



ESG 2023
SUMMARY REPORT

MOLICEL[®]



Moli Energy is the first company in the world to commercialize Rechargeable Lithium Battery.

Momentum Leader
Momentum Driver

MOLICEL

Molybdenum Disulfide (MoS_2)
(+) Cathode Material

MOLICEL

Cell-A single unit of device that converts chemical energy into electrical energy

MOLICEL

Lithium (Li)
(-) Anode Material

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About the Report

Reporting Period

Molicel publishes ESG Report on an annual basis.

This Report covers the reporting period from January 1 to December 31, 2023, English version only.

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Publication date of the current issue: September 2024

Publication date of the next issue: August 2025

The scope of disclosure

E-One Moli Energy Corporation(Tainan Plant)

Molie Quantum Energy Corporation(Kaoshiung Plant)

Contact Information

Should you have any comment or suggestion regarding this Report, welcome to contact us at:

Email: molicel.esg@molicel.com

Tel: 886 6 505 0666

Fax: 886 6 505 0777

Report Team

Joshua Lin, Min-Han Chen, Corporate Sustainability Team

Supervisor

Yi-Chung Chen,

Sustainable Development Planning Division, TCC Group Holdings

Molicel
Official Website



ESG Section



Milestones

- 1977 Molicel the brand founded
- 1998 E-One Moli Energy founded
- 2000 E-One Energy Corp. acquired NEC Moli Energy (Canada) Limited
- 2001 E-One Moli Energy Corp. obtained ISO 9001:2000 certification
- 2004 Cooperated with Japanese power tool maker to announce world's first power tool Li-ion battery pack
Launched the first 18650 Li-ion cell for power tool application in the world
- 2005 Sole battery provider of CTO in Asia
- 2006 E-One Moli Energy Corp. obtained ISO 14001:2004 certification
- 2013 Cooperated with ITRI to successfully develop Taiwan's first made-in-Taiwan electric car
- 2016 Teamed up with ITRI Green Energy Department for 1MWh Solar Energy Storage System

- 2017 Power cell approved by leading cordless vacuum cleaner maker
- 2018 Collaborated with Uber Elevate for eVTOL battery pack development
Taiwan's first public tender for 1MWh ESS Long-jing Project for ITRI
- 2019 1500kWh BESS system deployed in E-One Moli Energy Corp. (Taiwan)
- 2020
 - ▶ Collaborated with NHOA.TCC to obtain Taipower's first ESS Automatic Frequency Control (AFC) contract, and became the only facility that won the highest 5MW service capacity, as the same level as TESLA
 - ▶ Selected by the British supercar brand McMurtry and limited to 130 units of production
- 2021
 - ▶ Collaborated with Williams Advanced Engineering to develop electrification of heavy-duty trucks
 - ▶ New generation 4.5Ah P45B launched, highest capacity in the high-power cell market, and full fast charging in 12 minutes
 - ▶ Selected by the Croatian supercar brand Rimac Automobili and limited to 150 units of production

- 2022
 - ▶ Technically collaborated with McMurtry, and set a new all-time record at Goodwood, Festival of Speed, UK
 - ▶ Selected by eVTOL manufacturer Vertical Aerospace to develop and supply V4 into service
 - ▶ Partnering with KULR for battery safety and thermal management solutions
- 2023
 - ▶ Partner- McMurtry revealed Spéirling PURE for street legal version, using 21700 series batteries
 - ▶ INR-18650-P30B, the market-leading ultra-high power cells launched
 - ▶ Partner- Archer Aviation's Midnight eVTOL receives FAA Special Airworthiness Certificate
 - ▶ Molicel Quantum Energy Corporation started mass production operations with an annual production capacity target of 1.8 GWh.
 - ▶ Molicel and the PM of Canada jointly announced the construction of the world's largest high-performance ternary lithium battery cell factory in Vancouver. The factory aims to become the world's first facility utilizing 100% green electricity.

Sustainable Products

PRODUCT HIGHLIGHTS

21700 SERIES (ULTRA-HIGH POWER CELL)

HIGHLIGHTS HIGH DISCHARGE CURRENT AND CAPACITY

P42A *Compared with S companies' products	P45B *Compared with P42A	P50B *Compared with P45B
Capacity +5%	Capacity +7%	Capacity +11%
Discharge Current +40%	Discharge Current +60.7%	Discharge Current +85.1%
Same Impedance	Impedance -31.67%	Impedance -6.5%
Capacity: 4200mAh	Capacity: 4500mAh (+7%)	Capacity: 5000mAh (+11%)
Impedance: ~18mohm	Impedance: ~12.3mohm(-31.7%)	Impedance: ~11.5mohm(-6.5%)
Endure up to 500 charging cycles	Retain 73% of its capacity after 1,000 charging cycles	Retain 83% of its capacity after 1,000 charging cycles
Certified by third-party ISO 14067 verification (P42A)	DCR -22%	Applications: eVTOL, electric aircraft, electric supercars
Applications: Electric vehicles, high-end home appliances	Capable of 3C charging rate	
	Applications: eVTOL, electric sports	

18650 SERIES (MEDIUM POWER CELL)

HIGHLIGHTS ENERGY-SAVING AND SAFE

*Compared with P28A

Capacity +5.4%	Discharge Current +7.1%	Impedance -42%
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P30B

Capacity: 2950mAh(+5.4%)

Impedance: ~7mohm(-42%)

Charge current: 9A

Highlights: Energy Efficiency & Safety (Higher storage capacity, Faster charging, Reduced heat generation)

Applications: Electric vehicles, high-end home appliances



Note: As the Molie Quantum Energy Corporation officially started mass production in the second half of 2023, there is no complete annual data available. Therefore, some performance data only covers the E-One Moli Energy Corp.

Sustainable Products

MOLICEL PRODUCTS' SUSTAINABLE FEATURES

The cathode material used in the product's raw materials contains recycled content, including



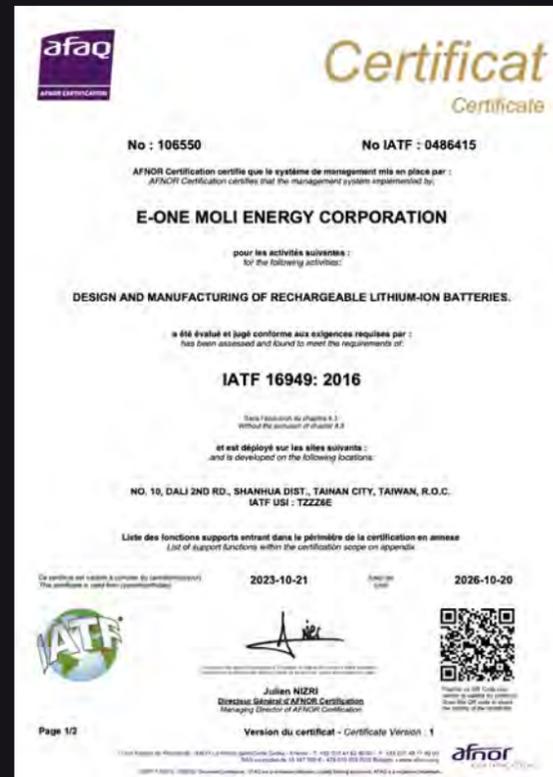
The product's base materials include recycled content, comprising



The recovery rate from waste electrode to black mass



The precursor recovery rate from waste slurry to black mass



The E-One Moli Energy Corp. has obtained the IATF 16949



Environment

E-ONE MOLI ENERGY CORP. (TAIWAN)



Power management

-1.43%



renewable energy usage

+8.4%



reduction in hazardous waste

-41%



waste recycling rate

+48%



reduction in water usage **-19.4%**

in wastewater generation **-20.8%**



+1.7MW

of Energy storage system capacity (an increase of 42%)



third-party certified

MOLIE QUANTUM ENERGY CORPORATION (TAIWAN)

Gold-Level Green Building by LEED and EEWH certified



Smart manufacturing

+2.25

times production capacity boosted



-60% labor costs



+8MW

of Energy storage system capacity

Note: As the Molie Quantum Energy Corporation officially started mass production in the second half of 2023, there is no complete annual data available. Therefore, some performance data only covers the E-One Moli Energy Corp.

Social

100% human rights advocacy coverage rate, with a 96% achievement rate for online statement reading



100% participation rate in the DEI inclusion program for foreign colleagues



27.5% females in management
(averaged between E-One Moli Energy Corp. and Molie Quantum Energy Corp.)

0 recruitment costs for migrant employees

64.3% of research and development personnel hold master's or doctoral degrees



156 certifications obtained by employees



200 saplings were planted (plant variety: Breynia disticha)

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Governance

11% of revenue invested in battery R&D

41% green procurement ratio

34% local suppliers

8.68 customer satisfaction
+7.86% compared to 2022

100% Restriction of Hazardous Substances (RoHS) declaration



3 social engineering drills conducted with a non-compliance rate below the 5% standard set by the Executive Yuan

1,840 hours of information security training

831 hours of integrity and ethics training

100% average attendance of the Board of Directors

100% of employees signing the Statement of Integrity and Ethical Conduct

0 incidents of corruption or bribery

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Partners and Honors

1st electric off-road motorcycle to defeat traditional internal combustion engine motorcycles at the 2024 Arenacross Championship in the UK.

2nd place in the autonomous figure-eight loop and Best Technical Inspection Award at Czech Formula Student competition.

McMurtry's race car now reaches 190 mph and charges in just 20 minutes.



Environment

EU Battery Regulation Strategy

The EU's Batteries Regulation, enacted in 2023, primarily aims to enhance the sustainability of batteries throughout their entire lifecycle, from raw material collection to final recycling. Consequently, it introduces many new requirements related to existing supply chain compliance, carbon inventory, product carbon management, and specifications for the recycling ratios of raw materials.

