles.

In 2025, MOLICEL's total workforce in Taiwan reached 767 employees (502 male, 265 female). Management roles accounted for 72 individuals (9.39% of total headcount), while non-management roles comprised 695 individuals (90.61%). Employees aged 30 to 50 formed the core workforce group, totaling 596 individuals (77.71%). MOLICEL actively fosters a diverse and inclusive workplace. In 2025, foreign employees in Taiwan totaled 169 (22% of total headcount). Additionally, the workforce included 8 Indigenous employees (1.04%), 5 New Immigrant employees (0.65%), and 7 employees with disabilities (0.91%). MOLICEL respects employees of all backgrounds and provides an equitable, dignified, and safe working environment supported by robust workforce management and safety protocols.



2025 Employment Category Breakdown (Taiwan)

Category	Male	Female	Total
Total Headcount	**502**	**265**	**767**
Permanent Employees	371	224	**595**
Temporary Employees (Foreign Contract Workers, Interns, Contractors)	131	41	**172**

Note 1: Permanent employees refer to full-time or part-time staff with indefinite contracts. Temporary employees refer to personnel with fixed-term contracts.

2025 Age and Management Structure

Management Level	Age Group	Male	Female	Total	%
Management Roles	< 30	0	0	0	0%
	30–50	41	17	58	7.56%
	> 50	13	1	14	1.83%
Management Subtotal		54	18	72	9.39%
General Employees	< 30	79	32	111	14.47%
	30–50	337	201	538	70.14%
	> 50	32	14	46	6.00%
General Subtotal		448	247	695	90.61%
Total Headcount		**502**	**265**	**767**	100.00%

Note 1: Percentage calculations are based on total year-end headcount.
Note 2: Age categories exclude exact boundary ages (e.g., "< 30" excludes age 30; "> 50" excludes age 50).
Note 3: Management roles include project leadership positions.

2025 Workforce Diversity

Diversity Group	Male	Female	Total	%
Employees with Disabilities	5	2	**7**	**0.91%**
Indigenous & New Immigrants	4	9	**13**	**1.69%**
Foreign Contract Personnel	130	39	**169**	**22%**

Non-Employee Workers GRI 2-8

In 2025, 19 non-employee workers supported MOLICEL's Taiwan operations across dormitory management, onsite catering, cleaning, and security services. Although not directly employed by MOLICEL, their work directly impacts corporate security and facility operations. MOLICEL ensures their labor rights, workplace safety, and conduct standards through rigorous contract terms, supplier codes of conduct, and daily operational requirements.

Worker Category	Operational Scope	Headcount	Contract Structure
Agency Personnel	Dormitory Management	1	Staffing Agency Contract
Catering Personnel	Onsite Meals & Sanitation	1	Onsite Catering Service Contract
Sanitation Personnel	Facility Cleaning	10	Cleaning Service Contract
Security Personnel	Onsite Security	7	Security Service Contract

New Hires and Turnover Statistics

GRI 401-1

Age Group		New Hires (Count)	%
< 30	Male	36	42%
	Female	10	29%
Subtotal (< 30)		46	38%
31–50	Male	81	22%
	Female	21	10%
Subtotal (31–50)		102	18%
≥ 51	Male	1	2%
	Female	1	6%
Subtotal (≥ 51)		2	3%
Total New Hires		**150**	**20%**

Note 1: Counts reflect full-time regular employees.
Note 2: Demographic rate = (New hires in category / Year-end total in category) × 100%.
Note 3: Total rate = (Total new hires / Year-end total headcount) × 100%.

2025 Employee Turnover Statistics

Age Group		Turnover (Count)	%
< 30	Male	9	10%
	Female	3	9%
Subtotal (< 30)		12	10%
31–50	Male	31	9%
	Female	17	8%
Subtotal (31–50)		48	8%
≥ 51	Male	3	6%
	Female	2	12%
Subtotal (≥ 51)		5	7%
Total Turnover		**65**	**9%**

Note 1: Counts reflect full-time regular employees.
Note 2: Demographic rate = (Turnover in category / Year-end total in category) × 100%.
Note 3: Total rate = (Total turnover / Year-end total headcount) × 100%.

4.2 Employee Care

4.2.1 Talent Development

Talent Acquisition Strategy

As a leader in advanced lithium-ion battery technology, MOLICEL prioritizes technical capability and cross-disciplinary agility to support R&D, process optimization, and operational continuity. We leverage diverse recruitment channels—including campus partnerships, digital recruitment, internal transfers, employee referrals, and academia-industry research collaborations—to secure high-potential talent.



Campus Recruitment	Digital & Social Channels	Internal Transfers & Referrals	Technical & Alternative Service	Academia-Industry Collaboration	Foreign Talent Recruitment
Strategic Focus					
Build university partnerships in battery tech and material sciences via internships, career fairs, and briefings.	Publish job opportunities via corporate portals, LinkedIn, Facebook, and employment platforms.	Optimize internal mobility and incentivize employee talent referrals.	Target specialized R&D talent and leverage Research Alternative Military Service programs.	Bridge learning gaps and expand future pipelines through technical projects and corporate visits.	Recruit foreign operational personnel adhering strictly to RBA ethical recruitment standards.
2025 Key Achievements					
Participated in 7 spring university job fairs (including NTU, NCKU, NTUST, NTUT, NTHU, NSYSU, and CCU).	Maintained continuous digital recruitment campaigns to maximize talent reach.	Sustained active internal transfers and referral incentives to fill key operational gaps efficiently.	Successfully recruited key engineering and production specialists alongside R&D military service talent.	Partnered with NTUST and NYCU; hosted ~50 NKUST chemical engineering students for facility visits (Satisfaction: 4.7/5.0).	Hired 67 foreign contract workers under full compliance with the RBA Zero Fee Policy and equal pay principles.

Talent Cultivation and Development Framework

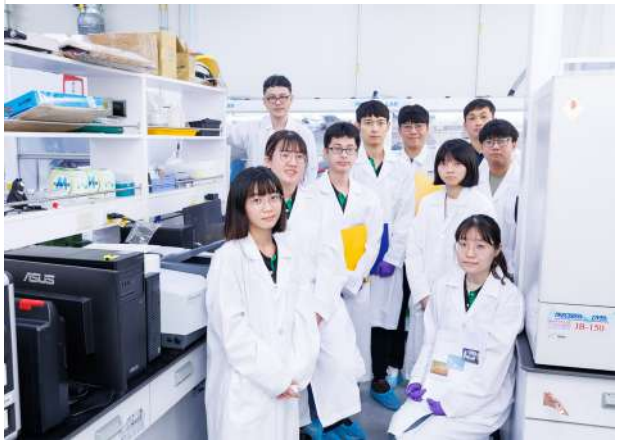
GRI 404-1, 404-2

Competition in the lithium battery industry increasingly depends not only on production capacity, equipment, and technical capabilities, but also on talent development and organizational learning. In response to the global energy transition and growing demand for high-performance lithium batteries, MOLICEL regards talent as a key driver of sustainable growth and technological innovation. The Company systematically develops talent aligned with its business strategy, organizational needs, and functional competencies to support R&D innovation, process optimization, and operational excellence.

Guided by its commitment to comprehensive talent development, MOLICEL provides career-stage-based learning pathways that integrate competency development, career progression, and organizational objectives. Key initiatives include onboarding, professional and managerial training, sustainability education, and key talent development, supported by digital learning platforms and practical training. Through competency models and learning maps, the Company aligns job requirements with learning resources, enabling employees to strengthen relevant capabilities throughout their careers. Training programs and resources are continuously optimized to enhance employee engagement and effectiveness, while learning outcomes are linked to performance management to support departmental targets and the Company's medium- and long-term objectives.

Looking ahead, MOLICEL will strengthen the integration of internal and external resources to cultivate key talent

Competition in the lithium battery industry increasingly depends not only on production capacity, equipment, and technical capabilities, but also on talent development and organizational learning. In response to the global energy transition and growing demand for high-performance lithium batteries, MOLICEL regards talent as a key driver of



6-Stage Career Development Pathway

MOLICEL links talent development directly to corporate strategy. We provide systematic learning roadmaps tailored to career stages, backed by a competency model, learning maps, and digital platforms.

Career Stage	**Core Focus**	**Primary Training Modules**
New Hires	Corporate orientation and core functional integration.	Company culture, EHS standards, quality systems, compliance, and core operating procedures.
General Staff	Technical execution, problem-solving, and cross-team collaboration.	Advanced technical training, root-cause analysis, communication skills, and performance management.
Frontline Supervisors	Onsite operational management and team leadership.	Supervisory essentials, Training Within Industry (TWI), production floor management, and execution workflow.
Middle Management	Departmental management, target alignment, and strategy execution.	Management Training Program (MTP), performance management, target setting, and tracking.
Senior Leadership	Strategic decision-making, enterprise risk management, and ESG governance.	Corporate strategy, executive decision-making, enterprise risk control, and ESG governance.
Key Talent Pipeline	High-potential leadership cultivation and succession planning.	High-potential selection, cross-functional projects, mentorship programs, and advanced leadership development.

Learning Channels and Delivery Methods

MOLICEL adopts diversified learning approaches, scheduling training resources based on different job requirements and developmental stages. This helps employees accumulate professional capabilities in their daily work while continuously expanding their learning channels.

Learning Channel
Internal Training
Taught by certified internal seed instructors.
Strategic Objective | Transfer operational experience, institutional knowledge, and SOP requirements.
Internal Workshops
Regular sessions on quality, EHS, and general competencies.
Strategic Objective | Maintain core operational literacy and foundational compliance across teams.
On-the-Job Training (OJT)
Tailored task-specific coaching and qualification testing.
Strategic Objective | Ensure technical mastery and operational compliance at the workstation level.
External Training
Sponsored participation in professional seminars and external courses.
Strategic Objective | Deepen specialized technical skills, track industry trends, and acquire key certifications.
Digital Learning Platform
Online courses delivered via the TCC Lyceum e-Learning platform.
Strategic Objective | Enable flexible, self-paced learning and digital knowledge repository management.
Cross-Functional Rotations
Special task-force participation and cross-departmental transfers.
Strategic Objective | Broaden professional perspectives and enhance cross-functional agility.

Strategic Talent Development Programs

MOLICEL promotes cultivation measures based on the diverse developmental needs of our employees. From onboarding and advanced technical cultivation to managerial competency and key talent training, we have progressively established a comprehensive foundation for talent development.

Learning Channel
Onboarding Program
Structured introduction to culture, compliance, and technical fundamentals.
Expected Business Impact | Accelerates integration and time-to-productivity for new hires.
Technical Specialist Training
Advanced engineering skills and technical domain deep-dives.
Expected Business Impact | Builds proprietary technical capabilities and protects operational knowledge.
Leadership Development
Structured training on management, feedback, performance coaching, and governance.
Expected Business Impact | Strengthens supervisory execution and aligns team outputs with business goals.
Cross-Functional Innovation
Joint problem-solving workshops and cross-functional project execution.
Expected Business Impact | Enhances organizational agility and innovation in process management.
Key Talent & Succession
Individual Development Plans (IDP), executive mentoring, and rotation projects.
Expected Business Impact | Secures future leadership pipelines for critical corporate functions.

