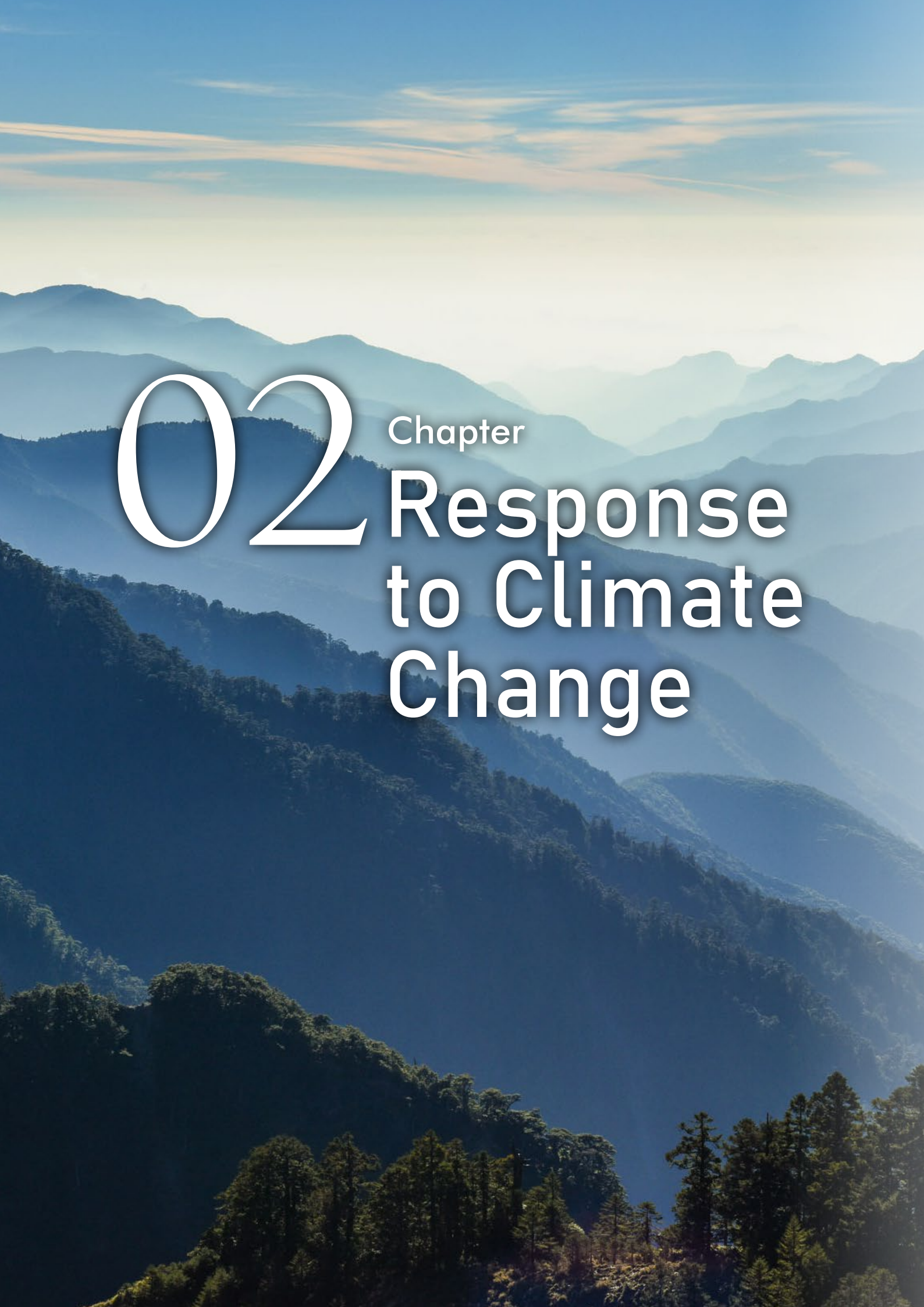


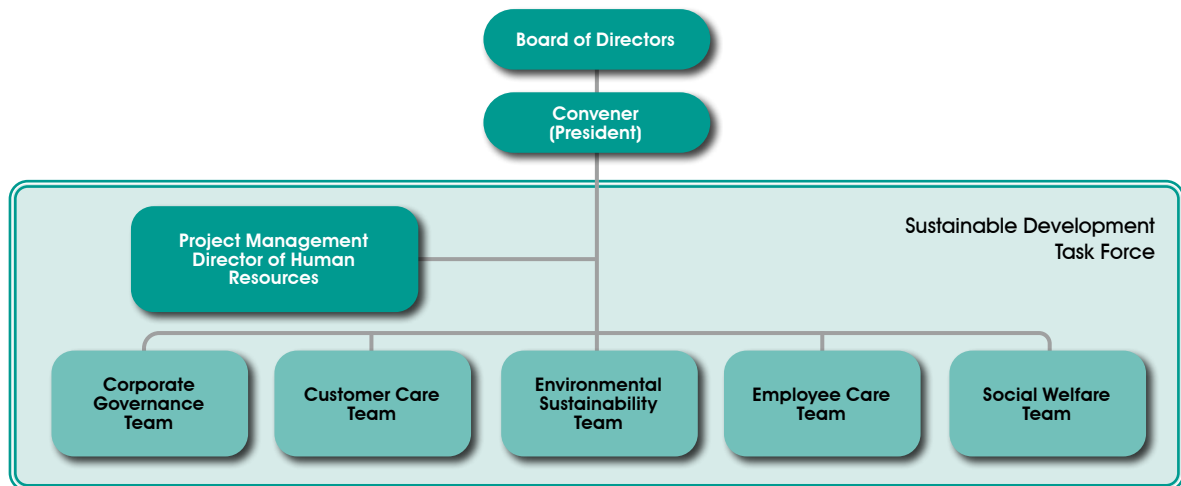


02 Chapter Response to Climate Change

The 29th United Nations Climate Change Conference concluded in Azerbaijan at the end of 2024, highlighting the urgent global pressure to mitigate climate change. To achieve the global goal of net-zero carbon emissions, governments across countries and regions have successively introduced climate-related regulations. Responding to climate change has become a critical issue that companies worldwide must confront to ensure sustainable operations in a changing climate policy environment. Since 2022, CLEVO has followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board, to identify and manage climate-related risks and opportunities, and to implement effective climate management strategies. Accordingly, CLEVO adopts the four core elements of the TCFD framework: governance, strategy, risk management, and indicators and goals to disclose climate-related risks and opportunities associated with its operations. The Company strengthens its management strategies and targets for key climate issues, embedding climate-related risk management into its daily operational processes. Through annual monitoring, CLEVO continuously tracks emerging climate trends relevant to the Company and promptly adjusts its management approaches in response to changing circumstances.