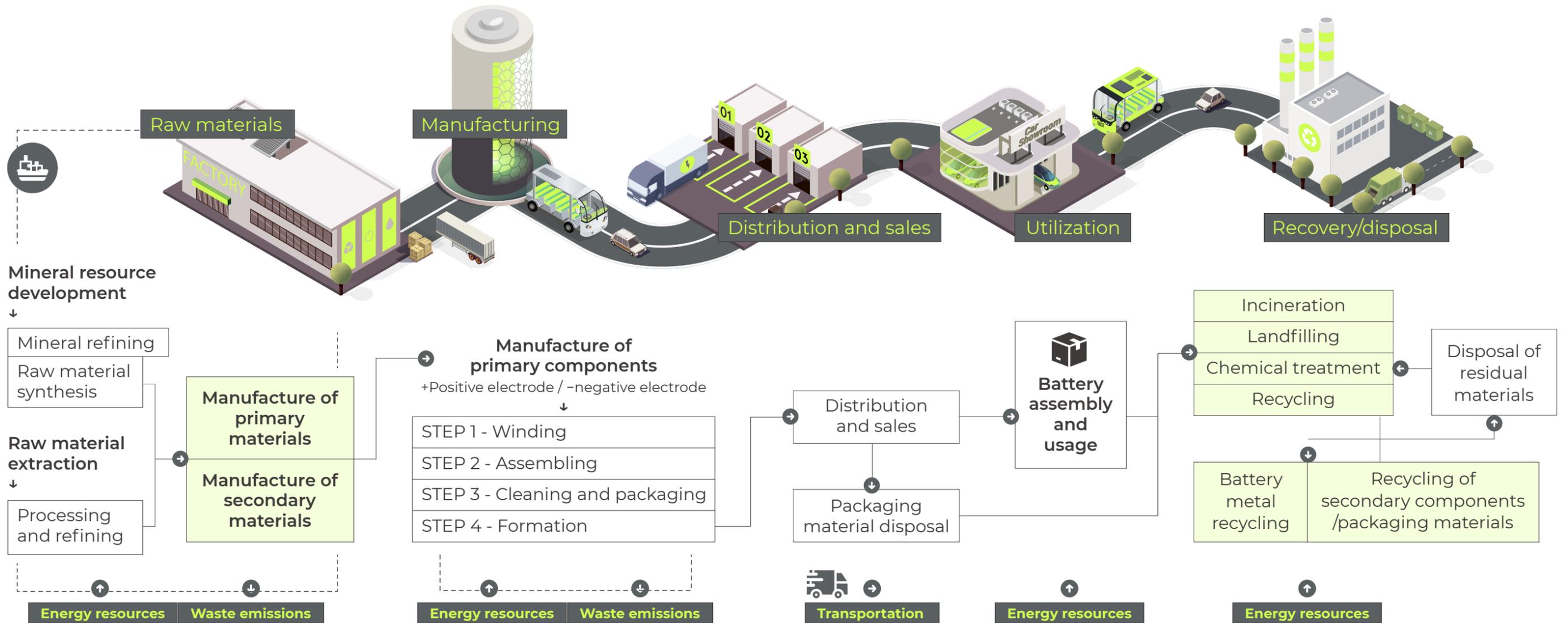
To promote sustainable supply chain management and ensure regulatory compliance, Molicel has chosen the P42A battery for lifecycle evaluation. This helps us understand environmental and stakeholder impacts from raw material extraction to recycling and disposal, identifying significant issues in the energy component industry. Molicel combines procurement and R&D expertise with internal and external data, referencing the Ministry of Economic Affairs' Industrial Development Bureau and global academic journals. This rigorous approach enhances the precision and credibility of our findings.

Carbon Footprint



To meet regulatory demands for battery carbon footprint disclosures, Molicel conducted its first carbon footprint verification of P42A in 2023, achieving ISO 14067 certification. This involved quantifying lifecycle carbon emissions, identifying key sources, and creating reduction strategies. In 2024, Molicel plans to verify P45B and extend this scope to all products, establishing a comprehensive emissions database for ongoing carbon reduction.

Product life cycle management - P42A Battery Lifecycle

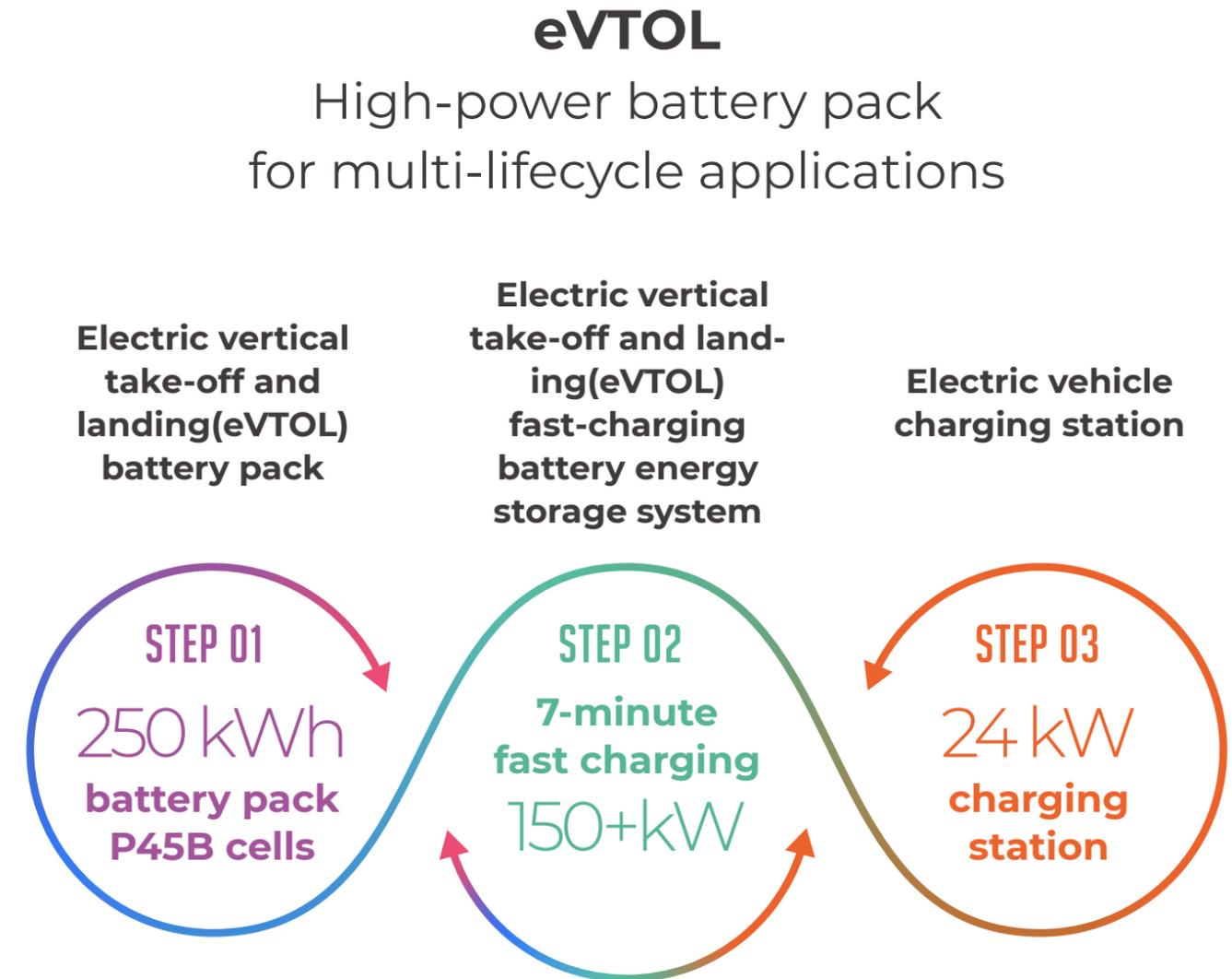


Reuse to extend product lifecycle

During the R&D process, Molicel is dedicated to realizing the green product concept by prioritizing using recycled materials to increase the proportion of recycled content in our products. Our products are designed and manufactured by international safety standards. Furthermore, Molicel is committed to enhancing the secondary use of batteries.

In the design and development of new batteries, we assess their health when it declines to 70-80% and consider repurposing them for other applications (such as UHPC ultra-high performance concrete energy storage cabinets - EnergyArk™).

This strategy extends the battery lifecycle, maximizing resource utilization and product benefits.



Recycled raw materials in manufacture

Reuse of Raw Materials

Molicel is committed to manufacturing products that meet environmental standards, and requiring all finished products to pass relevant UL, UN, and IEC certifications while adhering to ISO 9001, fully complying with international regulations.

In our commitment to sustainability, we prioritize using green raw materials and steadily increase the proportion of recycled materials in our production processes.

By establishing a closed-loop recycling system for solvents, we have achieved a notable 90% recovery rate for NMP used in manufacturing. Additionally, we have transitioned some product designs from NMP systems to water-based systems to minimize environmental impact. Furthermore, Molicel has launched collaborative projects to recycle and reuse raw materials, such as repurposing excess materials from production lines.

These initiatives aim to enhance the recycling rate of battery materials, reduce resource consumption, and minimize waste during the manufacturing process.



Product Recycling

Molicel is continually dedicated to battery recycling strategies and follows green product operations.

At the end of 2023, to align with EU regulations and meet customer demands, Molicel launched a battery recycling program.

This initiative aims to establish connections with recyclers and material suppliers, starting with the recycling and reuse of cathode materials and gradually expanding to other raw materials and finished products. In addition, Molicel is investing in research on battery recycling processes and developing new technologies to transform waste materials into reusable materials.

Molicel also forges strong partnerships with customers to advance battery recycling mechanisms jointly. Besides, to achieve the circular economy, we collaborate with suppliers to explore further processing of waste batteries into black mass, which can be reintroduced into the manufacturing process.



Recovery Ratio- First Quarter Achievements of 2024



Successfully contacted
2 overseas
recyclers
and sent samples
for evaluation.