2025 Training Hours Statistics

Level	Male Hours	Female Hours	Total Hours	Average Hours / Person
Management	1,276	538.5	**1,814.5**	**25.20**
General Employees	7,028	5,010	**12,038**	**17.32**
Total	8,304	5,548.5	**13,852.5**	**18.06**
Average Hours / Gender	16.54	20.94	**18.06**	

Note 1: Training metrics include internal and external programs, as well as foreign contract worker training.
Note 2: Management includes executive (GM/VP), middle (Director/Manager), and frontline (Supervisor/Lead) levels.
Note 3: General staff includes researchers, specialists, and engineers.

2025 Training Category Breakdown

Course Category	Total Attendees	Total Hours
New Hire Orientation	153	**1,071**
Technical & Specialized Training	83	**787.5**
Management Competency Training	25	**200**
General / Compliance Training	11,544	**11,479**
Professional Certification Training	40	**315**

2025 Investment in Employee Training

Metric	2025
Total Training Expenditure (NTD)	**812,451**
Total Course Attendees	**394**
Average Expenditure per Employee (NTD)	**2,062.06**

Note: Calculated based on internal and external training courses invested by the company.

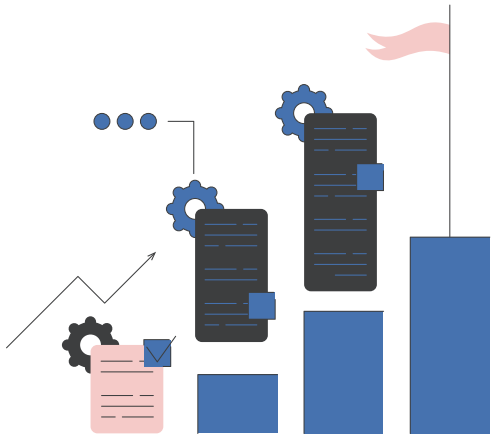
Performance Management

GRI 404-3

MOLICEL utilizes performance management as a continuous dialogue mechanism linking individual contributions to long-term business goals. Appraisals focus on goal setting, performance reviews, development feedback, and incentive alignment.

	Male			Female			Total		
Level	Headcount	Reviewed	Coverage	Headcount	Reviewed	Coverage	Headcount	Reviewed	Coverage
Management	47	47	100%	16	16	100%	63	63	100%
Non-Management	440	440	100%	243	243	100%	683	683	100%
Total	487	487	100%	259	259	100%	746	746	100%

Note: Data cutoff date as of October 1, 2025 (initiation of annual appraisal cycle).



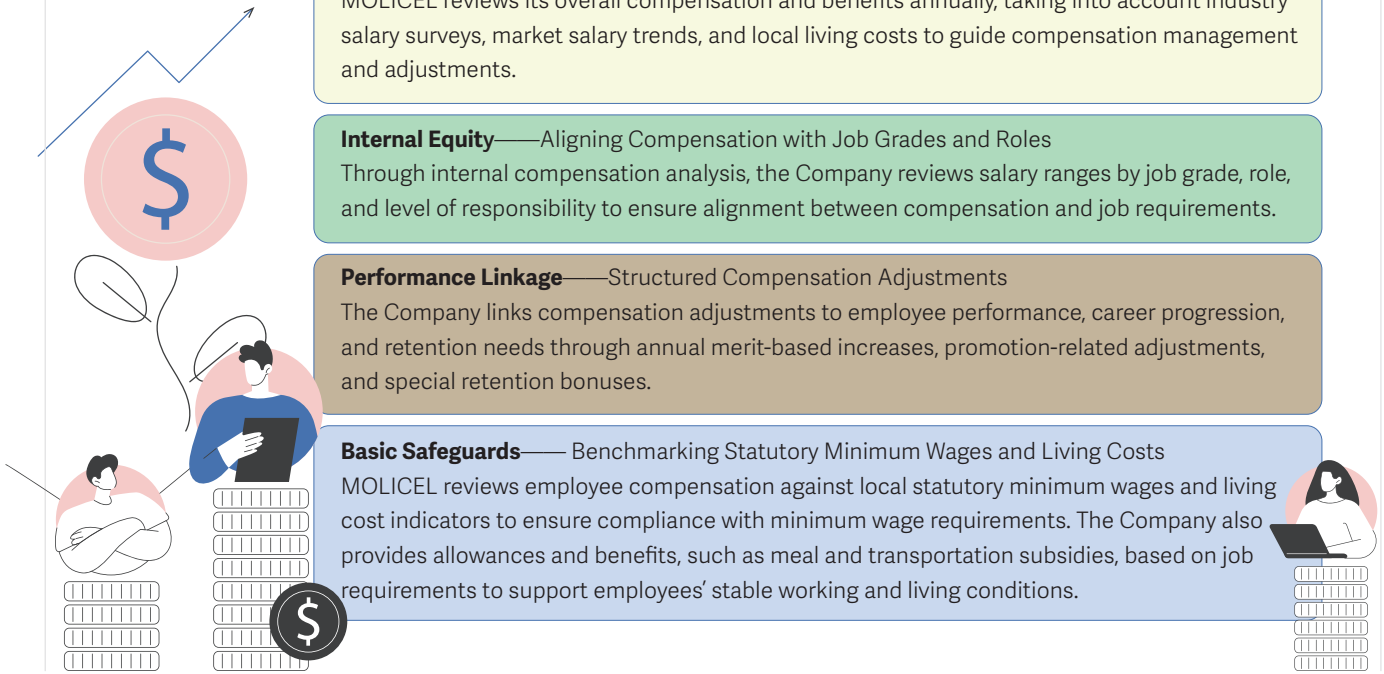
4.2.2 Remuneration and Benefits

Compensation Strategy

GRI 404-1、404-2

MOLICEL adopts 'market competitiveness, internal equity, performance linkage, and basic security' as its core compensation management principles. We regularly review salary and benefit levels, and make adjustments based on job responsibilities, grading structures, and talent demands to support employees' long-term development and ensure stable organizational operations.

MOLICEL operates a merit-based compensation structure focused on four core pillars:



Market Competitiveness——Benchmarking External Salary Trends
MOLICEL reviews its overall compensation and benefits annually, taking into account industry salary surveys, market salary trends, and local living costs to guide compensation management and adjustments.

Internal Equity——Aligning Compensation with Job Grades and Roles
Through internal compensation analysis, the Company reviews salary ranges by job grade, role, and level of responsibility to ensure alignment between compensation and job requirements.

Performance Linkage——Structured Compensation Adjustments
The Company links compensation adjustments to employee performance, career progression, and retention needs through annual merit-based increases, promotion-related adjustments, and special retention bonuses.

Basic Safeguards—— Benchmarking Statutory Minimum Wages and Living Costs
MOLICEL reviews employee compensation against local statutory minimum wages and living cost indicators to ensure compliance with minimum wage requirements. The Company also provides allowances and benefits, such as meal and transportation subsidies, based on job requirements to support employees' stable working and living conditions.

2025 Entry-Level Salary Comparison

Metric	**Male** (NTD)	**Female** (NTD)
Entry-Level Basic Salary	28,590	28,590
Statutory Minimum Wage	28,590	28,590
Basic Salary to Minimum Wage Ratio	1	1

Note 1: Scope covers MOLICEL Taiwan operations.
Note 2: Excludes overtime pay, variable bonuses, and indirect allowances.
Note 3: Statutory monthly minimum wage in Taiwan for 2025 set at NTD 28,590.

Female-to-Male Salary Ratio Comparison

Level	**Male**	**Female**	**Male**	**Female**
Direct Labor (General)	1	0.92	1	0.94
Indirect Labor (General)	1	0.84	1	0.84
Management Level	1	0.84	1	0.80

Note: Base value (1.00) represents average male compensation within the specified job category as of December 31.

Employee Welfare System

GRI 401-2

MOLICEL is committed to a people-centered approach, fostering a safe, healthy, and development-oriented workplace. Through comprehensive employee benefits and support initiatives, the Company promotes employee well-being and job satisfaction while strengthening its long-term competitiveness and sustainability.

Employee Benefits Philosophy

MOLICEL's benefits framework centers on diverse subsidies and employee care, covering core areas such as compensation, allowances, and insurance, with additional targeted support for different employee groups. This approach balances fundamental protection with diverse employee needs. The Company also facilitates employee feedback and continuous improvement through union activities and internal communication channels.

The benefits framework encompasses well-being support, healthcare, workplace environment, compensation and benefits, leave policies, workplace amenities, and recreational subsidies.

Comprehensive Employee Benefits Structure

Living Care
Marriage/bereavement grants, childbirth allowances, emergency loans, meal subsidies, seasonal bonuses, electric scooter purchase subsidies, and employee club funding.

Workplace Environment
Employee lounges, free covered parking facilities, and dedicated employee suggestion channels.

Leave Management
Paid holiday overtime enhancements, advance annual leave allocations, and paid family care/sick leave exceeding statutory minimums.

Recreation & Vouchers
Birthday vouchers, festival gift certificates, employee travel stipends, corporate partner discounts, and holiday gift packages.

Health & Medical Care
Comprehensive annual health screenings (exceeding statutory norms), dedicated lactation rooms, free vaccinations, group insurance, hospitalization grants, health seminars, onsite physician/nurse consultations, and Employee Assistance Programs (EAPs).

Financial & Incentives
Year-end bonuses, performance bonuses, Employee Stock Ownership Trust (ESOT), stock option allocations, and attendance bonuses.

Convenience Facilities
Onsite employee cafeteria, free indoor parking, and an onsite 24-hour FamilyMart convenience store.