2.1 Climate Governance

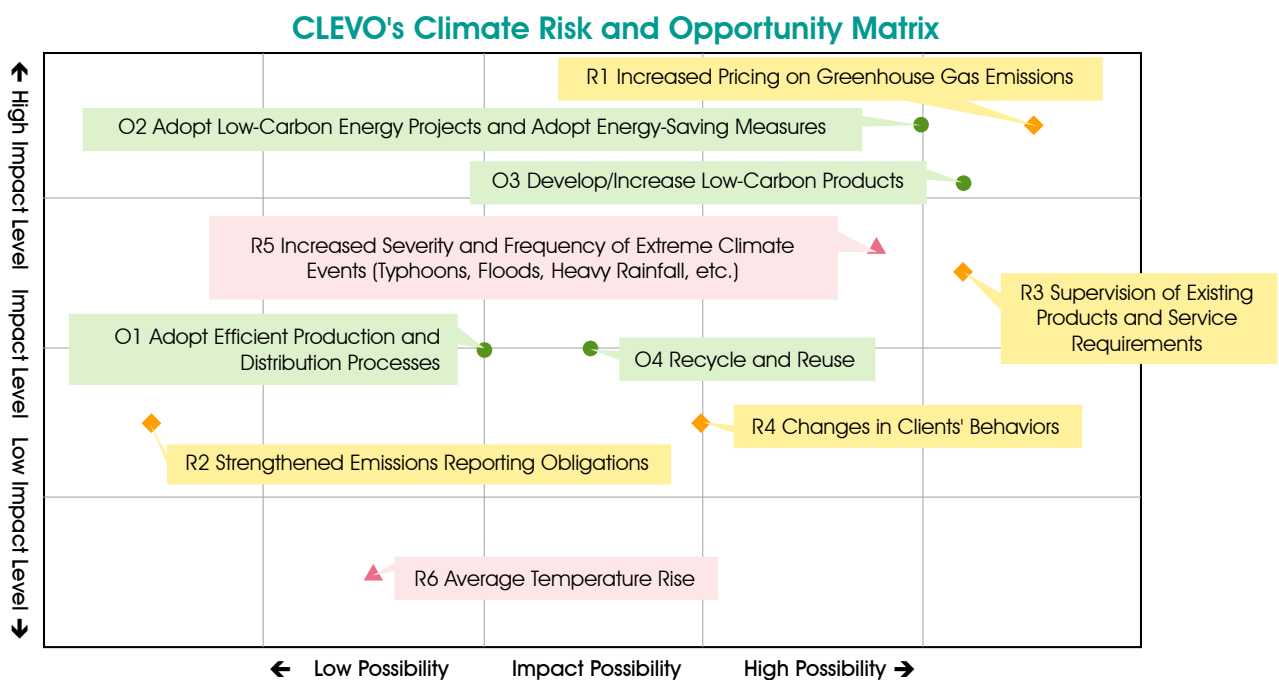
The Board of Directors serves as the highest governance body for climate change-related decision-making and management at CLEVO. It is responsible for overseeing and managing the Company's climate-related risks and opportunities, and for making strategic decisions in response to these issues. The Sustainable Development Task Force analyzes climate trend-related issues concerning the Company every year. In order to identify the key climate risks and opportunities related to the operation of CLEVO, the Sustainable Development Task Force communicates with various units, conducts interviews, and collects benchmark reports and CDP questionnaires from industry peers to gather information on climate issues concerning CLEVO. The Sustainable Development Task Force discusses climate response strategies, target setting, and management plans with various units to reduce the impact of climate on the Company's operations. At least once a year, the progress of climate risk management is reported to the Board of Directors. This report includes the Group's greenhouse gas inventory, assurance, the establishment of responsible units, and tracking the status of relevant goal achievements. The Board of Directors formulates an overall climate risk and opportunity response strategy and future goal deployment. For information regarding the Sustainable Development Task Force, please refer to Section 1.3.3.



2.2 Climate Change Response Strategies

CLEVO followed the TCFD guidelines, peer reports, and international trends to consolidate climate-related issues relevant to the Company. The President convenes the Sustainable Development Task Force and uses it to collect the actual climate issues faced by each unit. Each unit scores the impact and probability of climate issues. Finally, five key climate risks and opportunities for CLEVO were determined to include two transition risks, one physical risk, and two climate opportunities. The five key issues are listed below in 2.2.2 Climate Risk and Opportunity Identification Results to showcase the occurrence schedule, CLEVO's current status, and future response management measures.