Obtained agreement from
the positive electrode
material supplier
and facilitated connection
between the supplier
and potential recyclers in Taiwan



Achieved an
80% recovery rate
in trial recycling of
waste electrode and slurry
to black mass



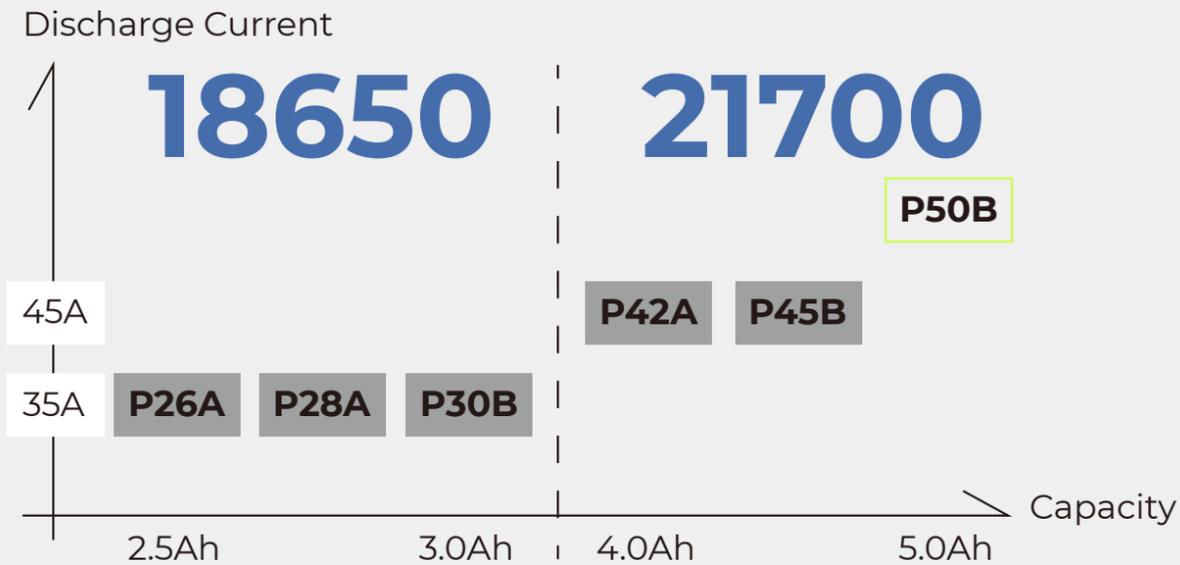
Product R&D and Innovation

In line with our commitment to offering users enhanced and prolonged usage time and range, while promoting a more sustainable and eco-friendly planet, Molicel prioritizes the following key features in its product development:

HIGH EFFICIENCY | ENERGY CONSERVATION | SAFETY

- ✓ High power
- ✓ High capacity
- ✓ High reliability
- ✓ Low impedance
- ✓ Thermal management
- ✓ Extended life cycle (2nd use)

Product Road Map



Research and Development Highlights

Cathode Ni-rich NCA	Energy Density >242Wh/kg/643Wh/l Discharge >45A	Fast Charge >3C	High efficiency & high rate anode
Multi tab/tabless & thinner electrode	Low Impedance <13.8mΩ	Wide Operating Temperature -40°C~70°C	Patented electrolyte

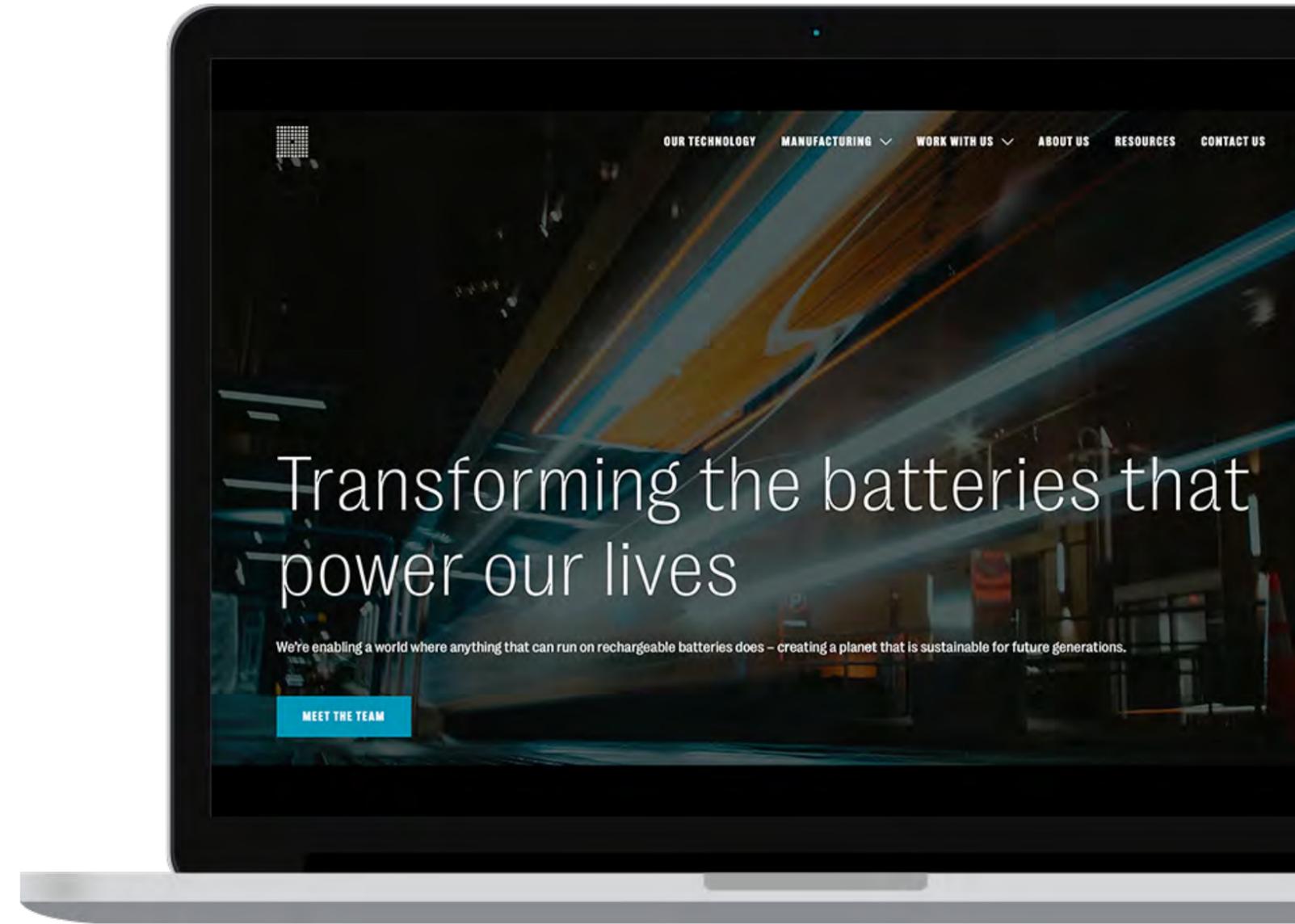
Partnership

Our key strategic partner, Group14, is a materials supplier for silicon batteries. They specialize in creating porous carbon particles within polymer materials, which are then combined with silicon to form silicon-carbon composites.

This innovation significantly boosts battery capacity while maintaining high-power charge and discharge capabilities. By incorporating these custom materials from Group14 into our future product development, we aim to comprehensively enhance the competitiveness of Molicel's battery cells.

In addition to the development of Molicel's high-capacity P series and the newly introduced ultra-high discharge X series, Group14 began construction of their second facility, BAM-2, in Washington state in 2023.

This facility, expected to be operational in 2024, will produce 2,000 tons of battery powder annually, providing an estimated 20 GW of silicon battery capacity each year.



AI Super Factory

To address rising battery market demand, Molicel's Xiaogang factory is integrating smart manufacturing and automation to enhance efficiency and industry leadership. Utilizing IoT, big data, and AI, smart manufacturing improves production efficiency and quality control.

Automation technologies like robotic arms and automated assembly lines enhance product consistency, reduce errors and costs, and predict maintenance needs, minimizing downtime. These advancements boost production efficiency, provide flexibility, and enable quick responses to market changes and customer demands, maintaining a competitive edge in the global battery market.



Smart manufacturing enhances production efficiency



Automated Guided Vehicle (AGV) system

- Productivity is expected to increase by 2.25 times.
- Labor costs will be reduced by approximately 60%, boosting production efficiency.



Automated Warehouse System

- Enhancing storage operation efficiency.
- The material management system allows instantaneous tracking of location, quantity, and status of materials and products.



Automatic Optical Inspection (AOI) system

- Checking the number of batteries on assembly trays prevents labor-intensive inventory reconciliation.
- Timely interception of trays with discrepancies reduces monthly reconciliation workload by about one man-day.
- The system improves inspection accuracy and efficiency while saving on labor costs.

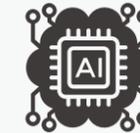


The MES (Manufacturing Execution System)

- The real-time monitoring system tracks factory operations, including electricity usage and production status.
- It helps detect anomalies and implement corrective measures promptly.



The QOCA AIR Quanta Artificial Intelligence Research Cloud Platform handles structured data and image data. Through a user-friendly UI interface, it performs data processing, image annotation, and statistical analysis. This helps to validate and optimize products and production lines, assisting in identifying the key process parameters and optimal settings that affect battery performance. It analyzes the correlation between various parameters and diagnoses the causes of quality defects. This not only allows the vast amount of data to be valuable but also significantly shortens the product tuning time from several hours to 1 minute, saving test costs and improving product quality and competitiveness.



With the increasing adoption and implementation of big data and artificial intelligence, Molicel is dedicating resources to developing an AI-powered big data learning platform to launch in mid-2024.

This initiative is designed to optimize resource allocation, boost production line efficiency, and advance the integration of innovative manufacturing techniques.

By harnessing the power of big data, Molicel aims to improve manufacturing processes and enhance operational intelligence significantly.

Sustainable Factory

Molicel actively implements GHG management in response to the international carbon reduction trend.

Simultaneously, Molicel embraces the "Cradle to Cradle" concept as our goal for resource recycling and reutilization.



GHG Management

In 2023, Molicel prioritized the implementation of ISO 14064-1:2018 at its Tainan factory, setting 2022 as the baseline year for greenhouse gas emissions inventory, and completed third-party verification in the first quarter of 2024.