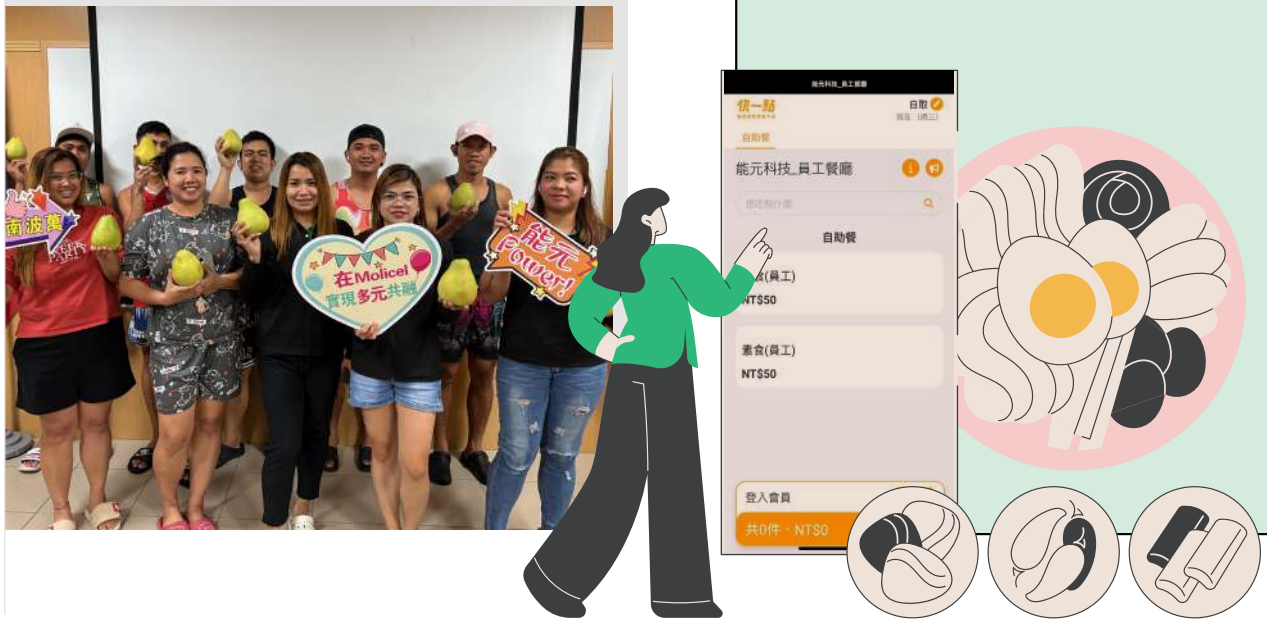


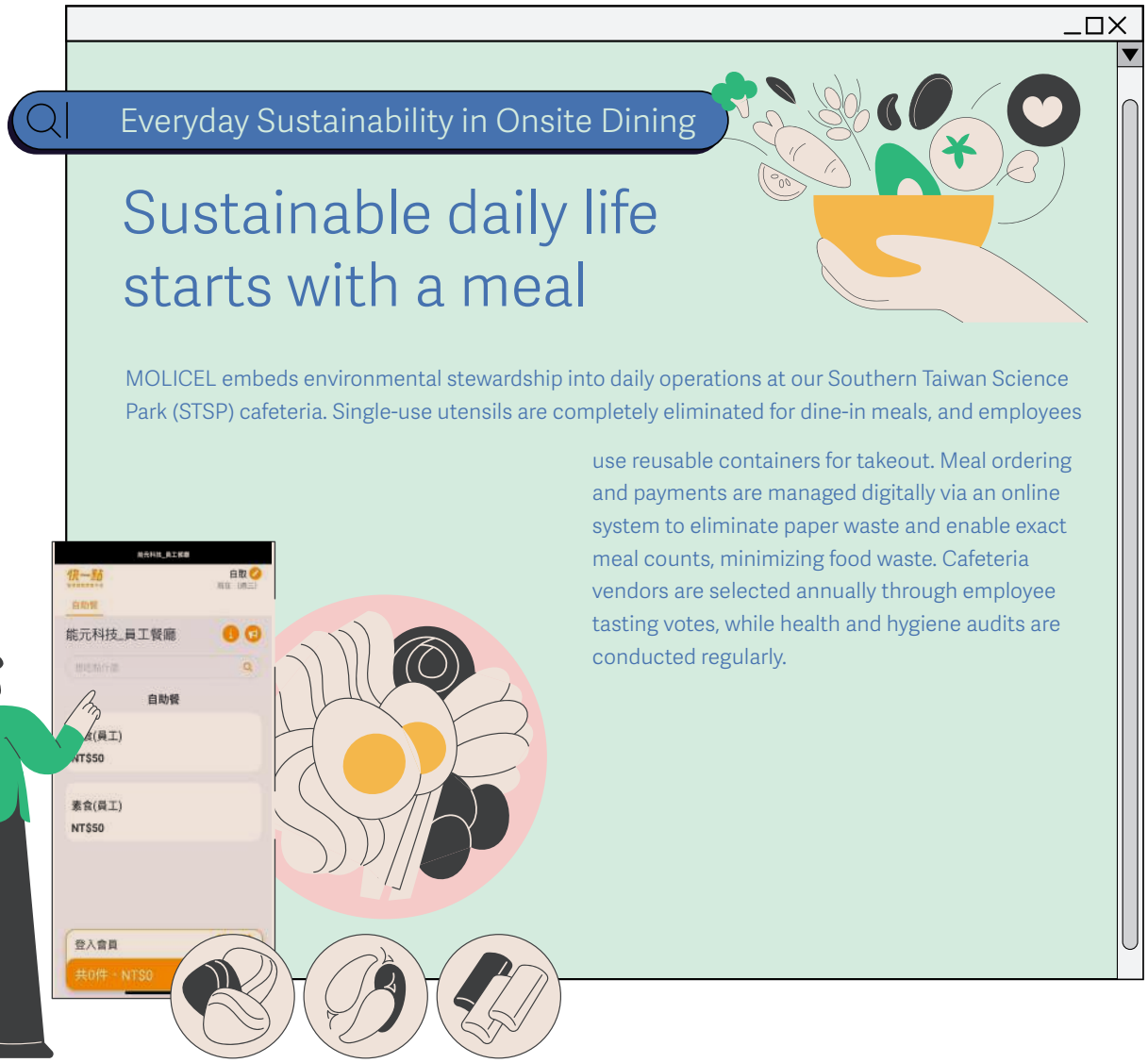
Diverse Employee Support Initiatives

MOLICEL recognizes the specific needs of different employee groups and extends targeted support beyond its standard benefits framework to ensure appropriate workplace assistance.

Support for Foreign Employees

The Company provides prayer rooms in employee dormitories to accommodate religious practices, conducts regular interviews to assess employees' work and living conditions, and distributes gifts during special festivals. These initiatives support foreign employees' well-being both at work and in daily life.





Parental Leave and Support System

GRI 401-3

MOLICEL fully supports work-life balance and family care needs in compliance with the Act of Gender Equality in Employment, supplementing statutory rules with paid family care leave.

Parental Leave Rights

- Employees with over 6 months of service caring for children under 3 years old may request unpaid parental leave for up to 2 years.
- Eligibility and Flexibility——MOLICEL assists employees in applying for statutory parental leave allowances, securing up to 80% of their insured wage for the first 6 months.
- Financial Protection——HR proactively contacts employees 1 month prior to their planned return date to arrange work schedules and reintegration counseling.

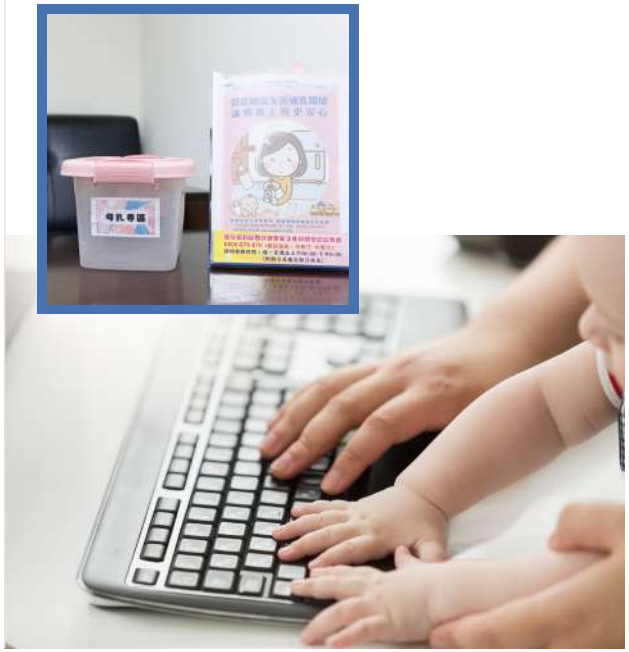
Return-to-Work Support and Career Transition

- MOLICEL supports employees' well-being and professional development upon returning to work. Through proactive consultation and confirmation of return-to-work intentions, the Company facilitates a smooth workplace transition.
- Pre-Return Contact: One month before the expected return date, HR proactively contacts employees to understand their childcare arrangements and readiness to return to work.

Benefits Exceeding Statutory Requirements

To further support work-life balance, MOLICEL provides benefits beyond statutory parental leave protections.

Three Days of Fully Paid Family Care Leave: The Company provides three additional days of fully paid family care leave annually to ease the financial burden of unexpected family care needs, such as a child's illness or vaccination, and better accommodate employees' caregiving responsibilities.



Parental Leave & Retention Statistics

Metric	Gender	2024	2025
Employees Eligible for Parental Leave	Male	14	7
	Female	22	19
	Total	36	26
Employees Taking Parental Leave	Male	1	1
	Female	9	6
	Total	10	7
Employees Due to Return to Work	Male	0	1
	Female	6	5
	Total	6	6
Employees Reinstated (Returned)	Male	0	1
	Female	5	4
	Total	5	5
Reinstatement Rate (%)	Male	-	100%
	Female	83%	80%
	Total	83%	83%
Employees Retained 12 Months Post-Return	Male	0	0
	Female	2	4
	Total	2	4
Retention Rate (%)	Male	-	-
	Female	66.67%	80%
	Total	66.67%	80%

Note 1: Reinstatement Rate = (Actual Reinstated / Expected Reinstated) × 100%.
Note 2: Retention Rate = (Employees Retained 12 Months Post-Return / Total Reinstated in Previous Year) × 100%.

Retirement Schemes & Pension Management

GRI 201-3, 401-2

MOLICEL is committed to employees' long-term financial security and manages retirement contributions in accordance with Taiwan's applicable pension regulations. The Company makes contributions under both the old and new pension systems, ensuring regulatory compliance and the appropriate use of designated pension funds while helping employees build retirement security throughout their careers.

Defined Benefit Pension (Old Scheme)

MOLICEL operates a Labor Retirement Reserve Supervisory Committee. Professional actuaries conduct annual evaluations. If reserve balances fall short of forecasted payout requirements for the following year, MOLICEL replenishes the capital gap before the end of March.

Defined Contribution Pension (New Scheme)

Under the Labor Pension Act, MOLICEL contributes 6% of each employee's monthly insured salary directly into personal pension accounts managed by the Bureau of Labor Insurance.

Labor-Management Communication & Grievance Channels

MOLICEL maintains transparent labor-management channels, including trade unions, regular labor-management meetings, performance reviews, and anonymous communication platforms. Labor-management meetings are held quarterly at the STSP facility (4 sessions in 2025, with 5 labor and 5 management representatives per session).

Communication Channels Summary

Channel Category	Operational Frequency & Scope
Labor-Management Meetings	Convened quarterly.
Town Hall Meetings	Convened at least once annually for all staff.
Performance Interviews	Conducted annually in tandem with performance reviews.
Anonymous Suggestion Box	Accessible via 7885@molicel.com, MOLIsuggestion@molicel.com, physical suggestion boxes, fax (06-5050777), and phone (06-5050666 ext. 7885).
Anti-Harassment Hotline	Handled discreetly by the Workplace Amity Committee.
Workplace Amity Platform	Internal digital platform for grievances and operational feedback.



Employee Engagement and Workplace Cohesion

MOLICEL aims to make the workplace more than a place of work by fostering connection, relaxation, and shared experiences. In 2025, the Company organized diverse employee activities integrating sustainability education, well-being, family participation, and team sports, encouraging employees to connect with colleagues, families, and nature beyond their daily work.

"Tree of Life" Sustainability Family Day
Combined ESG showcases, SDGs interactive walls, and carbon-reduction games. Employees and families planted ~300 native saplings to support local biodiversity.



Succulent Plant Workshop
Employees created plant displays using recycled cement pots from TCC's Heping plant, fostering cross-cultural interaction and green relaxation.



Dragon Boat Championship
MOLICEL's Dragon Boat Club secured 3rd place in the Commercial Group at the 2025 Tainan International Dragon Boat Championship.