2.2.1 CLEVO's Climate Risk and Opportunity Identification Matrix



2.2.2 Climate Risks and Opportunities, Identification Results, and Countermeasures

Aspects	Issues	Impact Period	Current Status for Climate Change Risks and Opportunities	Response Strategies and Management Measures
Transformation Risks	Increased Pricing on Greenhouse Gas Emissions	Short-term (within 3 years)	As global climate action continues to lag behind targets, many countries have introduced carbon tariffs and tax regulations on imported products. CLEVO's products are sold across the Americas, Europe, and Asia, where the United States and the European Union have successively announced measures such as the Clean Competition Act (CCA) and the Carbon Border Adjustment Mechanism (CBAM). Starting in 2026, Taiwan will begin imposing carbon fees on major emitters with annual emissions exceeding 25,000 metric tons. Although CLEVO is neither a high energy consuming industry nor a manufacturer of carbon intensive products, and is therefore not a target in the first wave of regulation, the Company recognizes that the impact of climate change is intensifying year by year. As future regulations may become increasingly stringent, CLEVO must remain vigilant regarding the potential risks associated with carbon fees or carbon taxes.	1. Plan to invest in low-carbon product design and improve the energy efficiency of the production process. 2. CLEVO Group, including its Taipei headquarters, Kapok Computer (Kunshan), and Buynow, has completed the establishment of its greenhouse gas (GHG) inventory system. In 2025, the Group will conduct an assurance review of its 2024 GHG emissions data, thereby finalizing a comprehensive GHG inventory framework across the entire Group. 3. A dedicated Carbon Inventory Task Force has been established to manage the annual GHG inventory and energy management, enabling the Group to monitor trends in carbon emissions and energy consumption. 4. Kapok Computer (Kunshan) has adopted third-party verifications, including the ISO 50001 Energy Management System and ISO 14064-1 Greenhouse Gas Verification Statement, to ensure the effectiveness of the Company's energy and carbon management policies.
Transformation Risks	Supervision of Existing Products and Service Requirements	Medium-term (3-10 years)	With the rising global awareness of sustainability, governments around the world have been tightening environmental regulations on consumer electronics. These regulations increasingly cover product energy efficiency, restrictions on hazardous substances, requirements for end-of-life recycling, and the proportion of recycled materials used in products. All of these have become key considerations for the import and export of consumer electronics in recent years. All notebooks produced by CLEVO comply with the latest energy-saving and environmental regulations. They are also aligned with energy-saving settings of operating systems to ensure compliance with environmental requirements across various countries. Nevertheless, future regulations on energy efficiency and the restriction of hazardous substances in consumer electronics are expected to become increasingly stringent. To address the potential demands of international environmental regulations, CLEVO must continue to allocate more R&D resources to enhance energy efficiency and gradually explore the use of recycled materials in its products.	1. The relevant unit regularly reviews international energy efficiency standards such as ENERGY STAR, 80 PLUS, and other norms. It also reports the changing trend internally so that the R&D unit can adjust its focus based on regulatory and trend requirements. 2. The supply chain must sign the Hazardous or Restricted Substance Commitment and honestly declare the prohibited and restricted substances for CLEVO to establish a raw material database. Future product development will prioritize the use of halogen-free materials. 3. To enhance the efficiency of end-of-life product recycling and reduce the use of virgin plastics, CLEVO has established a roadmap to gradually increase the proportion of post-consumer recycled (PCR) plastics used in its products. Recycled plastic materials will be prioritized in future product designs.
Physical Risks	Increased Severity and Frequency of Extreme Climate Events	Medium-term (3-10 years)	With global temperatures on the rise, the frequency and severity of droughts and heavy rainfall in China have increased in recent years, repeatedly reaching record highs. In response to extreme heat and drought, local governments have frequently implemented electricity rationing and staggered production policies, resulting in unplanned factory shutdowns across various regions. CLEVO's subsidiary Kapok Computer (Kunshan) does not use process water in its operations and relies solely on domestic water. Therefore, the short-term impact of droughts on the Company is limited. However, during August and September 2022, the Kapok Computer (Kunshan) facility experienced electricity rationing due to extreme heat. Although production was not directly suspended, the plant was forced to activate backup diesel generators to maintain operations, which significantly increased diesel reserve costs.	1. The Company has established the "Emergency Response Plan for Extreme Weather Events" and conducts annual drills to strengthen employees' emergency response capabilities and minimize potential financial losses caused by extreme climate conditions. 2. In the event of severe weather such as strong typhoons, flooding, or heavy snowstorms, the Company follows government-issued red alerts for extreme weather and implements mandatory leave accordingly. 3. The factory buildings are elevated one meter above ground level and are equipped with water pumps to handle potential flooding. 4. To address emergency power needs during government-imposed electricity rationing, the facility is equipped with four backup diesel generators (two at 500 kW, one at 850 kW, and one at 1,240 kW, totaling 3,090 kW), along with sufficient diesel reserves to maintain production continuity.
Opportunities	Adopt Low-Carbon Energy Projects and Adopt Energy-Saving Measures	Short-term (within 3 years)	1. In 2018, 3,500 solar panels with an installation capacity of 0.9MW were fully installed on the roof of the Kapok Computer (Kunshan), generating approximately 1 million kWh of green electricity for the Kapok Computer (Kunshan) each year. 2. The water heating boilers in the Kapok Computer (Kunshan) dormitory facility have been replaced with energy-efficient heat pumps. Both the Taipei headquarters and Kapok Computer (Kunshan) facility have adopted energy-efficient LED lighting to reduce overall electricity consumption.	1. The Company continues to implement energy-saving initiatives to further decrease total power usage and gradually increase the proportion of renewable energy in its energy mix. 2. Routine equipment maintenance is conducted annually, along with the replacement and upgrading of energy-saving equipment. Details of the 2024 energy-saving and carbon reduction measures can be found in Section 3.2.3.
Opportunities	Develop/Increase Low-Carbon Products	Short-term (within 3 years)	With the growing global emphasis on sustainability, both brand owners and consumers are increasingly favoring low-carbon, energy-efficient, and recycled-material products. CLEVO integrates environmental responsibility as a core concept in product innovation, transforming its offerings into sustainable products through thoughtful design, material selection, usage optimization, and end-of-life management. Currently, the Company's laptop designs incorporate energy-saving settings supported by operating systems, such as power management, battery optimization, screen brightness adjustment, and dark mode, which reduce energy consumption and extend battery life by minimizing charging cycles. All laptops manufactured by CLEVO comply 100% with the energy efficiency standards required by ENERGY STAR. Looking ahead, the Company will continue to invest in the development of low-carbon and recycled-material products to secure a competitive edge in the emerging market for sustainable technologies.	1. CLEVO designs and manufactures its laptops with high energy efficiency and end-of-life recyclability as core objectives, aiming to deliver a renewed user experience while continuously advancing low-carbon technologies to enhance product competitiveness in the sustainability-driven market. 2. The Company also sets material requirements for its direct suppliers, prioritizing the use of low-carbon and recyclable materials to reinforce the sustainability profile and value of its laptops. 3. Review and evaluate the low-carbon development status of suppliers every year, and include them in the qualified supplier selection items.

2.3 Climate Risk Management

To effectively integrate climate-related risks into its operational management, CLEVO has established the following internal procedures for managing climate risks and opportunities:

Workflow	Workflow Description
Summary of Climate Issues	To identify climate-related issues relevant to CLEVO, the Company followed the climate risk and opportunity categories recommended in the TCFD framework. It also collected and reviewed climate-related risks and opportunities disclosed by domestic and international peers in CDP questionnaires and sustainability reports. Based on this, CLEVO has initially identified potential climate risks and opportunities that may affect its operations in the near term.
Issue Identification	CLEVO transformed the identified potential climate-related issues into a questionnaire, which was distributed to all departments and sites. Each unit conducted a quantitative assessment of impact severity, time horizon, and likelihood of occurrence for each issue, taking into account historical experience, current regulatory trends, and stakeholder expectations. Specific impact scenarios and current response strategies were documented accordingly.
Materiality Analysis	The Sustainable Development Task Force collects the evaluation results from various units on various climate opportunities and risks. The significance of each issue's impact on CLEVO's operations is identified by aggregating and analyzing the scores of each unit on each issue in the questionnaire to identify CLEVO's key climate risk and opportunity issues.
Management Response and Target Setting	For material climate-related risks and opportunities, CLEVO has formulated specific response measures and management plans for each site and department. Corresponding management targets have been set for key climate risks, and progress toward these targets is reviewed annually to ensure continued mitigation of the Company's exposure to climate-related risks.

2.4 Indicators and Goals

CLEVO has established climate-related management targets to effectively address the threats posed by climate risks and to strengthen the Company's resilience to climate change. These targets have been integrated into the operational management of each site and department. CLEVO's climate-related targets and their respective base year are as follows:

Target Type	Target Description	Benchmark Year Comparison	Target Achievement Status
Carbon Reduction Target of Kapok Computer (Kunshan)	In 2025, Kapok Computer (Kunshan) aims to achieve a 1% reduction in total carbon emissions from Scope 1 and Scope 2.	2024	During Execution
	In 2025, the Company aims to achieve a 1% reduction in carbon emissions per unit of product	2024	During Execution
	In 2028, the Company aims to achieve a 3% reduction in carbon emissions per unit of product	2024	During Execution
	In 2030, the Company aims to achieve a 5% reduction in carbon emissions per unit of product	2024	During Execution
Low-Carbon Product Development	In 2025, newly developed products will feature a PCR (Post-Consumer Recycled plastic) content exceeding 30% of the total plastic weight for the front cover, keycaps, keyboard frame, speaker, and bottom case.	-	During Execution



03

Chapter

Environment Sustainability

CLEVO has long been committed to addressing climate change issues. Through its environmental and energy management systems, the Company monitors its energy usage and pursues more sustainable operational practices to achieve long-term sustainability goals. While striving for operational performance, CLEVO also actively fulfills its corporate social responsibilities, including compliance with environmental laws and regulations, the disclosure of environmental information, and enhancing employees' environmental awareness. CLEVO will continue its efforts in promoting environmental friendliness, working hand in hand with employees, suppliers, customers, and consumers toward a more sustainable future.