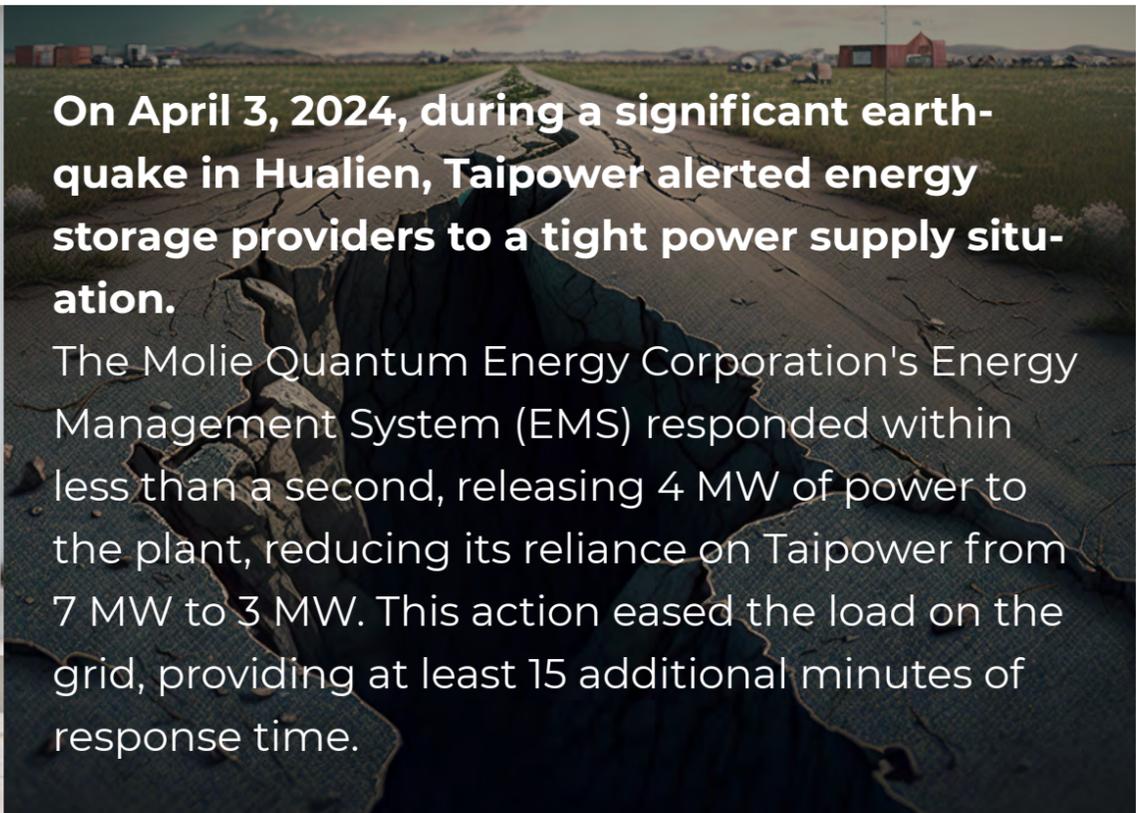


Based on the verification results, Molicel will develop more comprehensive carbon reduction plans, including the implementation of renewable energy, energy-saving improvements, smart manufacturing, and resource recycling. The Molie Quantum Energy Corporation is also scheduled to implement ISO 14064-1:2018 in 2024, continuously expanding GHG inventory to encompass all operational areas.



Energy Storage Systems

Due to delays in renewable energy development and high raw material and electricity costs in Taiwan, Molicel has enhanced its energy storage systems. In 2023, E-One Moli Energy Corp. increased its storage capacity from 1.2 MW to 1.7 MW, while Molie Quantum Energy Corporation established an 8 MW system using Behind-the-Meter (BTM) technology. This system operates as a virtual power plant, saving on electricity costs and participating in Taipower’s trading platform to stabilize the grid. Molicel’s energy storage improvements have increased operational resilience and supported grid stability.



On April 3, 2024, during a significant earthquake in Hualien, Taipower alerted energy storage providers to a tight power supply situation.

The Molie Quantum Energy Corporation's Energy Management System (EMS) responded within less than a second, releasing 4 MW of power to the plant, reducing its reliance on Taipower from 7 MW to 3 MW. This action eased the load on the grid, providing at least 15 additional minutes of response time.

Energy Management

Molicel's strategies for energy management focus on energy creation and storage, actively promoting the use of renewable energy and energy-saving measures.



**At the E-One Moli Energy Corp.,
a 496.62 kW solar power system
was installed**

**Achieving a renewable energy usage
proportion of 7% in 2023.**

To increase the proportion of renewable energy usage to 13.9%, we plan to switch air conditioner dryers to steam heating and introduce ISO 50001 Energy Management.

Furthermore, at the Molie Quantum Energy Corporation, Molicel has cooperated with Taiwan Cement Company Green Energy (TCCGE), leasing rooftop space for installing a solar power system. The total installed capacity reaches 2,076.8 kW, which is sold to Taiwan Power Company, contributing to Taiwan's energy transition.

Molicel continuously undertakes energy-saving projects, achieving an energy-saving of 5.49% at the E-One Moli Energy Corp. in 2023. In 2024, the E-One Moli Energy Corp. plans to implement ISO 50001 to strengthen energy management and advance towards environmental sustainability.

Waste Management

To achieve the goal of waste reduction target, reducing production at the source and improving recycling rate are both important aspects. Molicel effectively classifies the types of waste, and evaluates the feasibility of recycling and reuse to reduce the total output of waste and save waste disposal fees. Furthermore, the principles of reducing incineration and landfilling are implemented to reduce GHG emissions.

Molicel's main waste comprises other mixed chemical substances and their packaging containers. In 2023, by implementing waste reduction and recycling measures, including the recycling and reduction of waste space packaging, aluminum foil bags, carbon powder reclassification, and pulp material reclassification, the waste reduction reached 41%, with total cost savings of NTD 1,609,819.

Molicel will continuously conduct recycling and reuse assessments for process-generated waste, such as the noble metal recovery from the waste slurry project, as well as waste battery recycling. The goal is to reintegrate recycled materials back into the battery manufacturing supply chain, reducing environmental impact and saving on waste disposal costs.

The overall waste recycling rate reached 48%
The target for 2024
is to achieve a waste recycling
rate to 50%



Water Resource Management



Molicel primarily uses water in its manufacturing process for the air conditioning cooling towers. To optimize water resource management, Molicel has taken steps such as increasing the cooling towers' conductivity and controlling the calcium hardness of the cooling water.

These initiatives led to a 19.4% reduction in water usage and a 20.8% decrease in wastewater generation at the E-One Moli Energy Corp. in 2023 compared to 2022, effectively conserving water resources in the production process.



Additionally, Molicel utilizes a rainwater harvesting system, using collected rainwater for landscaping irrigation. These further decreases reliance on municipal water and promotes the effective recycling and reuse of water resources.

Molie Quantum Energy Corporation

Certified as Gold-Level Green Building by LEED and EEWH



In 2024, Molicel's Molie Quantum Energy Corporation achieved double gold certifications for green building from the US LEED and Taiwan EEWH. As Taiwan's first high-end lithium battery plant to earn this recognition, it embodies the principles of low carbon, resource recycling, and sustainable development. These efforts not only promote employee health and well-being but also implement a human-centered and sustainable approach from design through to manufacturing and workplace operations. The plant emphasizes low carbon, energy efficiency, recycling, and ecological harmony, creating a high-quality environment that enhances employee well-being and health.

LEED Hightlights



Indoor Environmental Quality

- Monitoring of indoor air quality
- Increase air exchange rate and efficiency, improving indoor air quality
- Air washing and air quality testing for incoming and parked vehicles to ensure indoor air quality



Sustainable base design

- Install an underground sewage treatment system to reduce stormwater runoff while maintaining environmental ecology
- Install bicycle lanes, carpool parking spaces, designated parking for eco-friendly vehicles, and electric vehicle charging stations to reduce automobile exhaust pollution
- Use high-reflectivity roofing materials or green roofs to reduce the urban heat island effect

Energy-saving Design

- Utilize high-efficiency air system structure and variable frequency control, combined with heat recovery, improving energy efficiency by more than 42%
- Install renewable energy systems, estimated to cover 4% of annual energy consumption of the building
- Set up energy monitoring systems to monitor energy distribution for future implementation of ISO 50001



Water-saving Design

- Choose water-saving sanitary equipment, and use rainwater 100% to replace natural water for toilet flushing
- Install water meters to monitor building water consumption, reducing water resource waste
- Choose cooling towers with low water consumption to reduce indoor water usage



Resource Recycling and Reuse

- Recycle more than 75% of construction waste
- Use recycled and locally sourced building materials



EEWH Green Building Highlights



Ecology

- Utilize native plants and submerged reeds, which absorb CO₂, increasing carbon fixation by 50% compared to typical buildings
- Use vertical greening and flower beds to enhance rainwater infiltration and reduce storm-water runoff, increasing infiltration by more than double compared to typical buildings



Energy Saving

- Exterior windows use energy-saving glass, and the roof and walls use high-performance thermal insulation materials, increasing energy efficiency by more than 20% compared to typical buildings
- Use high-efficiency air conditioning systems and energy-saving equipment, saving approximately 30% or more in equipment capacity
- Combine open spaces with full natural lighting design and use energy-efficient LED lighting indoors, saving more than 30% on lighting energy consumption
- Install solar panels on the roof, saving over 1.3 million kilograms of carbon emissions annually

Carbon Reduction

- Use high-strength concrete and reinforced concrete with added slag and fly ash to reduce cement consumption, lowering carbon emissions by more than 7% compared to standard designs
- Use lightweight partition walls for interior walls to reduce the overall weight of the building structure
- Use prefabricated building elements to reduce on-site construction, balancing and reducing environmental impact

Indoor Environmental Quality

- Use interior materials and products with low formaldehyde and TVOC emissions, reducing these emissions by more than 15% compared to typical building materials
- Set up a 100% fresh air system in the office area to introduce outdoor fresh air and improve indoor air quality
- Use 100% airtightness-compliant exterior walls, achieving a soundproof environment and providing a comfortable acoustic environment



Water Saving

- Use water-saving fixtures such as low-flow toilets and faucets, reducing water consumption by more than 30%
- Install a rainwater harvesting system, using 100% of the collected rainwater for landscape irrigation