Qixi Festival "Speak Your Love"
Interactive message boards allowed employees to write notes of appreciation, strengthening workplace relationships and team spirit.

Through hands-on workshops, family days, festive activities, and team competitions, MOLICEL integrates employee care into everyday engagement. These activities provide opportunities to relieve work-related stress and strengthen connections among employees across departments, nationalities, and family roles.

4.2.3 Human Rights Protection

Human Rights Governance

GRI 2-23, 2-24, 2-25, 2-26

MOLICEL respects human rights in accordance with international standards, including the UN Global Compact, Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights (UNGPs), and the Responsible Business Alliance (RBA) Code of Conduct.

Human rights governance is co-managed by Human Resources and the Sustainability & Environment Department through policies, risk assessments, grievance management, employee education, and supply chain oversight.

Policy Commitment and Scope

MOLICEL references the TCC Group Human Rights Policy and establishes management guidelines based on the Responsible Business Alliance (RBA) Code of Conduct to guide its human rights practices. Its approach is informed by international standards, including the United Nations Global Compact, the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

Governance and Management Mechanisms

MOLICEL's Human Resources Department and Sustainability and Environment Department jointly oversee human rights management and implement the following measures.

Communication Channels:

Standardized grievance procedures managed via corporate SOPs.

Due Diligence Questionnaires

Completed group-wide Human Rights and Environmental Due Diligence surveys in May 2025.

Supplier Code of Conduct

Integrated human rights standards into procurement evaluation policies.

RBA Code Manual

Enforced operational guidelines established by the Sustainability & Environment Department.

Labor & Ethics Risk Assessments

Regular internal risk mappings covering labor conditions, ethics, and human rights.

Internal Audits **Conducted formal internal audits covering human rights topics in January 2026 for the 2025 reporting period.**

Through cross-departmental division of labor, the company continuously reviews human rights issues across dimensions such as employee management, workplace environment, supply chain cooperation, and business ethics.

Human Rights Risk Focus Areas

The Company regularly assesses labor and business ethics risks and conducts annual internal audits and human rights and environmental due diligence assessments through questionnaires. These assessments cover working environments, labor conditions, workplace interactions, and business ethics. MOLICEL's key human rights issues include:

Focus Area	Key Issues Managed
Labor Rights	Prohibition of forced labor, freedom of association, child labor prevention, underage/intern protection, and dispatch worker management.
Equality & Respect	Non-discrimination, anti-harassment, and maternity/lactation protection.
Business Ethics	Prevention of corruption, bribery, and unethical conduct.
Personal Safeguards	Protection of employee personal data, privacy, and whistleblower identity.

Human Rights Risk Management

MOLICEL uses labor and business ethics risk assessments, together with mitigation and remediation measures, to monitor human rights risks and integrate relevant requirements into recruitment, working conditions, workplace safety, and employee relations.
Key management priorities include:

Non-Discrimination
Ensure equal treatment in recruitment and employment regardless of gender, age, race, religion, sexual orientation, marital status, disability, or other personal characteristics.

Equal Opportunity
Evaluate employees and candidates based on job requirements and individual capabilities to ensure fair access to employment opportunities.

Labor Rights Protection
Monitor working hours, employment conditions, and work arrangements to prevent forced or compulsory labor.

Safe Working Environment
Protect employees through occupational health and safety management and continuous workplace improvements.

Respectful Workplace
Address workplace harassment, discrimination, and inappropriate conduct through established grievance and resolution channels.

Human Rights Training & Education Performance

MOLICEL integrates human rights principles into employee training and annual communications on key corporate policies to ensure employees understand the Company's commitments to human rights protection,

New Hire Orientation Rights Module

Performance Results
Integrated into all onboarding schedules
2025 Result — **100%**

Annual Policy Statements

Performance Results
Online policy declaration completed with a completion rate.
Year2025 online reading statement reached — **96%**

Anti-Discrimination & Anti-Harassment

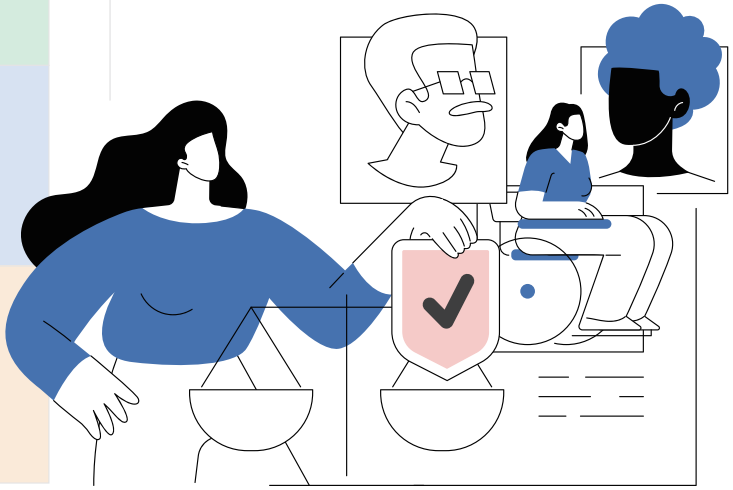
Performance Results
Completed 430 training sessions totaling — **215 training hours**

RBA Code of Conduct Introduction

Performance Results
Completed 812 training sessions totaling — **406 training hours**

Supply Chain Human Rights Management

MOLICEL extends its human rights principles to supply chain management through a Supplier Code of Conduct that sets expectations for labor rights, human rights protection, and business ethics. By incorporating these requirements into supplier management, the Company encourages supply chain partners to uphold human rights and responsible business practices.



Care and Rights Protection for Foreign Employees

MOLICEL is committed to supporting foreign employees' workplace integration, well-being, and fundamental rights during their employment in Taiwan. Guided by the Responsible Business Alliance (RBA) Code of Conduct and applicable labor laws, the Company has established a management framework covering onboarding, job training, living support, communication and grievance channels, and employee rights protection. Through systematic management, MOLICEL aims to minimize language, cultural, and lifestyle barriers and foster a safe, respectful, and inclusive workplace.

Pre-Departure Briefings and Zero Recruitment Fee Policy

Before employees arrive in Taiwan, MOLICEL provides pre-departure briefings covering the RBA Zero Recruitment Fee Policy, employment requirements, living conditions, and employee rights. On their first day, foreign employees receive onboarding training on occupational health and safety, company policies, codes of conduct, employment terms, labor regulations, basic product knowledge, and information security requirements.



To address language barriers, interpreters assist during training to ensure employees understand workplace policies and safety requirements. At the workplace, experienced colleagues of the same nationality provide practical guidance on operational procedures, job responsibilities, and safety precautions, helping new employees adapt to their roles and reduce cultural and language-related challenges.

Living Support & Cultural Respect

MOLICEL supports foreign employees' living conditions and well-being by providing well-equipped dormitories with shared social spaces, lounges, and TV areas for relaxation and interaction outside working hours. On-site staff provide 24-hour dormitory management to maintain access control and residential safety, fostering a secure and stable living environment.

To enhance daily convenience, the Company provides on-site convenience stores at its dormitories and facilities and leverages nearby convenience stores to improve access to daily necessities and food. The Company also offers employee meal services, with attention to food hygiene, nutrition, and diverse cultural dietary preferences, enabling foreign employees to choose meals that suit their needs.



Health Management and Multilingual Grievance Channels

MOLICEL provides free annual health examinations for foreign employees. After the examinations, company medical staff explain the results, address health concerns, and provide follow-up medical recommendations as needed. On-site occupational physicians also conduct regular consultations and health management activities to support preventive care and workplace health.

Beyond medical care, MOLICEL promotes employee well-being through health promotion initiatives, cultural activities, and lifestyle education. Foreign employees are encouraged to participate in cultural, health, and educational programs to strengthen engagement and a sense of belonging.

Diversity and Inclusion: Respecting Cultural and Religious Differences

To support foreign employees' adaptation to life in Taiwan, MOLICEL organizes cultural and seasonal activities, such as Mid-Autumn Festival pomelo painting and Christmas pinecone tree crafts. These activities encourage cultural exchange and interaction among employees of different nationalities. The Company also holds diversity and inclusion activities that bring local and foreign employees together to foster mutual understanding and respect, creating a welcoming, inclusive, and discrimination-free workplace. To accommodate diverse religious practices, prayer rooms are provided in employee dormitories and workplace facilities.

Communication and Grievance Mechanisms: Overcoming Language Barriers

MOLICEL provides company policies, employee handbooks, work instructions, and management guidelines in foreign employees' native languages to ensure clear understanding of workplace and living requirements. Physical suggestion and grievance boxes are available at factory sites and dormitories, alongside multiple reporting channels, including email, LINE Official Accounts, telephone, and other accessible communication platforms.

To strengthen two-way communication, the Company regularly conducts briefings at dormitories and factory sites on corporate policies, benefits, activities, government regulations, and migrant worker rights. Regular forums are also held to gather foreign employees' feedback on work and living conditions. Feedback is documented, categorized, and tracked through internal management procedures, with outcomes communicated through subsequent briefings or meetings.

Employee Rights Protection: Fair Employment and Freedom of Movement

MOLICEL complies with the RBA Code of Conduct and applicable labor laws to protect foreign employees' working conditions and fundamental rights, including lawful employment, reasonable working hours, and freedom of movement. As employees may commute by motorcycle, the Company also provides traffic safety education and guidance on local traffic regulations to help reduce commuting risks.

Through onboarding, on-the-job guidance, dormitory management, healthcare, cultural exchange, multilingual communication, and grievance mechanisms, MOLICEL continues to strengthen its support for foreign employees, fostering a respectful, safe, and supportive environment for work and daily life while maintaining stable workplace relationships.



4.3 Occupational Health & Safety

4.3.1 Safe and Healthy Workplace Environment

MOLICEL views "safeguarding employee physical and mental well-being and constructing a zero-accident workplace" as a core responsibility of corporate sustainability. Guided by the ISO 45001 Occupational Health and Safety Management System and our Environmental, Health, and Safety (EHS) Policy, the company has established a comprehensive OHS governance framework covering employees, onsite personnel, and contractors. Utilizing the "Plan-Do-Check-Act" (PDCA) cycle, we continuously refine standard operating procedures (SOPs), proactively mitigate workplace safety, health, and environmental risks, and fulfill our commitment to worker safety and health.

Occupational Health and Safety Management System GRI 403-1

MOLICEL's OHS management framework is structured around three foundational pillars:

ISO 45001 International Standard——
Deployed and certified across all facilities, with external certification validity maintained contin-uously.

EHS Policy——
Aligned with group-level EHS policies to define top management's formal commitment to oc-cupational health and safety.

PDCA Management Cycle——
Continuously refines management, monitoring, and corrective measures through the PDCA framework while establishing standard operating procedures to implement proactive safety management.