Performance Highlights

Kapok Computer (Kunshan) has obtained ISO 14001:2015 Environmental Management System Certification.

Kapok Computer (Kunshan) has obtained ISO 50001:2018 Energy Management System Certification

In 2024, CLEVO invested a total of NT\$1,653,490 in environmental monitoring and environmental projects.

In 2024, CLEVO conducted its first greenhouse gas inventory assurance, covering the headquarters and key subsidiaries, including Kapok Computer (Kunshan) and Buynow.

Kapok Computer (Kunshan) implemented a total of five carbon reduction projects in 2024.

Association with SDGs



Note: SDGs refer to the United Nations Sustainable Development Goals.

3.1 Environmental Management

CLEVO places great importance on the effective operation of its environmental management system, regarding it as a foundation for achieving sustainable development. The Company's environmental management policy is formulated by the General Manager and promoted internally to ensure that all employees integrate environmental principles into their daily operations. Through concrete actions, CLEVO fulfills its commitment to sustainability and achieves its long-term environmental goals.

CLEVO complies with environmental regulations across all operating locations and had no violations of environmental laws in 2024. Below is CLEVO's Environmental Management Policy:

- ◆ Follow the relevant environmental protection laws and regulations to be a legally compliant enterprise.
- ◆ Take preventive measures against pollution to reduce impacts on the environment.
- ◆ Make ongoing improvements to environmental management practices, and fulfill our responsibilities to the Earth.
- ◆ Actively classify, recycle, and reuse waste generated from corporate activities.
- ◆ Create communication and promotion channels for the environmental management system, and maintain frequent communication with external parties.

3.1.1 Environmental Management System

CLEVO operates two main sites: the Taipei headquarters and Kapok Computer (Kunshan). The Taipei headquarters focuses on business operations, R&D, and administration, with relatively limited potential environmental impact. In contrast, Kapok Computer (Kunshan) is responsible for manufacturing activities and thus presents a higher potential for environmental impact. As a result, greater resources and management mechanisms are allocated to environmental management at this site.

To effectively control the environmental impact of its manufacturing activities, Kapok Computer (Kunshan) has implemented the ISO 14001 Environmental Management System, established standardized environmental management procedures within the plant, and obtained third-party certification. Kapok Computer (Kunshan) adheres to the PDCA (Plan-Do-Check-Act) framework to regularly review the environmental aspects and risk identification within its operational processes, aiming to continuously improve and strengthen



Kapok Computer (Kunshan) ISO 14001:2015 Environmental Management System Certification (valid until April 7, 2026)

its environmental management practices. In addition, annual external reassessments and audits are conducted to ensure the continued validity of its certification. In April 2023, Kapok Computer (Kunshan) successfully obtained certification under the revised ISO 14001:2015 Environmental Management System, valid through April 2026.

3.1.2 Environmental Monitoring

Based on the ISO 14001 Environmental Management System, CLEVO has established internal management procedures for each environmental project, such as the "Air Pollution Control Operating Procedure", to systematically implement environmental risk control. To effectively monitor the environmental impact of Kapok Computer (Kunshan) on its surrounding areas, the company conducts regular annual testing of ambient air quality, effluent water quality, noise levels, and perimeter air pollutants. These efforts ensure that its operations comply with relevant environmental standards and regulatory requirements.

In addition to internal monitoring, CLEVO engages third-party accredited institutions to assist in verifying environmental data, thereby ensuring effective execution of its environmental management system. Each testing result allows the company to confirm alignment between its operations and environmental management objectives. If abnormalities or potential significant impacts are identified, the plant will immediately convene to review the issue and implement corrective measures. In 2024, all environmental monitoring results met both the CLEVO's internal standards and regulatory requirements, with no incidents of major pollution or leakage.

CLEVO invested a total of NT\$1,653,490 in 2024 to conduct various environmental operations, including air quality monitoring, water quality testing, energy-saving measures, waste removal, noise testing, and other environmental management activities. The Company also continuously reviews all monitored data and testing frequencies to ensure that the monitoring mechanisms align with actual operational needs, thereby maintaining stable and effective environmental management performance.