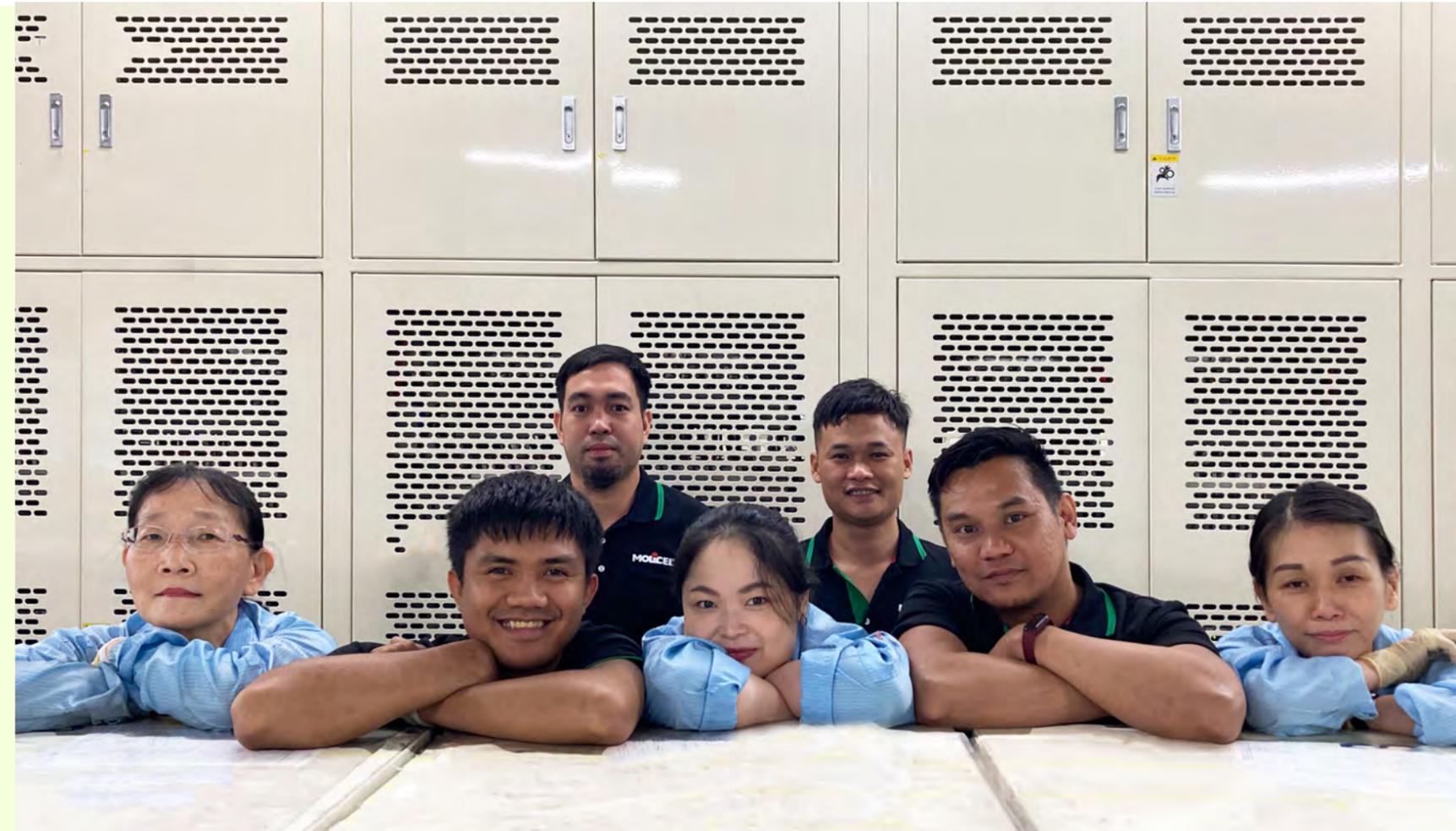


Social Diversity and inclusion

Employees are the core assets of Molicel, forming the cornerstone of the company’s sustainable operations. Therefore, Molicel is dedicated to establishing a platform that promotes talent growth and development. We value the rights of each employee, providing generous benefits and opportunities for advancement to all employees. Molicel also empowers our employees, fully inspiring their developmental potential, and aims to improve together with the growth of talents and the company’s progress.

Human Right and Diversity, Inclusion, and Equality

Molicel adheres to the United Nations Global Compact, UN Universal Declaration of Human Rights, and ILO Declaration of Fundamental Principles and Rights at Work. We also follow Human Rights Policy, Statement of Integrity and Ethical Conduct, and Declaration on Prohibition of Workplace Sexual Harassment, formulated by TCC. In addition, we take actions consistent with the Responsible Business Alliance Code of Conduct and pledge to uphold these standards.



Committed to creating a harmonious and healthy working environment and a corporate culture that respects human rights, Molicel actively promotes human rights advocacy and training to foster diversity and inclusion in the workplace. In addition, aware of the importance of protecting the rights of migrant workers, Molicel issues the Freedom of Action Policy, implementing the Zero Placement Fee Policy for migrant workers at all operations. We also conduct audits on human resource intermediaries in accordance with RBA behavioral norms.

Implementation practices:

- ◆ Sign contracts with human resource intermediaries to include RBA-related norms, requiring intermediaries to cooperate and conduct audits periodically.

- ◆ Establish a pledge with migrant workers, specifying that neither the company nor intermediaries will require workers to pay recruitment fees or other related costs. By signing, the migrant workers confirm that no fees have been charged, ensuring the protection of their rights.

- ◆ During the new employee orientation, Molicel conducts policy advocacy training, explaining that it follows RBA standards to ensure that all migrant workers are informed.

The management of human rights issues

Object	Method and Performance
Employees	<ul style="list-style-type: none"> ◆ All new employees receive human rights advocacy training during their orientation program, achieving a 100% completion rate in 2023. ◆ Every employee is required to complete an annual online reading of human rights statements. with completion rates at the Tainan and Molie Quantum Energy Corporations reaching 96% and 94.8%, respectively, in 2023. ◆ Female employees account for 37.06% of the workforce, with women holding 29.94% of management positions at the Tainan factory.
Migrant Workers	<ul style="list-style-type: none"> ◆ Strictly supervise both domestic and foreign intermediary agencies to adhere to ethical recruitment practices and implement the Zero Placement Fee Commitment. ◆ Human Rights Policy, Freedom of Action Policy, and other relevant regulations are posted in migrant worker accommodations, with increased advocacy efforts and accessible grievance channels.
Suppliers	<ul style="list-style-type: none"> ◆ Suppliers are required to comply with the Responsible Business Alliance (RBA) standards and undergo education and training on human rights issues.

2023 Human Rights Risk Identification Results

Significant Risk	Mitigation Actions
Diversity, Equity, and Inclusion (DEI)	<ul style="list-style-type: none"> ◆ Implement work rules and related regulations, clearly define anti-discrimination and sexual harassment rules, and provide employees with an equal workplace environment ◆ Provide a complaint channel for employees to express their opinions in a timely manner, establish a complaint handling committee to handle related cases fairly ◆ Continuously increase the employment proportion of people with physical and mental disabilities and the proportion of female managers and senior female managers
Labor Relations	<ul style="list-style-type: none"> ◆ Regularly hold labor-management meetings and Town Hall Meetings, allowing employees to communicate face-to-face with the Chairman ◆ Provide labor law advocacy courses to enhance the legal awareness of employees and management
Avoiding Excessive Working Hours	<ul style="list-style-type: none"> ◆ Strictly follow labor law regulations and clearly define work rules and related regulations ◆ Establish attendance and overtime management mechanisms to assist employees and managers in controlling working hours and extended working hours
Sexual Harassment	<ul style="list-style-type: none"> ◆ Announce policy statements to raise employee awareness ◆ Provide anonymous or named reporting channels to protect the rights of reporters ◆ Establish effective grievance channels for employees to express their opinions

Care and Support for Migrant Employees

plement the Zero Placement Fee Commitment and provide life care plans beyond government standards. We offer barrier-free communication channels without time difference, religious prayer spaces, and air-conditioned dormitories. In the future, we plan to host Southeast Asian cultural festivals to allow our foreign and local colleagues to understand each other's cultures better. Furthermore, we will organize monthly Mandarin classes starting in 2024, enabling our migrant workers to improve their communication skills in Taiwan, fully showcasing Molicel's commitment to a caring and inclusive workplace.



Barrier-Free Communication, Comprehensive Care

We design barrier-free communication channel without time difference, hold regular quarterly forums, and arrange face-to-face interviews. Our dormitories are equipped with 24-hour Vietnamese and Filipino life counselors, providing comprehensive life care and a friendly workplace environment.



Diversity and Inclusion, Building a Friendly Migrant Employees Village

To enhance the sense of belonging and cohesion among migrant employees, we invite them to participate in Taiwanese activities such as the Dragon Boat Festival. Furthermore, we would like to hold diverse events related to Southeast Asian culture.



Zero Placement Fee Policy

Molicel enforces a zero placement fee policy, adhering to RBA standards, ensuring secure employment. During the pandemic, we covered costs for rapid tests, transportation, and insurance, ensuring health and safety.

Employees Feedback

FREDDIE MATIBAG:

I find the working environment at Molicel very good, and this is my second time working here. I particularly like my supervisor, who is not only a good person but also provides me with a lot of guidance at work.

In terms of living, I currently share a dormitory with two colleagues, and the environment is quite good.



MIKA LIU:

I've been a manager at Molicel for 2.5 years, and it's a cheerful journey in my career life! The company genuinely values women's growth, and my team always has my back, respecting and following my lead. Here, gender isn't a barrier—everyone's abilities shine. Working at Molicel feels like being part of a supportive family!



Occupational Health and Safety

Molicel has obtained ISO 45001 certification and established an Environmental and Occupational Health and Safety Committee with 35% labor representation. We use a Plan-Do-Check-Act cycle to enhance safety performance, reduce risks, and ensure compliance. Additionally, we exceed regulations by providing annual health checks for all employees and have on-site occupational health nurses to support health protection programs.

2023 Achievements - E-One Moli Energy Corp.

- ◆ 97% Participation rate of annual health check-ups for all employees
- ◆ 100% completion of occupational doctor follow-up interviews for high-risk shift workers
- ◆ 170 employees completed influenza vaccination
- ◆ 1,760 participants in environmental safety and health trainings, and 131 environmental safety and health licenses were issued
- ◆ 117 contractors completed occupational safety and health education training
- ◆ Organized a blood donation event, donating a total of 50 bags of blood



Talent Cultivation and Retention

As a leader in high-power lithium batteries, Molicel adapts to global market changes and increasing demand by focusing on employee development in battery knowledge, innovative technologies, and diverse talent recruitment. We offer comprehensive training, including orientation, professional skills, and managerial courses, fostering all-round growth. In 2023, employees at Tainan and Molie Quantum Energy received a total of 17,486 training hours, averaging 14.74 hours per employee annually.

Molicel has designed a comprehensive training blueprint for employees, including new employee orientation, professional competency training, core managerial skills, and general courses. We also focus on developing secondary skills for existing staff. By the group course resource sharing platform, external training subsidies, and periodic soft skill and professional course lectures, etc., we aim to enhance employees' professional knowledge and comprehensive abilities. In 2023, the total training hours for all employees at the Tainan and Molie Quantum Energy Corporations reached 13,934 hours and 3,552 hours respectively, with an average of 14.74 hours of training received per employee per year.