2025 OHS Targets and Monitoring Mechanisms

MOLICEL defines annual OHS management targets aligned with operational characteristics, which are reviewed quarterly by the EHS Committee to enforce objective-driven governance:

Target Category	2025 Target Item	Actual Performance
Accident Reduction	EHS inspection corrective action rate ≥ 95%; zero major occupational accidents; zero regulatory fines.	EHS inspection corrective action rate: 97%; zero major occupational accidents; zero regulatory fines.
Defect Rectification	Target management plan achievement rate ≥ 90%.	Target management plan achievement rate: 100%.
Risk Reduction	Annual Fatalities and Severe Injuries / Injury Frequency-Severity Indicator (FSI) < 0.52.	FSI: 0.12.
Safety Culture	Annual employee health/special health examination participation rate ≥ 95%.	Health examination participation rate: 98.9%.
Review Frequency	Reviewed quarterly by the EHS Committee to track achievement.	Convened 4 EHS Committee meetings in 2025 to review quarterly target progress.



Workers Covered by the OHS Management System GRI 403-8

MOLICEL's OHS management system encompasses all operational activities, site areas, and associated workers—including employees, onsite service personnel, and contractors—covering approximately 900 individuals. External contractors must pass a site entry safety examination before access and adhere to random audits and field oversight. Data points are incorporated into the external ISO 45001 audit scope, extending safety governance beyond direct employees to non-employee workers operating within company facilities.

Hazard Identification, Risk Assessment, and Incident Investigation GRI 403-2

MOLICEL maintains a systematic hazard identification and risk assessment procedure to identify physical, chemical, ergonomic, and psychosocial hazards, implementing risk-tiering management accordingly. Risk evaluations encompass working environments, equipment usage, chemical management, and work patterns, generating a tracked risk register tailored to plant operations.

When occupational incidents or near-misses occur, standardized investigation procedures are initiated. This includes site inspection, root cause analysis, liability clarification, corrective/preventive action planning, and follow-up tracking. Findings are fed back into the risk assessment system to enforce a continuous "lessons learned, recurrence prevention" management loop.

Risk Prevention for Specific Demographic Groups

MOLICEL incorporates vulnerable and specialized demographic needs into risk management, establishing individualized management procedures, environmental risk evaluations, health risk assessments, and tiered controls for:

Middle-Aged and Senior Employees——
Managing operational risks associated with physiological changes.

Night-Shift Workers——
Mitigating health impacts related to circadian rhythm disruption and prolonged night shifts.

Maternal Health Protection——
Assessing workplace hazards and implementing job adjustments for pregnant and postpar-tum employees.



Protection of the Right to Refuse Dangerous Work

In accordance with Taiwanese Occupational Safety and Health Act.18, employees who reasonably judge that an immediate danger exists have the right to halt operations and evacuate the workplace without fear of termination, pay deduction, performance penalty, or adverse treatment. MOLICEL incorporates this right into mandatory new-hire onboarding to prioritize safety over operational pressure.

Worker Participation, Consultation, and Communication GRI 403-4

MOLICEL enforces worker participation rights in OHS matters through institutionalized mechanisms and clear communication channels. Employee safety suggestions, risk concerns, and improvement requests are consolidated by the EHS Department and submitted to the EHS Committee for cross-departmental action or routed directly to responsible units for prompt, two-way feedback.

Diverse Worker Participation Channels

Beyond the EHS Committee, daily worker engagement is supported through:

Direct Supervisors or EHS Personnel——
Employees can directly report safety concerns or suggestions to their supervisors or EHS (Environmental Health and Safety) personnel through daily communication or email.

Physical and Digital Suggestion Boxes——
Providing anonymous or named channels for stress-free feedback.

Information Transparency——
Disseminating OHS announcements through emails, briefings, and electronic bulletin boards.

Worker OHS Training GRI 403-5

MOLICEL integrates OHS training into daily management, delivering role-specific and risk-tailored programs. Courses cover general and contractor safety, chemical hazard communication, emergency response and PPE usage, radiation protection, internal auditor certification, and health management.

2025 OHS Training Summary

Training Category	Sessions	Participants	Course Duration	Total Training Hours
In-Service OHS Training	32	32	Varies by course	128
Health Management Training	7	889	3	2,667
Hazardous Chemical Training	1	583	1	583
Radiation Protection In-Service Training	3	112	3	336
Emergency Response & PPE Training	14	977	3	2,931
OHS Internal Auditor Training	1	6	24	144

2025 In-Service OHS Training Details

Course Title | **Core Curriculum** Content	Duration	Participants
EHS Personnel Periodic Retraining OHS Management Supervisor In-Service Training	6hr/ person	3
Forklift Operator Retraining Forklift Operational Safety	3hr/ person	7
First-Aid Personnel Retraining First-Aid Certification & Techniques	3hr/ person	3
High-Pressure Gas Container Operator Retraining Vessel Safety & Handling Procedures	3hr/ person	1
Fire Protection Manager Retraining Fire Prevention & Building Safety	6hr/ person	3
Security Supervisor Retraining Site Security & Safety Oversight	6hr/ person	1
Security Inspector Retraining Inspection Protocols & Threat Detection	8hr/ person	1
Organic Solvent Supervisor Retraining Organic Solvent Hazard Controls	3hr/ person	5
Specified Chemical Supervisor Retraining Specific Chemical Safety Operations	3hr/ person	1
Dust Operations Supervisor Retraining Dust Explosion & Inhalation Prevention	3hr/ person	2
Boiler Operator Retraining Boiler Operations & Safety Management	3hr/ person	1
Fixed Crane Operator Retraining Crane Operation Protocols	3hr/ person	2
Wastewater Treatment Specialist Retraining Wastewater System Operation	6hr/ person	1
Waste Disposal Technician Retraining Industrial Waste Management & Disposal	6hr/ person	1

MOLICEL conducts at least two site-wide fire and evacuation drills annually, verified through work environment monitoring, health tracking, internal audits, and automated inspection mechanisms.

Occupational Health Services GRI 403-3

MOLICEL provides health services exceeding statutory mandates. Beyond annual health checkups and health-tier management, checkup data is analyzed to design health promotion initiatives. Health updates, employee needs, and epidemic prevention notices are regularly distributed, supported by medical service satisfaction surveys to ensure service quality.

Professional Health Support Resources

Onsite Occupational Physician Services——
Monthly consultations with occupational health specialists to evaluate employees requiring health management and offer voluntary health counseling.



Immediate High-Risk Intervention——
Immediate intervention for employees identified with high/critical health risks, including ab-normal checkup notifications, clinical follow-ups, and long-term tracking.

Employee Assistance Programs (EAPs)——
Integrated with TCC Group EAPs, providing a confidential hotline to schedule external advisory support for personal stress, emotional distress, or psychological counseling needs.

2025 Health Management Quantitative Results

Active Employee Health Management

653 employees

2025 Execution Results

Checkup completion rate: 98.9%;
Analysis & tiered management completion rate:

100%

Special Hazardous Work Health Management

198 employees

2025 Execution Results

Checkup completion rate:

100%



Employee Health Promotion GRI 403-6

MOLICEL organizes voluntary health promotion initiatives covering various health topics, establishing strict tiered health management standards reviewed annually with occupational physicians for early intervention and chronic disease prevention.

Healthy Workplace Certification

MOLICEL has maintained the Ministry of Health and Welfare's "Healthy Workplace Certifica-tion" for 3 consecutive years as a benchmark for health promotion efficacy.





Efficacy Tracking

Post-event surveys analyze satisfaction, participation rates, and health metric improvements to ensure tangible wellness benefits.

2025 Employee Health Promotion Activities

Activity | Implementation Scope	Participation
Influenza Vaccination	
Onsite flu vaccinations offered to all staff.	251 participants
Smoking Cessation Class	
Engaging onsite smoking cessation workshops to assist employees in quitting.	63 participant-times
Interactive Health Station	
Interactive games strengthening health knowledge for daily application.	532 participant-times

Six Workplace Health Risk Management Plans

In accordance with Ministry of Labor guidelines, MOLICEL integrates six risk management plans into its health framework:

Health Management Plan | Operational Framework	2025 Execution Results
Unlawful Infringement Prevention	
Annual environmental risk audits by department heads; EHS tracks unresolved issues. Alleged cases reported via phone, email, or physical boxes are investigated by HR and a Grievance Committee.	Completed risk evaluations across all 51 departments (100% completion).
Overwork Hazard Prevention	
Annual fatigue surveys evaluating "personal" and "work-related" fatigue, combined with checkup data, 10-year CVD risk, and work hours. High-risk individuals receive physician interviews and work hour management.	668 employees monitored; high-risk ratio maintained at a low 1.0%; 100% completion rate for physician consultations among medium/high-risk individuals.
Night-Shift Health Management	
Annual workplace evaluations by supervisors. Long-term night workers are stratified by physician-recommended indicators (renal, liver, blood glucose, lipids). High-risk workers receive physician counseling.	323 employees monitored; 112 identified as medium/high risk; 67 completed advanced consultations (60% completion).
Middle-Aged & Senior Health Management	
Workplace assessments ensuring age-appropriate safety. Health risks stratified using checkup data, CVD risk, special hazard checks, and ergonomic surveys, followed by physician fitness-for-duty evaluations.	199 employees monitored (199 middle-aged, 0 senior); 79 with health risks; 38 completed physician fitness evaluations.
Ergonomic Hazard Prevention	
Triennial NMQ questionnaires screening ergonomic hazards. Work station clusters undergo Key Indicator Method (KIM) audits to quantify risks and implement workstation improvements.	589 surveys recovered (99.8% response rate); 35 suspected cases received counseling (100% rate); KIM audits and improvements executed across 2 targeted high-risk stations.
Maternal Health Protection	
HR/supervisors identify pregnant/postpartum staff for workplace hazard and self-health assessments. Physicians assign management tiers; Tier 2/3 triggers job adjustments and tracking.	Completed pre/postnatal assessments and job adjustments for 18 participant-times.

Contractor Safety Management

GRI 403-7

MOLICEL incorporates contractor safety into enterprise OHS governance through a 5-stage management protocol:

Stage	Management Mechanism
Access Qualification Review	Raw material suppliers must provide OHS certifications (e.g., ISO 45001, ISO 14001, TOSHMS).
Pre-Work Risk Assessment	High-risk operations (e.g., working at heights, hot work) require joint onsite pre-inspections with contractors.
OHS Contract Clauses	Contracts specify liabilities, penalties (work stoppage, fines, termination), and require adequate occupational accident and liability insurance.
Safety Education & Capacity Building	Contractor personnel must complete pre-entry safety training (site rules, evacuation routes) and pass an exam prior to entry.
Routine Inspections & Audits	EHS staff and site supervisors perform routine audits checking compliance, PPE usage, and equipment maintenance logs.