Scope and Frequency of Environment Monitoring for 2024

unit: NT\$

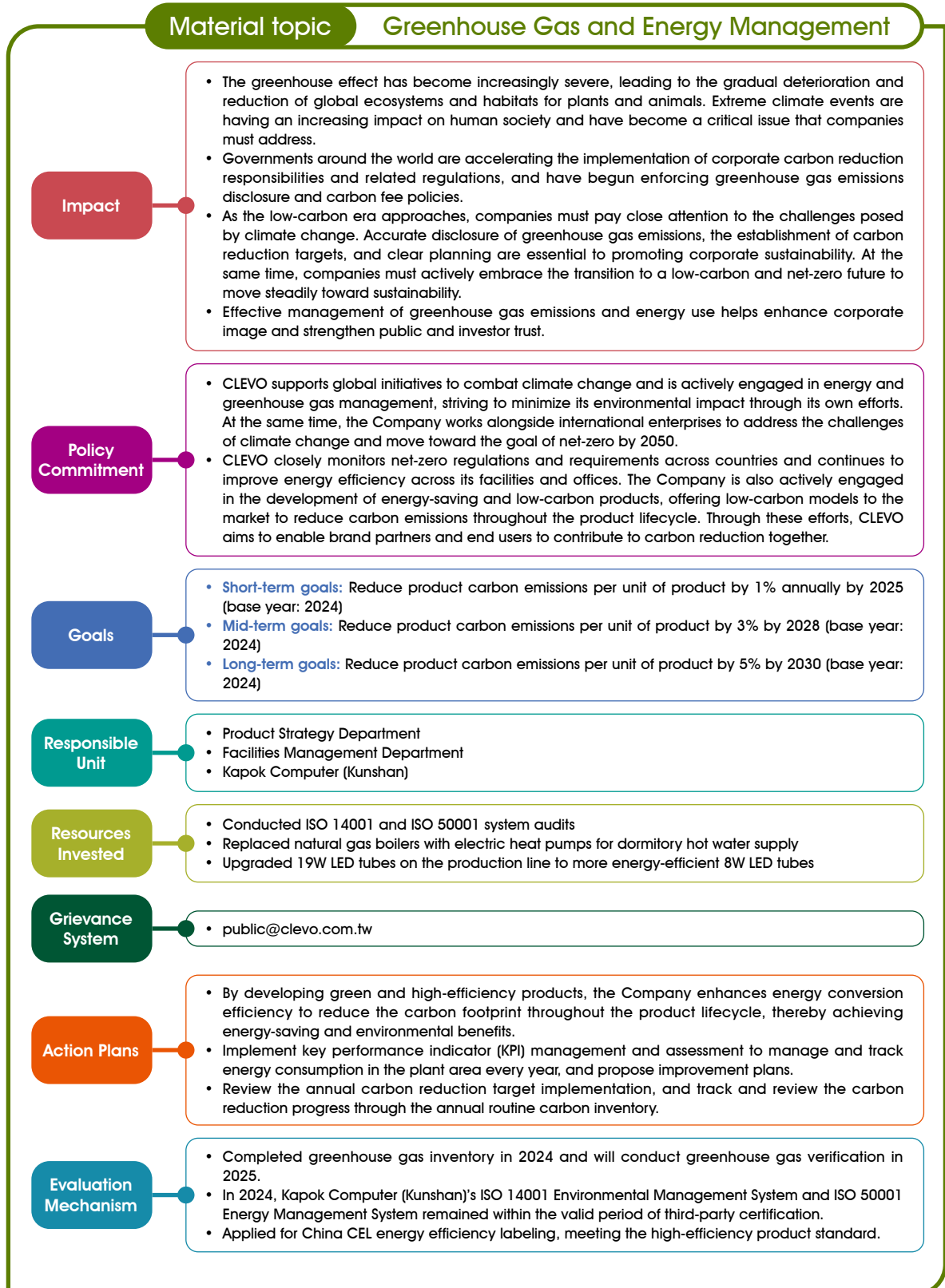
Environmental Monitoring Items/ Environment Projects	Kapok Computer (Kunshan)			Taipei Headquarters		
	Detection Frequency	Self/ Outsourced Inspection	Cost(RMB)	Detection Frequency	Self/ Outsourced Inspection	Cost(NTD)
Air Quality ¹	Once/year	Outsourced		Twice/year	Outsourced	7,000
Quality of Effluents	Once/year	Outsourced	9,000	-	-	-
Noise	Once/year	Outsourced		-	-	-
Air Pollutants in Nearby Area	Once/year	Outsourced		-	-	-
Waste Removal Fees	Twice/year	Outsourced	62,000	Once/year	Outsourced	61,902
Greenhouse Gas Inventory	Once/year	Outsourced	19,080	Once/year	Self	-
Wastewater Treatment Fees ²	Once/month	Outsourced	193,801	-	-	-
Fee for ISO System Certification	Once/year	Outsourced	67,500	-	-	-
Total Investment Amount (NTD)³			1,653,490			

Note1 The Taipei headquarters has conducted carbon dioxide testing for the working environment. The operating environment testing items for Kapok Computer (Kunshan) include other dust (total dust), tin dioxide, sodium carbonate, lead fume, dipropylene glycol methyl ether, cyclohexanone, ethyl acetate, n-butanol, methanol, ether, isophorone.

Note2 Wastewater treatment is uniformly charged and handled by the Taiwan Water Corporation.

Note3 The total investment amount is the sum of the expenditures in New Taiwan dollars by the Taipei headquarters and in renminbi by Kapok Computer (Kunshan), rounded to the nearest integer. The Renminbi is converted using the average exchange rate for the year.

3.2 Energy and Greenhouse Gas Management



As global climate change has become an urgent issue for both governments and businesses, energy and greenhouse gas management is now considered a critical priority by many enterprises. Kapok Computer (Kunshan) began procuring green electricity in 2018 and implemented the ISO 50001 Energy



Kapok Computer (Kunshan) holds a valid ISO 50001:2018 Energy Management System Certification, effective through May 30, 2026.

Management System in 2023, with third-party certification obtained to identify key energy consumption and propose improvement strategies. The energy management system certification is valid through 2026, with third-party verification conducted annually. CLEVO will continue to make efforts to properly manage its energy consumption and carbon emissions.

A dedicated greenhouse gas inventory task force has been established to carry out and monitor internal GHG inventory operations. CLEVO's major subsidiaries, including Kapok Computer (Kunshan) and Buynow, have completed the 2024 GHG inventory and will conduct verification in 2025. The GHG inventory serves as the foundation for CLEVO's proper management of energy use and carbon emissions. Going forward, CLEVO will conduct GHG inventories annually and continue implementing carbon reduction measures to achieve its sustainability goals.

3.2.1 Energy Usage and Greenhouse Gas Emission

CLEVO's Taipei headquarters serves as the Company's business, R&D, and administrative center, with the primary source of energy consumption being daily office electricity usage. In 2024, total energy consumption at the Taipei headquarters amounted to 2,347 GJ, with total carbon emissions of 337.15 tons CO₂e. Electricity usage was the main contributor, while other sources such as refrigerant leakage accounted for a small portion.

Electricity consumption in 2024 remained consistent with 2023 and the previous year. The energy intensity was 0.63 GJ per ping (approximately 3.3 square meters), also consistent with the previous year. The main reason for this stability is the relocation to a new building in 2022, which features a more energy-efficient design compared to the former Sanchong headquarters. In addition, employees have actively implemented energy-saving and carbon reduction measures, effectively lowering electricity usage. CLEVO has implemented a scheduled on/off control system for air conditioning at its Taipei headquarters to reduce electricity consumption after working hours. Monthly reviews of electricity usage are conducted to track progress in energy savings and carbon

reduction. CLEVO will continue to maintain strong energy efficiency performance going forward.

To promote energy conservation and carbon reduction, the Company regularly communicates related concepts to employees through various channels, in parallel with the following management measures:

1. Avoid idling powered equipment once turned on, and cut power after use where possible.
2. Employees should turn off all lighting when leaving the workplace to conserve electricity.
3. The air conditioner's temperature is controlled at 26°C in summer and below 20°C in winter. It is forbidden to open the windows while the air conditioners are operating.
4. For areas that are used for intermittent (non-continuous) production activities, lighting must be turned off when there is no production activity.
5. Energy-efficient equipment should be used in new built/expansion projects where possible.
6. Personal computers and other office equipment are to be turned off after work.
7. Strict implementation of lubricant and waste oil recycling requirements must be enforced to ensure efficient and responsible oil usage.
8. Power generators are used only at times of outage or insufficient local power supply, which minimizes the use of diesel.
9. Gasoline conservation awareness is being promoted among drivers of corporate vehicles.