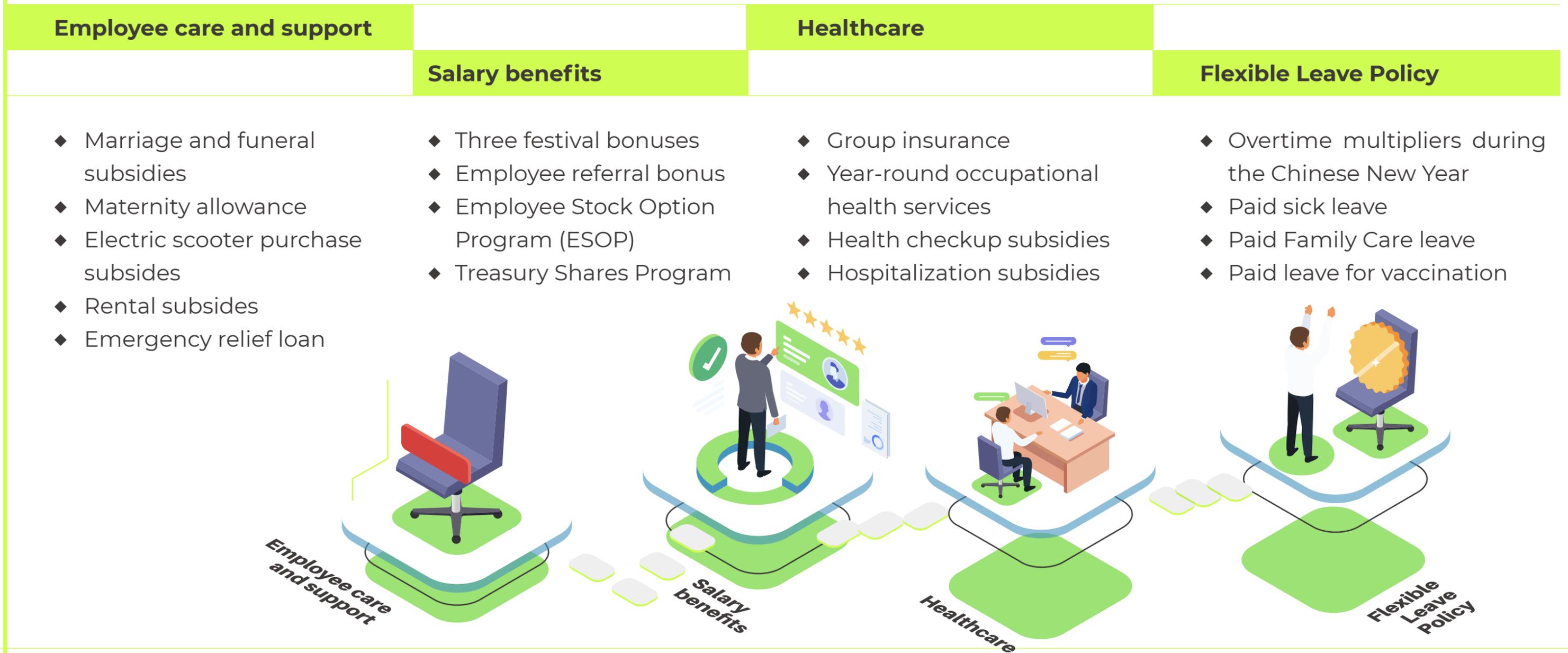
Carbon Academy

In response to climate change, Molicel aims to enhance our employees' understanding of carbon management and related regulations through systematic training. This is to strengthen our company's carbon competitiveness and cultivate carbon talent, thereby solidifying our competitive advantage in the low-carbon economy. We are dedicated to professional knowledge development and encourages self-learning among employees. The total training hours have reached 70 hours, with 55.6% of non-managerial positions participating in the courses.

Industry-Academia Collaboration Program

In 2023, Molicel continued to conduct industry-academia collaboration programs with several universities, including the Department of Mechanical Engineering at National Cheng Kung University (NCKU), the Graduate Institute of Applied Science and Technology at National Taiwan University of Science and Technology (NTUST), and the Department of Materials Science at National Pingtung University. The research focused on production processes, battery performance, and lithium battery materials development. These diverse industry-academia collaborations benefit both parties, providing students with a deeper understanding of industry operations and development models. In addition, this enables the company to improve production stability, speeds up new product development, and broadens the sources and channels of core talents.

Employee Benefits



Employee Club Activities

The Molicel -Power Team

Dragon boat racing is a cherished tradition within the TCC Group and one of its three major events. The Molicel employee dragon boat team exemplifies teamwork and camaraderie across Taiwan, enhancing the bonds among colleagues. This activity honors our traditions while showcasing our relentless pursuit of excellence in the face of challenges.

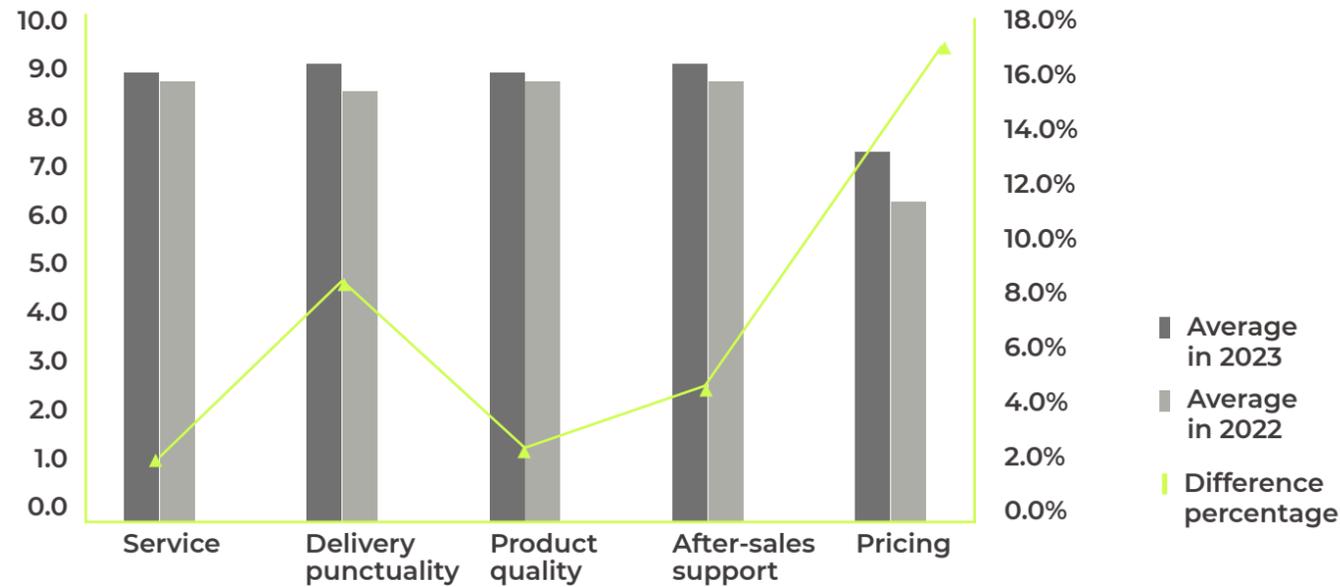
Formed in 2023, the "Molicel-Power Team" has trained consistently every weekend and competed in the Southern Taiwan Science Park Friendship Race. The team has continually learned from each race, steadily improving its performance. In 2024, they achieved third place in the large dragon boat corporate team category at the Tainan International Dragon Boat Championships, a significant leap from their eighth-place finish in 2023.



Customer Demands

Molicel is dedicated to cultivating enduring partnerships with its clientele, profoundly understanding their expectations through active dialogue and feedback mechanisms, and continually refining product and service quality. Molicel routinely conducts customer satisfaction surveys to gather valuable insights on various aspects, including the service provided by its personnel, delivery punctuality, product quality, performance and safety, after-sales support, and pricing. This invaluable feedback serves as the foundation for Molicel's improvement initiatives. In 2023, the overall customer satisfaction rating reached 8.68, marking a 7.86% increase from 2022. This reflects Molicel's commitment to listening to each customer's feedback and enhancing internal processes to elevate the customer experience. Moving forward, Molicel remains dedicated to maintaining seamless and responsive communication channels with its customers





In the survey, all aspects showed an overall improvement. Key customer feedback highlighted the following:

- ◆ Product quality and performance are highly recognized and appreciated by customers, aiding in securing orders.
- ◆ Compared to competitors, Molicel's agile and flexible organization allows for smoother communication and better co-operation.
- ◆ Molicel's precise control over capacity and scheduling ensures optimal delivery times, aligning perfectly with customer expectations and needs.

Survey Items

Service	<ul style="list-style-type: none"> ◆ Visit Frequency and Service Attitude ◆ Response Speed ◆ Communication Skills ◆ Understanding of Your Company and Product Needs ◆ Professional Knowledge and Skills ◆ Coordination from Start to Finish
Delivery punctuality	<ul style="list-style-type: none"> ◆ Negotiation and Transaction Achievement
Product quality	<ul style="list-style-type: none"> ◆ Quality ◆ Performance ◆ Safety
After-sales support	<ul style="list-style-type: none"> ◆ RMA Resolution Time Satisfaction ◆ RMA Resolution Result Satisfaction ◆ Technical Support Service ◆ Price Satisfaction
Pricing	

Prosperity Society

Molicel is deeply rooted in local communities, adhering to the philosophy of giving back to society. We continuously collaborate with various sectors of society, actively participating in education, environment, and public welfare fields. We commit to promoting philanthropic endeavors and foster positive community relations. We strive to achieve a dual benefit of both economic and social gains through these efforts. By injecting sustainable resources into the industry, we promote the common-prosperity society.

Molicel regards Social Welfare Contribution, Innovative Research and Development, Environmental Conservation, and Educational Deepening as the four main pillars for implementing social engagement. We simultaneously advocate and continuously promote the expansion of social participation activities, leveraging our influence. Through our four main pillars, we encourage employees and their families to foster environmental awareness and support public welfare organizations with practical actions. We aim to integrate environmental protection and public welfare into daily life, bringing positive changes and impacts to global social welfare.

Social Welfare Contributions in 2023

Donation Amount

NTD 60,000

Volunteer Participation

125 participants

Social Welfare Contributions: Rooted Locally, Committed to Public Welfare



Molicel actively supports social welfare annually. In 2023, we collaborated with the Syin-Lu Social Welfare Foundation for a charity sale, co-hosted the Charging for Love activity with the Loss of Parental Child Welfare Foundation, and organized a Christmas charity sale, promoting sustainability and social responsibility.

Molicel promotes sustainability by collaborating with Shinkong Textile Co. on the ISP sustainable apparel initiative, focusing on single-material design, infinite recycling, and eco-friendly practices.



Environmental Conservation: Deepening Ecological Awareness and Engaging in Environmental Actions

Molicel promotes environmental conservation an through ecological education and hands-on activities. We encourage colleagues and their families to raise ecological awareness and support public welfare initiatives. In 2023, we held several activities to implement environmental protection and public welfare in life.