Occupational Injury Statistics

GRI 403-9

The Company integrates the occupational health and safety of contractors and external workers into its overall corporate OHS governance framework. We have established an institutionalized contractor risk assessment and management mechanism, exercising full-course control from pre-entry qualification review, operational assessment, contractual compliance, and education and training to routine auditing. The specific mechanisms are as follows:

Employee Occupational Injuries (2024–2025)

Metric	2024	2025
Total Hours Worked	1,415,521.5	1,492,642.5
Fatalities from Occupational Injuries	0	0
Rate of Fatalities from Occupational Injuries	0	0
High-Consequence Occupational Injuries	0	0
Rate of High-Consequence Occupational Injuries	0	0
Recordable Occupational Injuries	3	2
Total Recordable Injury Rate(TRIR)	0.42387205	0.267981114

Contractor Occupational Injuries (2024–2025)

Metric	2024	2025
Total Hours Worked	77,416	65,000
Fatalities from Occupational Injuries	0	0
Rate of Fatalities from Occupational Injuries	0	0
High-Consequence Occupational Injuries	0	0
Rate of High-Consequence Occupational Injuries	0	0
Recordable Occupational Injuries	0	0
Total Recordable Injury Rate (TRIR)	0	0

2025 Work Injury Root Cause Analysis

In 2025, the Southern Taiwan Science Park (STSP) facility recorded 8 occupational injury cases (6 public commuting accidents, 2 onsite accidents), accumulating 2,577.6 lost work hours (2,448 hours from commuting, 129.6 hours onsite). The 2 onsite incidents involved a slip on a wet floor and a minor cut during handling; investigations confirmed no equipment failure or guard breakdown. Area inspections and SOP updates were executed with 100% corrective closure. Commuting accidents constituted the majority of incidents; MOLICEL responded by expanding road safety education.

Statistical Notes

1. Calculation of Total Working Hours: Calculated by aggregating the monthly occupational safety reporting hours.
2. Recordable Work-Related Injuries: Refers to injury events resulting from work-related activities that require medical treatment, lead to restricted work, or cause disability or death.
3. Calculation of High-Consequence Work-Related Injuries: When calculating the number and rate of high-consequence work-related injuries, fatalities are excluded.
4. Calculation of Recordable Work-Related Injuries: When calculating the number and rate of recordable work-related injuries, fatalities resulting from work-related injuries are included, and the rates are calculated per 200 thousand hours.

5. High-Consequence Work-Related Injury: Refers to a work-related injury from which the worker cannot, or is not expected to, recover fully to pre-injury health status within 6 months. (Note: Strictly adheres to the GRI definition of "recovery to pre-injury health status within 6 months".)
6. Commuting Accidents: Only injuries resulting from commuting accidents where the transportation was organized by the organization are counted as work-related injuries. Routine commuting by employees to and from work is excluded.





Work-Related Ill Health

GRI 403-10

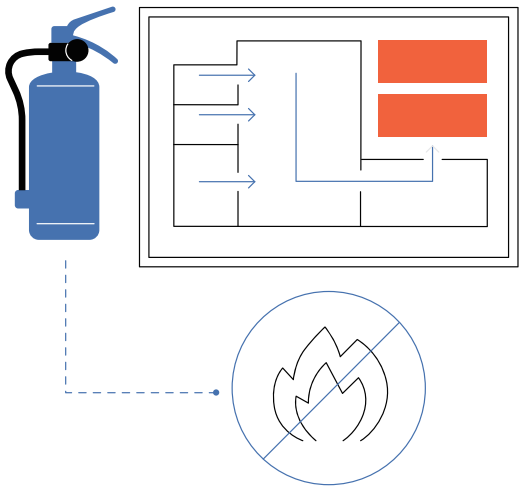
MOLICEL maintains an "Identify, Assess, Intervene, Track" protocol for work-related ill health. Abnormalities detected during general or special health checkups are entered into long-term tracking lists. Suspected work-related health issues are evaluated by EHS and medical staff to recommend job adaptations or medical referrals. Annual occupational disease health screenings cover ionizing radiation, noise, dust, nickel, and manganese.

Occupational Health Examinations and Disease Prevention

MOLICEL prioritizes the prevention of work-related illnesses and occupational diseases. In accordance with regulatory requirements, the Company conducts annual occupational health examinations covering ionizing radiation, noise, dust, nickel, and manganese exposure. Going beyond statutory requirements, MOLICEL also provides annual general health examinations for all employees. Examination results are analyzed and used to implement risk-based, individualized health management measures, with follow-up to ensure ongoing monitoring and care.

4.3.2 Workplace Fire Safety

As a manufacturer of high-performance lithium-ion batteries, MOLICEL prioritizes fire safety governance. Operating under ISO 45001 and national fire codes, we maintain an integrated system spanning risk identification, equipment management, education, emergency response, and continuous improvement.



Fire Safety Governance Architecture

The company's fire safety management is structured around the following three foundational pillars to build an institutionalized operational mechanism:

International Framework Integration——
Embeds fire procedures into ISO 45001 standards alongside statutory requirements.

Cross-Functional Governance——
Co-managed by the EHS Office and Facility Department, staffing dedicated Fire Protection Managers, Security Supervisors, Security Inspectors, and an Emergency Response Team (ERT).

Comprehensive Scope——
Covers all workers (employees, contractors, visitors) across factories, offices, warehouses, and auxiliary facilities.

2025 Emergency Response Enhancement Initiatives

In 2025, MOLICEL executed seven key emergency enhancements:

Site-Wide Equipment Overhaul——
Comprehensive inspection and functional testing of active fire protection systems.
Formation Process Specialized Drills——
Targeted response exercises addressing unique formation process risks.
High-Risk Operator Extinguisher Training——
Hands-on initial fire suppression training for frontline personnel.
ERT Capacity Advancement——
Specialized team tactics and coordination training.
Shift-Based Disaster Drills——
Operational response exercises covering Electrode, Winding, Formation, Assembly, and Facili-ty units.
Plant-Wide Evacuation Drills——
Full-scale evacuation execution.
Standardized Flowchart Publication——
Transparent publication of emergency procedures across operational areas.

Fire Hazard Identification and Risk Assessment

MOLICEL identifies "battery charging and discharging operations" as the primary high-risk operation. Multi-layered safeguards—comprising zone isolation, process monitoring, physical barriers, and targeted response protocols—are deployed to secure these operations.



Fire Equipment Inspection Matrix

In accordance with our fire system operating procedures, the Company has established a comprehensive inspection and maintenance system for fire equipment. The Facility Department is responsible for conducting regular routine inspections and functional testing of various equipment, ensuring they can operate immediately and effectively in emergency situations. The inspection frequencies for each equipment category are summarized below:

Equipment Category	Inspection Frequency
Fire Water System	Quarterly Functional Test
Foam Fire Extinguishing System	Quarterly Functional Test
CO2 Fire Extinguishing System	Annual Functional Test
Fire Alarm System	Quarterly Functional Test
Fire Extinguishers	Monthly Inspection
Smoke Exhaust System	Quarterly Functional Test

Fire Safety Training Framework

In accordance with worker attributes, the Company has constructed a tiered fire safety education and training system. It covers three categories of targets: new hires, all active employees, and contractors. Spanning from foundational safety awareness to professional emergency response capabilities, the system fosters fire safety consciousness among all members:

Target Audience	Training Type	Frequency	Core Curriculum
New Hires	Basic Safety Orientation	1 Session (Onboarding)	Evacuation routes, assembly points, extinguisher selection/operation, alarm reporting.
All Employees	Annual Drills & Simulations	Semi-annual (≥ 2x/year)	Low-posture smoke evacuation, fire suppression, chemical spill containment, ERT tactics.
Contractors	Pre-Entry Safety Briefing	Prior to Site Access	Evacuation routes, assembly points, fire reporting, and basic suppression procedures.

2025 Fire Safety Education Quantitative Results

Training Program	Sessions	Participants	Total Duration
Plant-Wide Evacuation & Emergency Drill	2	624	3.0 hrs
ERT Advancement + High-Risk Unit Training	4	100	1.5 hrs 1.5 hrs
Live-Fire Extinguisher Training	6	253	2.0 hrs
ERT Tactical Group Training	8	80	

2025 Drill Coverage Summary -Evacuation Drills

Drill Session	Participants	Site Coverage (%)
H1 Plant-Wide Evacuation Drill	302	75%
H2 Plant-Wide Evacuation Drill	322	80%

-Process Zone Specialized Drills

Process Department	Participants
Electrode Process	6
Winding Process	17
Formation Process	9
Assembly Process	6
Facility Department	8
Total	46

Fire Incident Reporting, Investigation, and Incidents Log

Incidents initiate unit-led investigations supported by EHS, labor representatives, and executives. Formal reports record root causes, emergency handling reviews, and corrective action plans.

Fire Incident Reporting, Investigation, and Corrective Action

MOLICEL has established a comprehensive incident investigation and corrective action mechanism. When an incident occurs, the responsible department initiates an investigation to identify its root causes. Where necessary, an investigation team is formed with relevant site supervisors, EHS personnel, labor representatives, technical specialists, and senior management. Based on the findings, the responsible department prepares an incident investigation report and proposes specific corrective actions to prevent recurrence.

For on-site fires, explosions, chemical spills, environmental pollution, and near misses, the investigation also reviews the effectiveness of emergency response procedures. Findings are used to improve response protocols and strengthen organizational learning, ensuring that each incident contributes to systematic improvements in safety management.

2025 Fire Incident Details

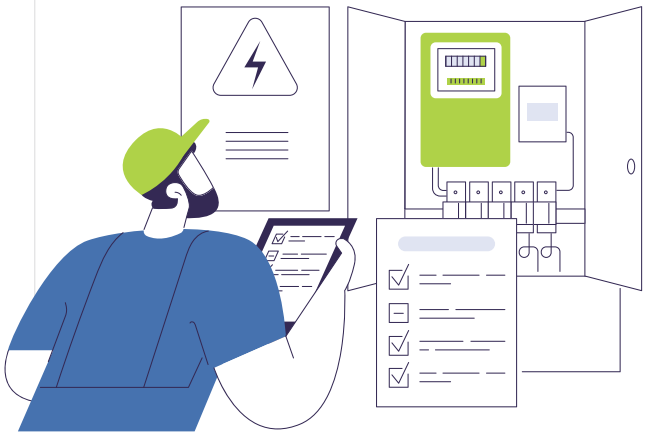
In 2025, 3 fire incidents occurred onsite; all were promptly suppressed by automated active systems (detectors, sprinklers, smoke exhaust) alongside preventive evacuations. Zero injuries and zero near-miss events were recorded.

Incident Case	Classification	Response Level	Root Cause	Preventive Action Taken
Resting Test Battery Venting	Fire	Level 2	New battery testing stress.	Relocated resting batteries to blast-proof cabinets; installed local response tools.
Experimental Battery Test Venting	Fire	Level 2	Excessive smoke from testing multiple cells simultaneously triggered alarms.	Established explicit caps on simultaneous cell counts during Heat Rupture Exp tests.
Bare Cell Accidental Venting	Fire	Level 1	Scrap bare cells short-circuited during disposal, venting in scrap bin. Manual dry-powder suppression triggered smoke alarms.	Standardized scrap battery disposal workflows to prevent bare terminal contact.

Fire Safety Management for Contractors

MOLICEL extends its fire safety management requirements to contractors through its contractor safety and health management system. Before entering the facility, contractors must obtain work permits and complete the Company's hazard awareness and safety training, including a passing assessment.

Training covers fire emergency response, evacuation routes and procedures, and fire extinguisher operation. These requirements ensure contractors have basic fire safety awareness and emergency response capabilities, providing them with the same level of safety protection as Company employees.