Energy Consumption at Taipei Headquarters in the Last 3 Years

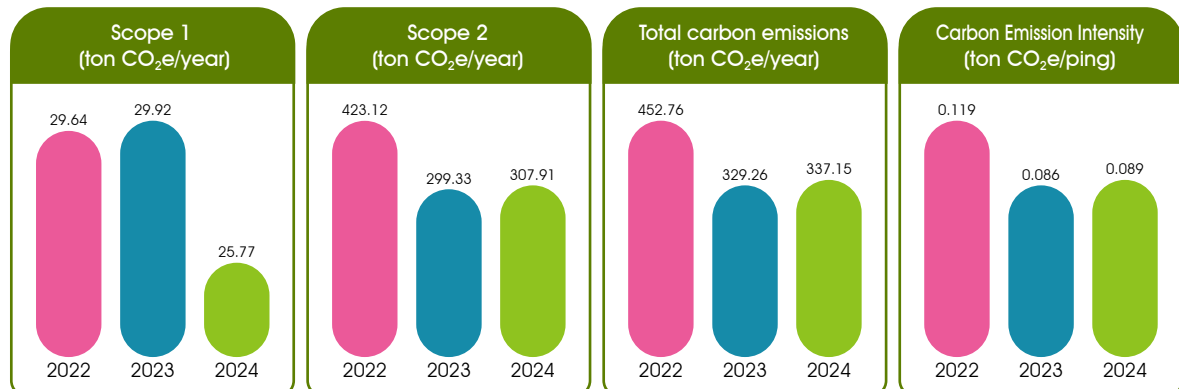
Total Internal Energy Consumption		2022	2023	2024
Non-renewable Fuel	Gasoline (liters)	3,562	4,394	2,532
Purchased Energy	Purchased Gray Electricity (kWh)	854,793	605,936	629,044
The Gross Calorific Value of Energy Consumed (GJ)		3,194	2,325	2,347
Density (GJ/ping)		0.84	0.61	0.63

Note 1: The scope of energy consumption data includes: (1) January to March 2022: Sanchong – CLEVO Building BF1–BF3, 1F, 9F, and 11F–13F. (2) Due to the relocation of the Taipei headquarters in 2022, the electricity consumption baseline was adjusted. From April 2022 onward, data covers Floors 31–36 of Honghui Plaza in Xinzhuang.

Note 2: In 2024, the calorific value of gasoline = 7,520 kcal/L, calorific value of electricity = 860 kcal/kWh, and the coefficients are derived from the energy product unit calorific value table of the Energy Bureau of the Ministry of Economic Affairs.

Note 3: The denominator for intensity calculations is based on floor area (ping). Due to the headquarters relocation in March 2022 and a reduction in leased area starting April 15, 2024, floor area figures have changed accordingly: (1) January–March 2022 floor area: 4,422.29 ping (2) April 2022–April 14, 2024 floor area: 3,810.36 ping (3) April 15–December 2024 floor area: 3,711.07 ping

Greenhouse Gas Emission of Taipei Headquarters in the Last 3 Years



Note 1: The greenhouse gas inventory boundary is: (1) January to March 2022: Sanchong – CLEVO Building BF1–BF3, 1F, 9F, and 11F–13F (2) From April 2022 onward: Floors 31–36, Honghui Plaza, Xinzhuang

Note 2: Scope 1 direct emission: covers refrigerant escape and mobile emission sources from official vehicles. Scope 2 Energy Indirect Emissions: The emission source is purchased electricity.

Note 3: Inventory methodology: Statistical calculations are executed according to the GHG Protocol and the Greenhouse Gas Inspection Guidelines of the Executive Yuan's Environmental Protection Agency.

Note 4: Greenhouse gas factor source: The emission coefficient is from the Environmental Protection Agency's 6.0.4 version of the greenhouse gas emission coefficient management table, announced in 2019, and the GWP value is from the IPCC Sixth Assessment Report (2021).

Note 5: The carbon emission coefficient of purchased electricity is calculated based on the 2024 electricity carbon emission coefficient announced by the Energy Bureau of 0.474kg CO₂e/degree.

Note 6: Greenhouse gas inventory scope includes a total of 7 greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Note 7: Greenhouse gas inventory is implemented using the operation control method.

Note 8: Emission intensity = (Scope 1 + Scope 2 emissions CO₂e)/total office floor area (ping).

Note 9: The denominator for intensity calculations is based on floor area (ping). Due to the headquarters relocation in March 2022 and a reduction in leased area starting April 15, 2024, floor area figures have changed accordingly. (1) January to March 2022: Total floor area used at the CLEVO Building was 4,422.29 ping; (2) April 2022 to April 14, 2024: Floor area was 3,810.36 ping; (3) April 15 to December 2024: Floor area was 3,711.07 ping

Note 10: In 2023, greenhouse gas emissions were uniformly disclosed to two decimal places. As a result, the 2022 data for Scope 1, Scope 2, and total carbon emissions were revised accordingly.

Kapok Computer (Kunshan) serves as CLEVO's manufacturing base, and therefore its energy consumption and carbon emissions are higher than those of the Taipei headquarters. To continuously monitor carbon emissions and reduce product carbon footprints, Kapok Computer (Kunshan) conducts regular greenhouse gas inventories. Each year, the inventory results are verified by the external third-party organization SGS, with verification reports issued in accordance with ISO 14064-1.



Kapok Computer (Kunshan) 2023 ISO 14064-1:2018 Greenhouse Gas Emissions Verification Report

In addition to incorporating energy management into daily operations – such as dormitories and parking shelters – Kapok Computer (Kunshan) also reduces carbon emissions by purchasing solar energy. For details, see Section 3.2.2 Solar Power Generation. The Company aims to gradually increase the share of renewable energy used at the facility and will continue to assess the energy efficiency of its equipment to further improve energy management.



Kapok Computer (Kunshan) 2024 ISO 14064-1:2018 Greenhouse Gas Emissions Verification Report

In 2024, the scope of Kapok Computer (Kunshan)'s greenhouse gas inventory included both the factory and dormitory areas. Total energy consumption was 30,691 GJ, and total greenhouse gas emissions were 4,529.74 tonCO₂e. Due to increased production output and the replacement of natural gas boilers with heat pump water heaters in the dormitory area, electricity consumption increased in 2024. However, the carbon emission intensity decreased by approximately 4.4% compared to the previous year. Additionally, Kapok Computer (Kunshan) actively carried out equipment upgrades and replacements to achieve energy savings and carbon reduction while improving production line efficiency. For details, see Section 3.2.3 Energy-Saving and Carbon Reduction Measures.

Kapok Computer (Kunshan) outsources annual inspections of industrial exhaust emissions.

In 2024, measured emissions included 192.69 kg of VOCs (volatile organic compounds) and 89.6 kg of PM (particulate matter). To effectively manage exhaust emissions generated from the production process, CLEVO has actively optimized its manufacturing procedures and enhanced exhaust gas management by using high-quality activated carbon adsorption to reduce pollutants emitted during production.