- ◆ World Earth Day: Approximately 50 colleagues participated, planting around 200 seedlings
- ◆ Beach Cleanup: Co-organized with the public welfare organization - Tainan Clean Up Fun, nearly 70 colleagues and their families participated, picking up about 4 kilograms of marine debris

Educational Deepening: Industry-Academia Collaboration to Cultivate Elite Talent



Molicel collaborates with the National Tsing Hua University Racing Factory, sponsoring their battery cell project to help students hone their skills in Formula Student competitions. In 2023, the team became the first from Taiwan to compete in Europe and created the first four-wheel-drive student formula electric car. They achieved excellent results in the Czech competition, winning Figure Eight Trackdrive and best car inspection awards, and ranking eighth overall in the electric car group, demonstrating outstanding strength. Molicel will continue to support the racing team, nurturing young talent in the field of electric vehicles.





We promise

<ul style="list-style-type: none"> ◆ Prohibition of child labor, forced labor, slavery, and human trafficking 	<ul style="list-style-type: none"> ◆ Forbid any differential treatment or discrimination of gender (including sexual orientation), race, class, age, marriage, language, thought, religion, political orientation, place of origin, place of birth, appearance, facial features, physical and mental disabilities, etc. 	<ul style="list-style-type: none"> ◆ Implement fairness in employment, compensation and benefits, training, evaluation, and promotion opportunities 	
<ul style="list-style-type: none"> ◆ Provide a safe and healthy working environment 	<ul style="list-style-type: none"> ◆ Respect the freedom of employees to assemble and associate 	<ul style="list-style-type: none"> ◆ Assist employees in maintaining physical and mental health and work-life balance 	<ul style="list-style-type: none"> ◆ Allow free choice of employment and prohibit unreasonable restrictions on employee freedom of action.

Governance

Corporate Co-prosperity

Molicel is committed to building a competitive energy industry ecosystem. By closely collaborating with suppliers, constructing a supply chain that respects human rights and promotes sustainable development, and jointly creating a sustainable future.

Supply Chain Management

Suppliers are vital partners for Molicel. We enforce supply chain management through a Supplier Code of Conduct, performance management, and sustainable assessments. In 2024, we launched a systematic approach, integrating material sustainability issues into ESG metrics. By surveying 30 key suppliers, we plan to enhance sustainability through training and improved practices, promoting a responsible and sustainable supply chain.

Supply Chain Key Issues Workshop

Structure and Functions of Sustainable Procurement | Supply Chain Key Issues Workshop



Molicel Supply Chain Key Sustainability Issues Table

Sustainability Focus Area	Key Sustainability Issue
Corporate Governance	Supplier Management Information Disclosure Business Continuity Management Trade Secret Protection
Environmental Issues	Environmental Compliance and Penalties Environmental Management Systems Waste Management
Consumer Issues	Quality Management Information and Personal Data Security

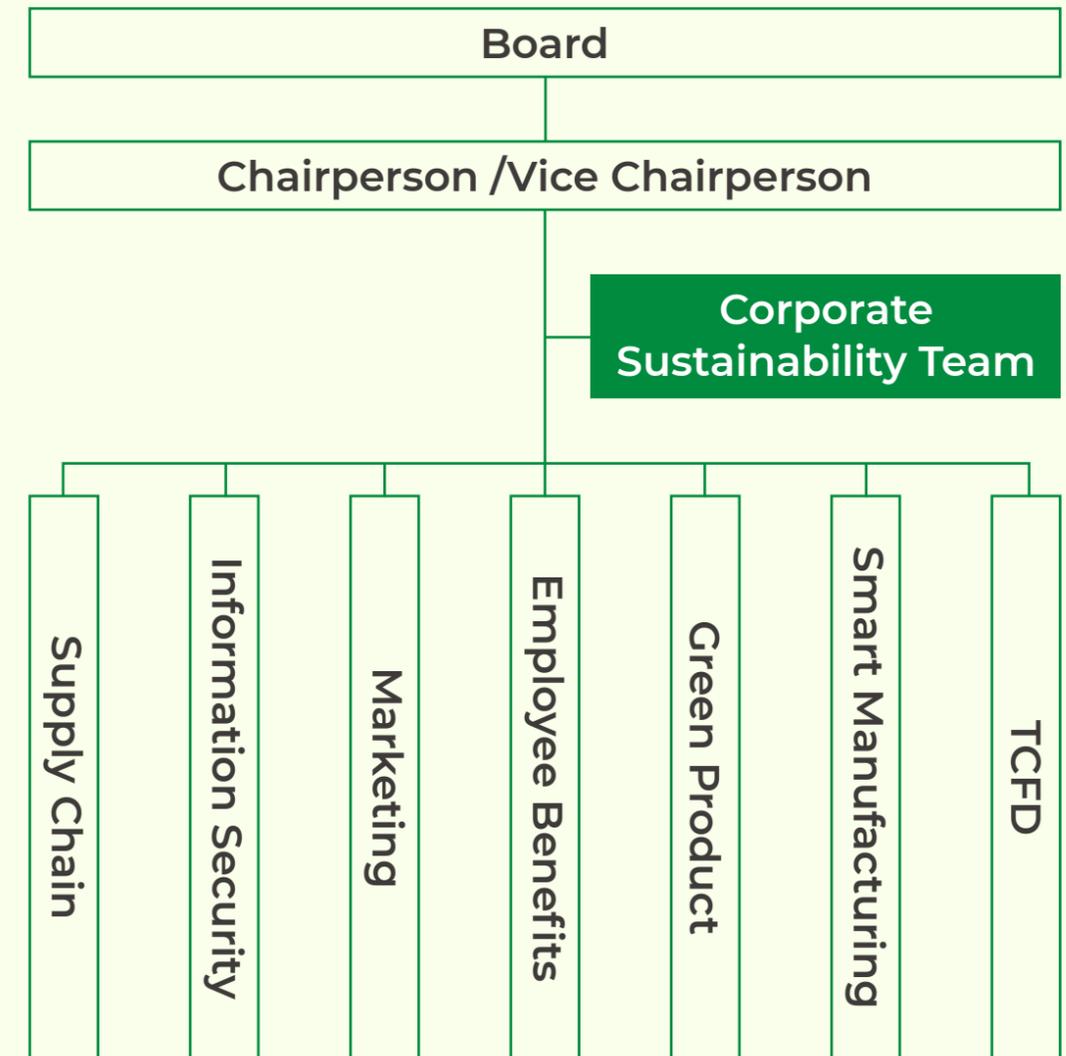
Sustainable Governance

Molicel focuses on the improvement of corporate governance, and ensures that its strategies and actions comply with regulations and ethical standards, through the establishment of effective decision-making and oversight mechanisms. MOLICEL actively takes measures to safeguard the rights and interests of internal and external stakeholders and enhances the transparency of information to gain trust and support.

Governance Structure

Molicel emphasizes strong corporate governance to maximize shareholder benefits. The Board of Directors oversees operations, with bi-weekly meetings to address challenges and solutions. In 2023, the Corporate Sustainability Committee and Team were established to drive ESG policies, with their first meeting in December. To enhance transparency, Molicel launched an ESG section on its website and published the second ESG Summary Report in July 2024. The average Board attendance in 2023 was 100%.

Molicel Sustainability Commitment

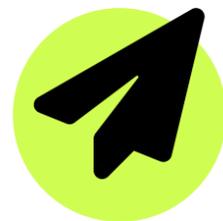


Ethical Management

Molicel adheres to the Ethical Management Best Practice Principles, Anti-Corruption and Anti-Bribery Policy, Procedures for Anti-Corruption and Anti-bribery Management, Anti-Corruption and Anti-Bribery System Manual, and other related regulations established by TCC. Employees, business partners, directors, and managers are required to uphold the principles of integrity management, comply with the anti-corruption and anti-bribery policies. Active employees are required to participate in the anti-corruption and anti-bribery training courses at least once a year with records kept to fully understand related regulations and the possible risks and consequences of any violations. In 2023, Molicel had 0 incidents of corruption and bribery.

Moreover, new recruits are required to sign the Statement of Integrity and Ethical Conduct on the date of employment and receive promotion of the anti-corruption and anti-bribery policies within 90 days thereafter with records kept. In 2023, the E-One Moli Energy Corp. conducted new employee training for 61 participants and annual critical policy guidance for 709 participants. The Molie Quantum Energy Corporation held 40 new employee training sessions for 512 participants.

Reporting and Grievance Channel



Employee Feedback Mailbox (Located in B1 with facial recognition, restaurant, and unit restrooms)



7885 Hotline



Dedicated Line account

Risk Management

Risk Management Team conducts internal and external situational analyses annually, based on risk types, failure modes, and other factors. Significant risks are identified and reported to the President. Each significant risk is managed through project management, listed as a priority for improvement, and specific projects are proposed to implement measures. Each responsible department regularly tracks the execution status to reduce the impact of risks on the company’s operations, product delivery, and customers. All significant risk issues identified in 2023 have been listed for improvement action planning.

The results of the significant risk identification in 2023

Aspect	Significant Risk	Risk Mitigation
Quality	No significant risk	
Environment	<ul style="list-style-type: none"> ◆ Waste reduction ◆ Energy consumption (including natural gas, electricity) 	<ul style="list-style-type: none"> ◆ Waste reuse ◆ Implementation of energy-saving measures (water, electricity, gas)
Safety and Health Hazards	<ul style="list-style-type: none"> ◆ Fire, falling or flying objects 	<ul style="list-style-type: none"> ◆ Operational procedure optimization, installation of engineering control measures

Information Security



To effectively safeguard the security of corporate sensitive information, Molicel constructed a cybersecurity framework in 2021. Molicel adopts the ISO 27001 Information Security Management System standard, and continuously improves its information security measures through the PDCA, including conducting risk assessments, formulating information security policies and KPIs, enhancing staff awareness of information security, implementing security technologies, regularly monitoring audit trails, and conducting internal and external audits. These measures are put in place to ensure the effectiveness of information security protection. Molicel is planning to initiate the transition certification of the new ISO 27001:2022 standard in September 2024.

To prevent the leakage of company sensitive data, uninterrupted operation of the company's production line, and to guard against external hacker ransom and phishing attacks, Molicel has introduced a private 3C mobile phone control solution, established abnormal analysis records for departed employees, and carried out Manufacturing Execution System

(MES) restoration drills. In 2023, no cybersecurity incidents, such as data leakage, occurred.

In addition to regular cybersecurity protection measures, Molicel regularly holds information security drills and educational training to enhance the information security awareness of all employees. In 2023, Molicel issued 8 cybersecurity announcements and conducted 3 social engineering drills with a violation rate of less than 5%. We provided a total of 1,840 hours of information security trainings, mainly focused on AI and ISO 27001.