2025 Fire Safety Performance Overview

In fiscal year 2025, the Company comprehensively elevated its fire safety management standards through multiple facets, including equipment maintenance, safety inspections, technology integration, and training reinforcement. The specific quantified achievements are as follows:

Performance Metric	2025 Result
Fire Protection Equipment Inspection Rate	100%
Fire Safety Audits Completed	25 audits
Audit Defect Rectification Rate	100%
AI Fire System Coverage in Storage Areas	100%
Emergency Wearable Gear Training Completion	100%
Fire Incident Injuries	0 cases
Fire Near-Miss Incidents	0 cases

In Focus: Deployment of AI Smart Fire Protection System

In 2025, MOLICEL deployed an "AI Thermal + Dual Smoke Detection System" across high-risk battery storage areas (100% coverage). Combining real-time thermal imaging with early smoke detection analytics, the AI system delivers 24/7 predictive alerts, bolstering traditional fire detection through automated early warning capabilities.



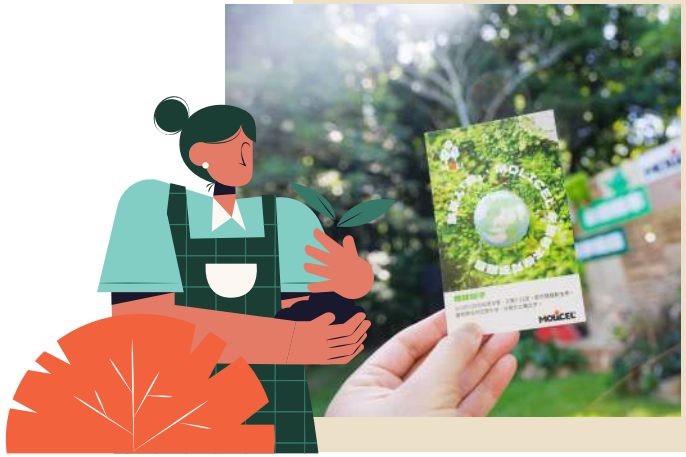
4.4 Social Contribution

MOLICEL integrates community outreach into core operations to engage employees, families, and local partners. In 2025, our initiatives focused on environmental education, charity markets, blood drives, and visual impairment support.

MOLICEL Sustainable Forestry Family Day

MOLICEL held its inaugural "Sustainable Forestry Family Day" at Xinhua Chung Hsing Forest Station in Tainan. The event featured a "Sustainability Initiative Wall" displaying achievements in AI applications, Diversity, Equity, and Inclusion (DEI), and battery lifecycle management, alongside an "SDGs Interactive Wall". Guided forest tours educated participants on native flora, biodiversity, and forest carbon sequestration.





Initiative Metric	Details
Event Scale	Over 200 employees and family members attended.
Afforestation Output	Planted ~300 native saplings and repaired forest trail foundations.
Human Resource Input	25 staff members and Xinhua Forest eco-guides.
Financial Investment	Approximately NTD 1,300,000.
Media Coverage	Featured in Economic Daily News and UDN News.



Christmas Charity Market

MOLICEL hosted its annual "Christmas Charity Market," inviting four social welfare organizations—Eden Social Welfare Foundation, LUWAY Opportunity Center, Huashan Social Welfare Foundation, and Chao-Hsing Foundation—and two local agricultural vendors (Hand-Planting and Herb Nondi) to sell goods onsite. All sales proceeds supported NGO operations and local agriculture.

Initiative Metric	Details
Community Engagement	MOLICEL actively supports and partners with four major social welfare organizations, including the Eden Social Welfare Foundation, LUWAY Opportunity Center, Huashan Social Welfare Foundation, and Chao-Hsing Social Welfare Foundation.
Participating NGOs & Farms	4 welfare charities, 2 local sustainable farms.
Event Participation	~300 employees participated.
Charity Sales Generated	~NTD 80,000 (100% donated to participating NGOs).
Volunteers & Vendor Staff	12 NGO volunteers and vendor staff.
Corporate Funding	~NTD 60,000 invested by MOLICEL.



Blood Donation Drive

Partnering with the Taiwan Blood Services Foundation, MOLICEL hosted an onsite blood drive to support local blood reserves.



Initiative Metric	Details
Employee Donors	43 employees participated.
Blood Collected	52 units of blood collected.
Support Personnel	6 Blood Foundation volunteers, 8 MOLICEL EHS staff, 1 mobile donation bus.
Corporate Funding	~NTD 40,000+ for donor care packages.

Visually Impaired Massage Outreach

MOLICEL invited massage therapists from the Tainan You-Ming Visually Impaired Massage Center to provide onsite relaxation services during the Christmas season, fostering inclusive employment while supporting employee well-being.

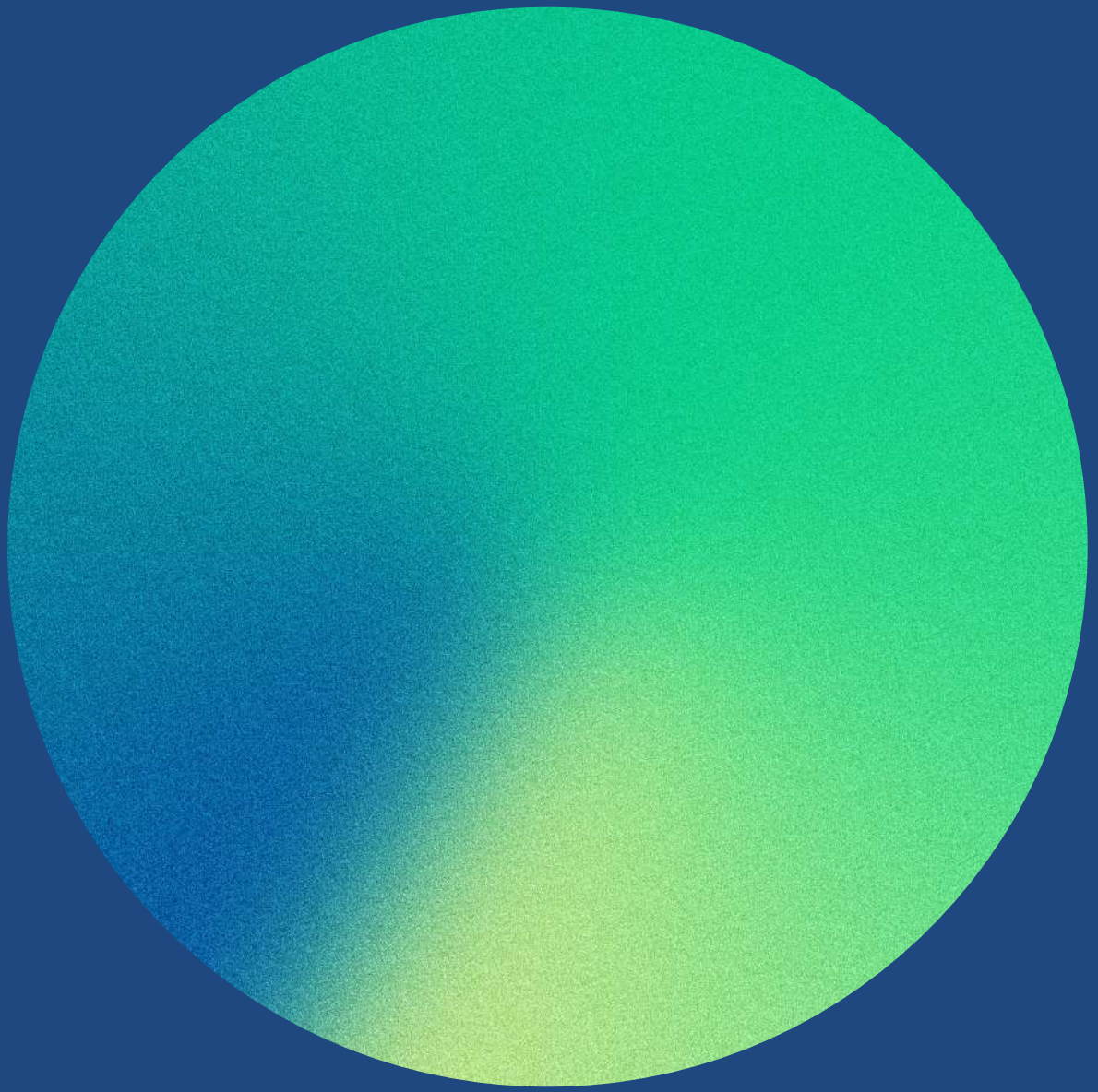


Initiative Metric	Details
Employee Participation	53 employees benefited.
Therapist Staffing	10 certified visually impaired therapists and volunteers.
Corporate Funding	~NTD 30,000 in direct service fees.

Appendix

115 GRI Content Index

118 SASB Content Index



Appendix

GRI Content Index

Statement of Use	MOLICEL has reported the information cited in this GRI content index for the period January 1, 2025 – December 31, 2025, with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure Item	Corresponding Section	Page	Reason for Omission / Explanation
General Disclosures 2021				
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report	03	
	2-2 Entities included in the organization's sustainability reporting	About This Report	03	
	2-3 Reporting period, frequency and contact point	About This Report	03	
	2-4 Restatements of information	Information Restatement		
	2-5 External assurance	External Assurance	120	
	2-6 Activities, value chain and other business relationships	1.1 Organizational Overview	22	
		1.6 Supplier Management	40	
	2-7 Employees	4.1 Employee Composition	85	
	2-8 Workers who are not employees	4.1 Employee Composition	85	
	2-9 Governance structure and composition	Sustainability Blueprint	28	
	2-10 Nomination and selection of the highest governance body	1.2 Governance Structure	28	
	2-11 Chair of the highest governance body	1.2 Governance Structure	28	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Governance Structure	28	
	2-13 Delegation of responsibility for managing impacts	1.2 Governance Structure	28	
	2-14 Role of the highest governance body in sustainability reporting	1.2 Governance Structure	28	
	2-15 Conflicts of interest	1.2 Governance Structure	28	
	2-16 Communication of critical concerns	1.2 Governance Structure	28	
	2-17 Collective knowledge of the highest governance body	1.2 Governance Structure	28	
	2-18 Evaluation of the performance of the highest governance body	1.2 Governance Structure	28	
	2-19 Remuneration policies	1.2 Governance Structure	28	
	2-20 Process to determine remuneration	1.2 Governance Structure	28	
	2-21 Annual total compensation ratio	4.2 Employee Care	87	As an unlisted non-public company, remuneration details are confidential; disclosing the annual total compensation ratio would reveal individual compensation.
	2-22 Statement on sustainable development strategy	Letter from Management	05	
	2-23 Policy commitments	1.4 Business Integrity & Legal Compliance	34	
		4.2 Employee Care	87	

GRI Standard	Disclosure Item	Corresponding Section	Page	Reason for Omission / Explanation
General Disclosures 2021				
General Disclosures 2021	2-24 Embedding policy commitments	1.4 Business Integrity & Legal Compliance	34	
		4.2.3 Human Rights Protection	97	
	2-25 Processes to remediate negative impacts	1.4 Business Integrity & Legal Compliance	34	
		4.2 Employee Care	87	
	2-26 Mechanisms for seeking advice and raising concerns	4.2 Employee Care	87	
	2-27 Compliance with laws and regulations	1.4 Business Integrity	34	
	2-28 Membership associations	1.1 Organizational Profile	22	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Material TopicsIdentification	09	
	2-30 Collective bargaining agreements	Not applicable		The Company has not signed collective bargaining agreements.
General Disclosures 2021				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Identification & Material Topics	09	
	3-2 List of material topics	Stakeholder Identification & Material Topics	09	
	3-3 Management of material topics	Stakeholder Identification & Material Topics	09	