Kapok Computer (Kunshan) Energy Consumption over the Past 3 Years

Total Internal Energy Consumption		2022	2023	2024
Outsourced non-Renewable Energy	Gasoline (liters)	4,258	4,835	4,474
	Diesel (liters)	9,408	--	--
	Liquefied natural gas (m ₃)	80,012	79,441	32,761
	Purchased gray electricity (kWh)	6,574,084	6,734,129	7,085,828
	The total non-renewable energy consumption (GJ)	27,164	27,491	26,929
Renewable Energy	Purchased solar energy (kWh)	1,080,595	1,125,186	1,044,950
	The total renewable energy consumption (GJ)	3,891	4,051	3,763
The Total Energy Consumed (GJ)		31,055	31,542	30,691
Density (GJ/number of Laptops Produced)		0.019	0.019	0.016

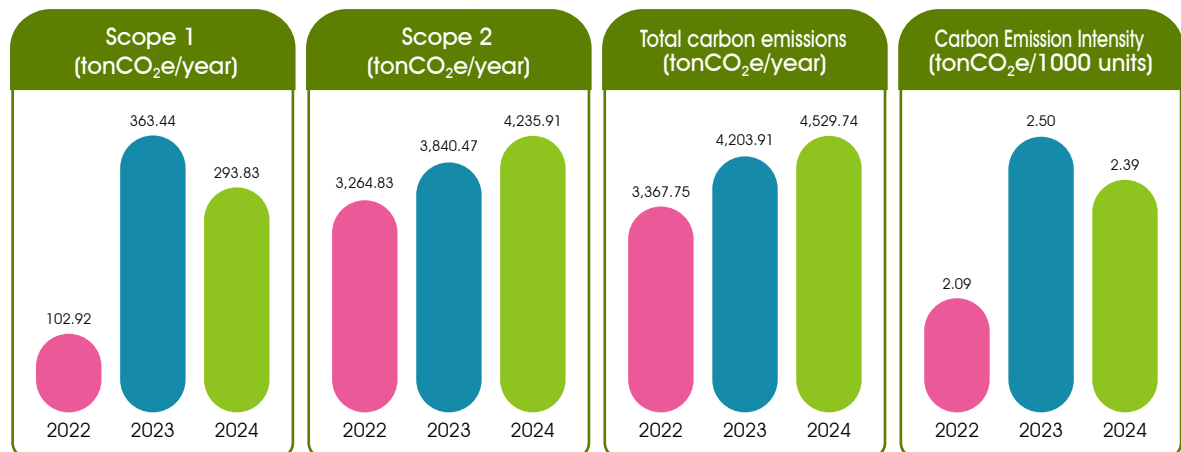
Note 1: The statistical scope of energy consumption data covers: In 2022, the data covered only the Kapok Computer (Kunshan) factory; from 2023 onwards, it was adjusted to include both the Kapok Computer (Kunshan) factory and the dormitories.

Note 2: The coefficient comes from Table 2.1 of the Greenhouse Gas Emissions Accounting Method and Reporting Guidelines for Electronic Equipment Manufacturing Enterprises (Trial).

Note 3: The denominator used for intensity calculations in 2024 is based on Kapok Computer (Kunshan)'s reported notebook production volume: 1,613 thousand units in 2022; 1,679 thousand units in 2023; and 1,899 thousand units in 2024.

Note 4: Due to incorrect energy consumption figures reported in the 2023 report, the values have been updated in the 2024 report.

Kapok Computer (Kunshan) Greenhouse Gas Emissions over the Past 3 Years



Note 1: The greenhouse gas inventory boundary is: In 2022, the data covered only the Kapok Computer (Kunshan) factory; from 2023 onwards, it was adjusted to include both the Kapok Computer (Kunshan) factory and the dormitories.

Note 2: Scope 1 direct emission: Diesel and gasoline from official vehicles, natural gas for boilers, diesel from emergency generators, escape from refrigerant equipment, escape from CO₂ fire extinguishers, and escape from septic tanks. Scope 2 Energy Indirect Emissions: Purchased electricity.

Note 3: Inventory methodology: In 2021 and 2022, calculations were conducted in accordance with ISO 14064-1. Starting in 2023, the methodology was aligned with group standards and adjusted to follow the GHG Protocol guidelines.

Note 4: Source of greenhouse gas emission factors: Factors are based on Table 2.1 of the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Electronic Equipment Manufacturers (Trial). GWP values are sourced from the IPCC Sixth Assessment Report (2021).

Note 5: The carbon emission coefficient of Scope 2 purchased electricity in 2022 and 2023 refers to the national grid average emission factor of 0.5703 tonCO₂/MWh in 2022. The 2024 emission factor for purchased electricity is based on the Notice on the Release of 2022 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment, using the 2022 provincial average CO₂ emission factor for Jiangsu Province: 0.5978 ton CO₂/MWh.

Note 6: The scope of the greenhouse gas inventory includes the following seven types of greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Note 7: Greenhouse gas inventory is implemented using the operation control method.

Note 8: Emission intensity = (Scope 1 + Scope 2 CO₂e emissions) / annual computer production volume (thousand units); the denominator for 2024 emission intensity calculations is based on Kapok Computer (Kunshan)'s reported notebook production volume: 1,613 thousand units in 2022; 1,679 thousand units in 2023; and 1,899 thousand units in 2024.

Note 9: The 2022 emission intensity was revised in 2023 due to a correction in the 2022 production volume data.

Note 10: In 2023, greenhouse gas emissions were uniformly disclosed to two decimal places. As a result, the 2022 data for Scope 1, Scope 2, and total carbon emissions were revised accordingly.

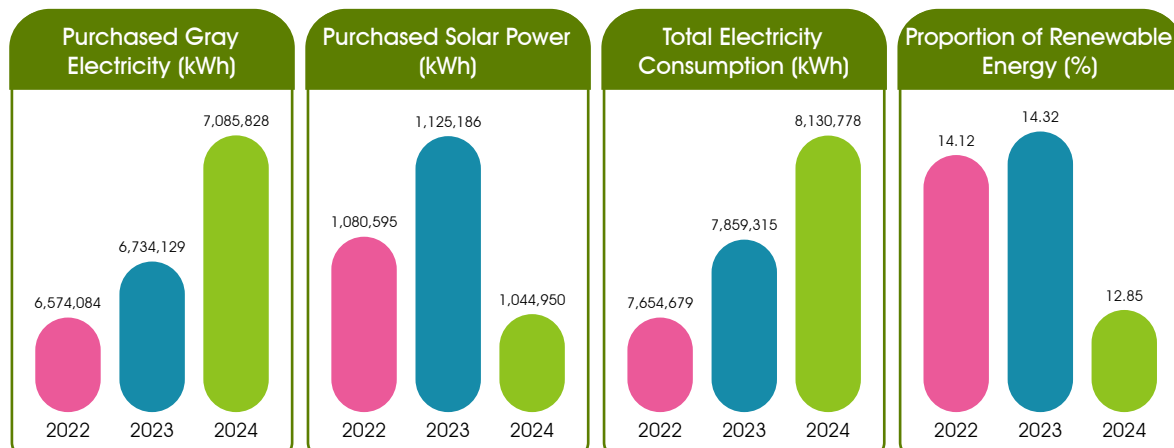
3.2.2 Solar Power

The United Nations Climate Change Conference has reached a consensus to gradually phase out fossil fuels. In response, countries around the world are shifting toward renewable energy development to reduce greenhouse gas emissions and collectively strive to limit global warming to 1.5°C.