Climate Change Governance(TCFD)

In response to global trends in mitigating and adapting to climate change, Molicel is committed to energy conservation and carbon reduction. The company has voluntarily adopted the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines to establish a risk management framework to identify significant risks and opportunities that climate change might pose to Molicel and proposes corresponding strategies responses.

In 2024, Molicel hosted the first TCFD Workshop, inviting department heads to discuss and analyze climate change-related risks and opportunities. The workshop aims to develop related risk mitigation and prevention measures, thereby reducing risks and seizing opportunities. Three Molicel high-risk factors and three high-opportunity factors were identified, and the climate change risk matrix and opportunity matrix are shown in the figure below:



Climate Change Governance(TCFD)

Climate Risks Matrix

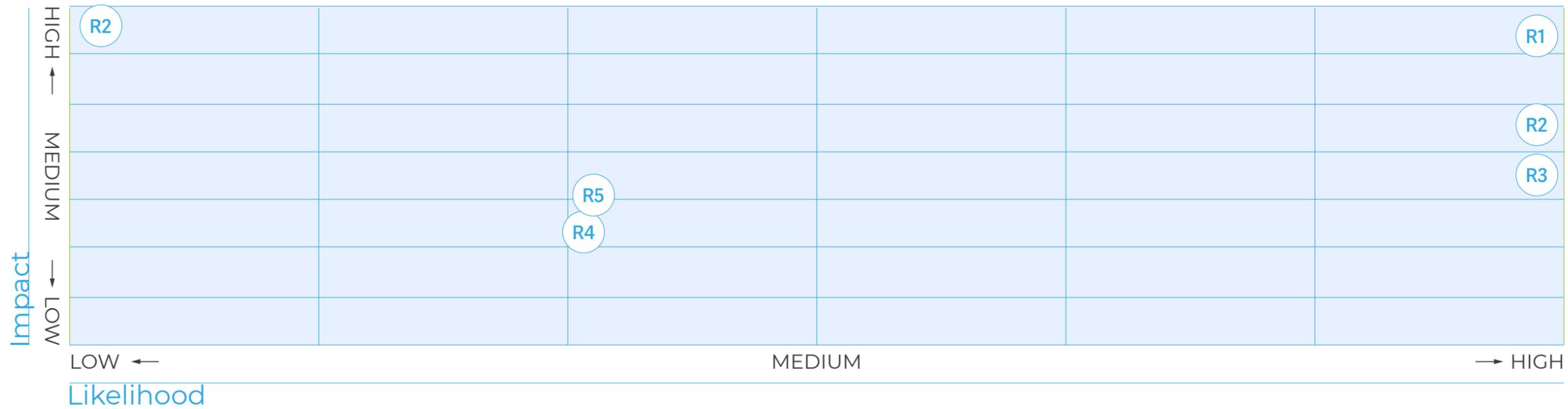


- R1** Increased severity of extreme events such as typhoons and floods
- R2** Increased costs of electricity and raw materials
- R3** Enhanced emissions-reporting obligations
- R4** Changing customer behavior
- R5** Stigmatization of sector
- R6** Increased stakeholder concern or negative stakeholder feedback

- R7** Increased pricing of gGHG emissions
- R8** Substitution of existing products and services with lower emissions options
- R9** Changes in precipitation patterns and extreme variability in weather patterns

Climate Change Governance(TCFD)

Climate Opportunities Matrix



- R1** Shift in customer preferences
- R2** Recycling and reuse
- R3** Development of new products or services through R&D and innovation
- R4** Use of more efficient modes of transport
- R5** Reduced water usage and consumption
- R6** Utilization of renewable energy and energy storage technologies

Climate Change Related Risk and Opportunity Management Strategies

Risks	Time	Impact Content	Coping Strategy
Increased severity of extreme events such as typhoons and floods	Short term	<p>Risk Impact</p> <ul style="list-style-type: none"> ◆Flooding may damage or shut down equipment. ◆Customers or our battery assembly plants may be affected by wind and flood disasters, causing assembly line interruptions, sudden order reductions, and thereby affecting production volume and turnover of Molicel ◆Extreme weather disasters may cause accidents and injuries to personnel during commuting, or prevent personnel from attending work <p>Financial Impact</p> <ul style="list-style-type: none"> ◆Decreased revenue; equipment maintenance or scrapping leads to increased operating costs 	<ul style="list-style-type: none"> ◆Establish a risk fund to prepare for the needs of extreme climate change events ◆Strengthen infrastructure and equipment protection, reinforce the structural endurance of factory buildings and equipment storage areas, and improve drainage systems ◆Actively monitor the climate risk of upstream suppliers to actively adjust preparations ◆Regularly announce rainy day vehicle defense advocacy information; and conduct traffic safety advocacy related education and training

Climate Change Related Risk and Opportunity Management Strategies

Risks	Time	Impact Content	Coping Strategy
Increased costs of electricity and raw materials	Short to medium term	<p>Risk Impact</p> <ul style="list-style-type: none"> ◆Due to climate-related regulations, the operational costs of suppliers have increased, which in turn has been passed on to the costs of raw materials ◆Climate disasters cause supplier chain disruptions, resulting in material shortages that have increased costs ◆Due to electricity shortages, turning to purchase renewable energy leads to a continuous increase in electricity costs <p>Financial Impact</p> <ul style="list-style-type: none"> ◆The cost of raw materials and electricity rises lead to an increase in operating costs 	<ul style="list-style-type: none"> ◆Long-term fixed pricing with suppliers to stabilize the supply source and price of raw materials ◆Evaluate energy-saving schemes, improve electricity efficiency, reduce electricity consumption

Climate Change Related Risk and Opportunity Management Strategies

Risks	Time	Impact Content	Coping Strategy
Enhanced emissions-reporting obligations	Short term	<p>Risk Impact</p> <ul style="list-style-type: none"> ◆In response to the requirements of the EU Battery Regulation and Taiwan Climate Change Response Act, it is necessary to strengthen the disclosure of GHG inventory and product carbon footprint information ◆Collect supplier's GHG emission information, communication and management costs increase <hr/> <p>Financial Impact</p> <ul style="list-style-type: none"> ◆The cost of raw materials and electricity rises, leading to an increase in operating costs 	<ul style="list-style-type: none"> ◆Promote the establishment of internal carbon management mechanisms ◆Obtain ISO 14064-1 third-party certification annually ◆Promote the product carbon footprint inventory and gradually expand to all products

Note: Definition of time range: Short term: 2024-2026, Medium term: 2027-2030, Long term: 2031-2050.

Climate Change Related Risk and Opportunity Management Strategies

Opportunities	Time	Impact Content	Coping Strategy
Shift in customer preferences	Medium to long term	<p>Risk Impact</p> <ul style="list-style-type: none"> ◆As consumers/clients become more aware of climate issues, they choose low-carbon and energy-saving products, such as electric cars, which increases the demand for related components <hr/> <p>Financial Impact</p> <ul style="list-style-type: none"> ◆Increased market demand leads to increased revenue 	<ul style="list-style-type: none"> ◆Enhance product performance with high-capacity and high-charge-discharge ◆Develop low-resistance products to reduce energy consumption, less prone to heat and increase safety ◆Implementing automation in production lines and an energy management system, ISO 50001, to save energy in the plant and increase production

Climate Change Related Risk and Opportunity Management Strategies

Opportunities	Time	Impact Content	Coping Strategy
Recycling and reuse	Long term	<p>Risk Impact</p> <ul style="list-style-type: none"> ◆ Reuse waste from manufacturing processes to enhance resource recycling ◆ Use recycled raw materials to reduce the carbon footprint of products, while meeting regulations and customer expectations ◆ Improve product recyclability and extend product life cycle ◆ Establish a product recycling mechanism to reintroduce materials into the production process, achieving circular economy benefits <p>Financial Impact</p> <ul style="list-style-type: none"> ◆ Enhance product value to meet market demands, leading to increased revenue. 	<ul style="list-style-type: none"> ◆ Recycle and extract black mass from waste cathode and waste cathode slurry generated during the manufacturing process for reuse ◆ Waste wooden boxes and pallets used for raw material procurement are provided to manufacturers for gasification power generation, achieving resource recycling and zero waste ◆ Partner with excellent suppliers to use low-carbon production materials, and introduce better quality materials ◆ Initiate cooperative development projects for the recycling and reuse of raw materials, reducing resource consumption and waste in manufacturing ◆ Cooperate with recyclers and invest in the research of waste battery recycling procedures to develop new technologies that transform waste materials into reusable materials

Climate Change Related Risk and Opportunity Management Strategies

Opportunities	Time	Impact Content	Coping Strategy
Development of new products or services through R&D and innovation	Medium to long term	Risk Impact <ul style="list-style-type: none"> ◆ Invest in the development of advanced energy storage solutions ◆ Continuously develop high-security and high-energy density batteries to maintain a competitive advantage in the market ◆ Develop low-carbon products to expand the product application market 	<ul style="list-style-type: none"> ◆ Continuously develop batteries with high-density for applications requiring high power transfer efficiency, such as eVTOLs, electric sports cars, and electric motocross ◆ Collaborate with the energy business group planned by TCC, develop alternative energy, and form a strategic alliance with customer groups with this demand to jointly build a power system. ◆ Collaborate with the energy business group of TCC to develop alternative energy and strategically partner with clients who have such needs, jointly building power systems
		Financial Impact <ul style="list-style-type: none"> ◆ Increased market demand leads to increased revenue 	

Note: Definition of time range: Short term: 2024-2026, Medium term: 2027-2030, Long term: 2031-2050.

Editorial Team

FACTORY	NEIL CHEN, LI-JA YANG
ESH	DEMI LI, ANDY KO, MIN-XUAN CHOU
RESEARCH AND DEVELOPMENT	AARON WENG, VIVIAN CHIANG
PURCHASING	CELESTE SUN, JI-TING CHEN, TSAI-YING WANG
FINANCE DEPARTMENT	BING-QUN WENG
HUMAN RESOURCE	CANDACE KUO
MARKETING	EMMA DONG, JULIE CHU
FACTORY (MQE)	LI-JA YANG, TAI-YING CHEN
ESH (MQE)	SHENG LIN, YAN-WEI WU
AUTOMATED MANUFACTURING (MQE)	JACK SU
HUMAN RESOURCE (MQE)	YUKU TSAI, GINA CHEN
TCCI	WILLIAM HUANG

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