GRI Standard	Disclosure Item	Corresponding Section	Page	Reason for Omission / Explanation
GRI Standard	GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	1.1 Organizational Profile	22	
201-2	Financial implications and other risks and opportunities due to climate change	2.5 Climate Change Response	55	
201-3	Defined benefit plan obligations and other retirement plans	1.1 Organizational Profile	22	
201-4	Financial assistance received from government	1.1 Organizational Profile	22	
GRI Standard	GRI 302: Energy 2016			
302-1	Energy consumption within the organization	2.1 Energy Management	45	
302-2	Energy consumption outside of the organization	2.1 Energy Management	45	
302-3	Energy intensity	2.1 Energy Management	45	
302-4	Reduction of energy consumption	2.1 Energy Management	45	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	2.2 Greenhouse Gas Management	48	
305-2	Energy indirect (Scope 2) GHG emissions	2.2 Greenhouse Gas Management	48	
305-3	Other indirect (Scope 3) GHG emissions	2.2 Greenhouse Gas Management	48	
305-4	GHG emissions intensity	2.2 Greenhouse Gas Management	48	
305-5	Reduction of GHG emissions	2.2 Greenhouse Gas Management	48	
305-6	Emissions of ozone-depleting substances (ODS)	2.2 Greenhouse Gas Management	48	The Company has no relevant emissions.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.2 Greenhouse Gas Management	48	The Company has no relevant emissions.
GRI Standard	GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	4.1 Employee Composition	85	

GRI Standard	Disclosure Item	Corresponding Section	Page	Reason for Omission / Explanation
GRI Standard	GRI 401: Employment 2016			
401-2	Benefits provided to full-time employees (excluding temporary or part-time)	4.2 Employee Care	87	
401-3	Parental leave	4.2 Employee Care	87	
GRI Standard	GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	4.3 Occupational Health & Safety	101	
403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Health & Safety	101	
403-3	Occupational health services	4.3 Occupational Health & Safety	101	
403-4	Worker participation, consultation, and communication on OHS	4.3 Occupational Health & Safety	101	
403-5	Worker training on occupational health and safety	4.3 Occupational Health & Safety	101	
403-6	Promotion of worker health	4.3 Occupational Health & Safety	101	
403-7	Prevention and mitigation of OHS impacts directly linked by business relationships	4.3 Occupational Health & Safety	101	
403-8	Workers covered by an OHS management system	4.3 Occupational Health & Safety	101	
403-9	Work-related injuries	4.3 Occupational Health & Safety	101	
403-10	Work-related ill health	4.3 Occupational Health & Safety	101	
GRI Standard	GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	4.2 Employee Care	87	
404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Employee Care	87	
404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Employee Care	87	

GRI Standard	Disclosure Item	Corresponding Section	Page	Reason for Omission / Explanation
GRI Standard	GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	4.1 Employee Composition	85	
405-2	Ratio of basic salary and remuneration of women to men	4.2 Employee Care	87	
General				
GRI Standard	GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	1.6 Supplier Management	40	
GRI Standard	GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	1.4 Business Integrity & Legal Compliance	34	
205-2	Communication and training about anti-corruption policies and procedures	1.4 Business Integrity & Legal Compliance	34	
205-3	Confirmed incidents of corruption and actions taken	1.4 Business Integrity & Legal Compliance	34	
General	GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	4.2 Employee Care	87	
General	GRI 308: Supplier Environmental Assessment 2016 / GRI 414: Supplier Social Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	1.6 Supplier Management	40	
308-2	Negative environmental impacts in the supply chain and actions taken	1.6 Supplier Management	40	
414-1	New suppliers that were screened using social criteria	1.6 Supplier Management	40	
414-2	Negative social impacts in the supply chain and actions taken	1.6 Supplier Management	40	

SASB Content Index

Industry Classification: R&D, Design, and Manufacturing of Rechargeable Lithium-ion Batteries
SASB Sector: Renewable Resources & Alternative Energy
SASB Industry: Fuel Cells & Industrial Batteries
SASB Code: RR-FC

Topic Code	Accounting Metric	Corresponding Section / Response
Energy Management		
RR-FC-130a.1	(1) Total energy consumed	(1) Total energy consumed: 229,988,845 MJ
	(2) Percentage grid electricity	(2) Purchased electricity: 69.27%
	(3) Percentage renewable	(3) Renewable energy: 1.01%
Employee Health & Safety		
RR-FC-320a.1	(1) Total Recordable Incident Rate (TRIR)	(1) Direct employee TRIR: 0.268 (Contractors: 0)
	(2) Fatality rate	(2) Fatality rate: 0 for both direct employees and contractors
	(Disaggregated by: (a) direct employees; (b) contract employees)	
RR-FC-320a.2	Description of the approach to assessing, monitoring, and reducing employee exposure to health hazards	Section 4.3 Occupational Health Services: Onsite occupational physician visits occur monthly to execute tiered health management and 6 workplace health risk management plans (overwork, ergonomics, maternal health, unlawful infringement, middle-aged/senior workers, night shift), complemented by Employee Assistance Programs (EAPs).

Topic Code	Accounting Metric	Corresponding Section / Response
Product Efficiency		
RR-FC-410a.1	Average storage capacity of batteries, by application and technology type	MOLICEL's primary products are high-energy, ultra-high-power cylindrical lithium-ion batteries covering 18650 and 21700 form factors. Represented by INR-21700-P42A, energy density reaches >205 Wh/kg.
RR-FC-410a.2	Fuel cell energy efficiency: (1) Electrical efficiency (2) Thermal efficiency	Not Applicable: MOLICEL manufactures lithium-ion batteries and does not produce fuel cells.
RR-FC-410a.3	Average battery efficiency (Coulombic efficiency), by application and technology type	Coulombic efficiency exceeds >98.5%.
RR-FC-410a.4	Average fuel cell operating lifetime	Not Applicable: MOLICEL does not produce fuel cells.
RR-FC-410a.5	Average battery operating lifetime, by application and technology type	MOLICEL's flagship products feature superior cycle life; represented by INR-21700-P42A, achieving 500 cycles (per specification sheet) and up to 1,000 cycles (internal testing).
Product End-of-Life Management		MOLICEL promotes slurry recycling and
RR-FC-410b.1	Percentage of products sold that are recyclable or reusable	battery second-life applications while building a closed-loop recycling roadmap. As formal statistical metrics for "percentage of sold product weight that is recyclable/reusable" are currently being established, quantitative data is temporarily omitted this year and will be evaluated for future disclosure.

SASB Content Index

Topic Code	Accounting Metric	Corresponding Section / Response
Product End-of-Life Management		
RR-FC-410b.2	Weight of end-of-life material recovered and percentage recycled	Complete survey data on post-consumer product recovery weight and recycling percentages is currently being established; quantitative metrics are temporarily omitted this year and will be integrated as tracking mechanisms mature.
RR-FC-410b.3	Description of approach to manage use, recycling, and disposal of hazardous materials	Section 1.6 Supplier Management, 2.4 Waste Management, 3.2 Product Environmental Responsibility: Hazardous materials are managed through raw material controls, supplier document reviews, RoHS/REACH compliance checks, restricted substance declarations, CMRT/EMRT surveys, and qualified waste handling. The EU Battery Regulation serves as a reference framework across raw materials, manufacturing, logistics, usage, and recycling.
Materials Sourcing		
RR-FC-440a.1	Description of the management approach to risks associated with the use of critical materials	Section 1.6 Supplier Management, 3.2 Product Environmental Responsibility: Conflict minerals management is embedded in supplier oversight. Annual CMRT/EMRT surveys track supply chain sources for tantalum, tin, tungsten, gold, and cobalt. Data collected in 2025 supports mineral source risk identification and responsible supply chain governance.
Activity Metrics		
RR-FC-000.A	Number of units sold	Quantitative data is temporarily omitted for operational data protection, as sales volumes involve commercially sensitive customer order and product mix information.
RR-FC-000.B	Total energy storage capacity of batteries sold	Quantitative data is temporarily omitted for operational data protection, as total capacity reflects sales scale and market distribution strategies.
RR-FC-000.C	Total energy production capacity of fuel cells sold	Not Applicable: MOLICEL manufactures rechargeable lithium-ion batteries and does not produce fuel cell products.

Third-Party Assurance Statement



Independent Assurance Statement

MOLICEL 2025 Sustainability Report

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and E-One Moli Energy Corp. (hereinafter referred to as MOLICEL) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of MOLICEL.

RESPONSIBILITIES

MOLICEL is responsible for reporting its economic, environmental, and social operating activities and performance of various operating sites in Taiwan in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to MOLICEL and its stakeholders in accordance with the described scope and method. This statement is for MOLICEL use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between MOLICEL and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the "MOLICEL 2025 Sustainability Report".
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating MOLICEL's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating MOLICEL's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards
   - Sustainability Accounting Standards Board Standards

METHODOLOGY

- The Report is reported in reference with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Standards for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

MOLICEL has established channels for engagement with various stakeholders, incorporating their opinions and suggestions as crucial input for daily operations and material topic decision-making. In the future, the organization can sustainably expand its engagement methods and the aggregation of quantifiable results, enrich the diversity of stakeholders, measure the effectiveness and impact of engagement, and promote organizational improvement to achieve its sustainability goals.

Materiality

MOLICEL has established an internal process for deciding on material topics. Every two years, based on the Double Materiality Principle, seven material topics are identified through the compilation of internal and external questionnaires and consultation with external experts. The management policies and annual performance for each material topic are disclosed in the Report to address stakeholder needs and expectations. Overall, the process has met the principle of materiality.

Responsiveness

MOLICEL has developed an appropriate response mechanism, regularly reviewing the performance of each department's sustainability KPI responses using a countermeasures checklist. The Report integrates annual communication outcomes with stakeholders and operational management results, addressing them in different chapters and showcasing the annual quantifiable results and performance on material topics. Overall, it has met the principle of responsiveness.

Impact

MOLICEL has improved its management systems in accordance with the Group's relevant management policies to mitigate the overall impact of operations. The Report discloses the identified impacts and management measures, presenting management performance in response to impacts with qualitative and quantitative targets, and providing appropriate information for stakeholders to understand the organization's sustainability efforts. In the future, the management policies can be continuously adjusted based on industry characteristics to further improve management performance.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continue to compile and disclose material topics and operational site performance through cross-departmental collaboration, as required by reporting requests, in order to provide various sustainability information to stakeholders.

◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB Standards. In the future, the organization can continue to collect and disclose information through cross-departmental collaboration in accordance with the SASB Standards, providing valuable information to investors.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by MOLICEL and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. We have summarized the contents of the Report to provide a fair view of MOLICEL's relevant operations and specific performance. We believe the focuses on economic, social, and environmental indicators in MOLICEL in 2025 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a Moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR：

AA1000
Licensed Report
000-84/V3-89E33

Dr. August Tsai
The Director for Certification and Assessment
Aug.04.2026

Verification team: PEI TONG HUANG (Lead Verifier), YIHSIANG HUANG (Verifier).

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