Since January 2018, Kapok Computer (Kunshan) has installed a total of 3,500 solar panels on the rooftops of its facilities, with a cumulative installed capacity of 0.9 MW. Kapok Computer (Kunshan) purchases the green electricity generated by the solar equipment provider, producing approximately 1 million kWh of renewable energy annually for internal use. In 2024, the solar energy system at Kapok Computer (Kunshan) generated a total of 1,044,950 kWh, accounting for 12.85% of the facility's total electricity consumption, equivalent to a reduction of 624.67 ton CO₂e in greenhouse gas emissions from purchased electricity. In the future, CLEVO will continue to evaluate and actively increase the share of renewable energy in its operations, aiming to establish a more sustainable and environmentally friendly business model.



Kapok Computer (Kunshan) Renewable Energy Usage Ratio over the Past 3 Years



3.2.3 Energy-Saving and Carbon Reduction Measures

In 2024, the majority of Kapok Computer (Kunshan)'s carbon emissions came from purchased electricity, which accounted for approximately 95% of total emissions. To effectively reduce carbon emissions at the facility, Kapok Computer (Kunshan) actively implemented electricity-saving initiatives, including equipment upgrades, the installation of energy-efficient water heaters, and adjustments to air conditioning usage. For details, please refer to the table below. Based on the energy-saving measures implemented in 2024, the estimated total energy savings amounted to 3,619.83 GJ, with an annual carbon reduction of 263.20 tons CO₂e. CLEVO will continue to review potential improvements at its facilities and offices and remain committed to implementing energy-saving and carbon reduction initiatives.

Year of Implementation	Energy-Saving and Carbon Reduction Measures	Description	Energy Saved	Energy Saved (GJ)	Carbon Reduced (tonCO ₂ e)
January 2024	Upgrade of the Cooling System in the SMT (Surface-Mount Technology) Workshop	During the winter months (December to February), the SMT workshop utilizes low-temperature outdoor fresh air for cooling, eliminating the need for cooling towers and water pumps.	39,600kWh/year	142.59	23.67
March 2024	Upgraded dormitory hot water system to heat pump water heaters	Replaced the natural gas boiler system for shower water in employee dormitories with heat pump water heaters. 	Annual natural gas consumption: 78,568 cubic meters (Note: Estimated annual electricity consumption of heat pumps is approximately 155,000kWh)	2500.60	77.39
May 2024	Installed variable frequency drive on air compressor	Installed a variable frequency drive (VFD) on the partially loaded (No. 4 air compressor) to adjust power consumption based on usage conditions. 	55,411kWh/year	199.53	33.12
June 2024	Replaced production line LED lights with more energy-efficient models	Replaced 19W LED lights installed on the production line with more energy-efficient 8W LED lights.	19,103kWh/year	68.79	11.42
July 2024	Installed eight 5-horsepower ceiling-mounted air conditioning units and adjusted operating conditions based on actual outdoor temperatures.	Installed eight 5-horsepower ceiling-mounted air conditioning units. These units assist with workshop cooling during summer, while the main chiller system is not used during spring and autumn. 1. When outdoor temperature > 31°C: One chiller and eight 5 HP AC units are operated, reducing reliance on the second chiller. Electricity savings: approximately 149.9 kWh per hour. 2. When outdoor temperature ≤ 31°C: Only the eight 5 HP AC units are operated, avoiding the use of one chiller and three air handling units. Electricity savings: approximately 239.9 kWh per hour.	196,712 kWh/year	708.32	117.59
Total				3,619.83	263.20

Note 1: The coefficient comes from Table 2.1 of the Greenhouse Gas Emissions Accounting Method and Reporting Guidelines for Electronic Equipment Manufacturing Enterprises (Trial).

Note 2: The electricity carbon emission factor is based on the Notice on the Release of 2022 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment. The 2022 provincial average CO₂ emission factor for Jiangsu is 0.5978 t CO₂/MWh.

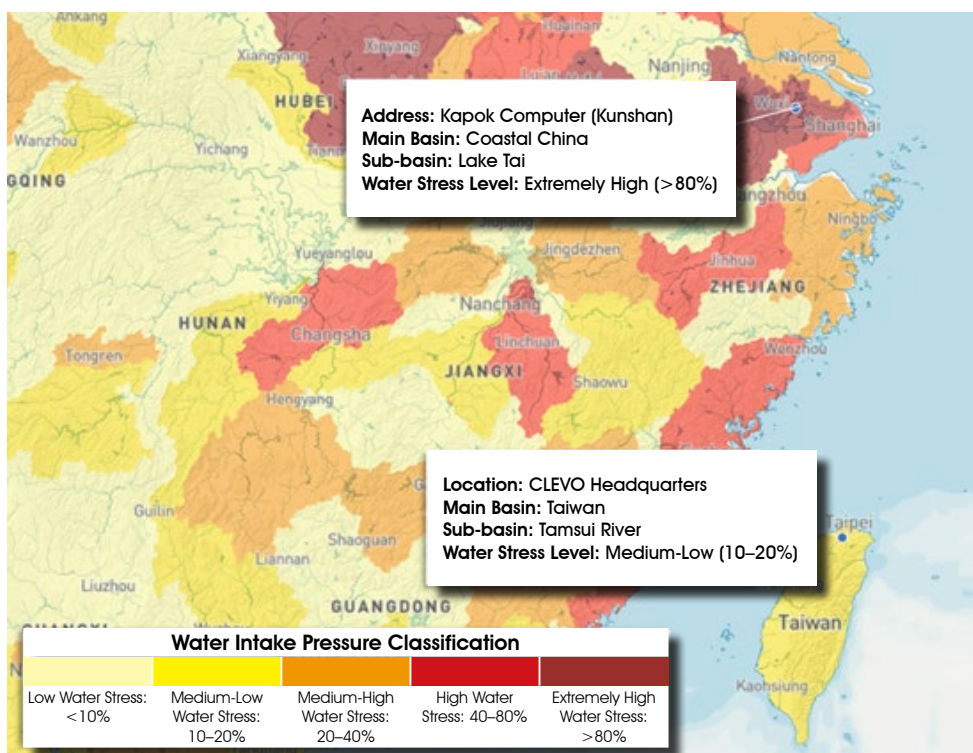
3.3 Water Resource Management

As climate change intensifies, the global distribution of precipitation has become increasingly uneven in both time and space. The cross-strait region has also experienced frequent extreme droughts and heavy rainfall events. Such extreme weather not only has a direct impact on the water used for production and daily operations at facilities but also poses a risk of disruption to raw material supply chains, further increasing the risk of operational interruptions. As a result, the identification and management of water resource risks have become a critical component of CLEVO's operational strategy. The Company will continue to monitor climate trends and strengthen its water resource management mechanisms to mitigate the potential impacts of extreme weather on operational stability.

3.3.1 Water Risk Assessment

CLEVO has utilized the Aqueduct Water Risk Atlas to analyze the water risk levels in the regions where its Taipei headquarters and Kapok Computer (Kunshan) are located. The assessment evaluates the ratio of total water withdrawals by local users within the watershed to the available renewable surface and groundwater supply, in order to determine the water scarcity risk at each operational site.

According to the assessment results, the Taipei headquarters is located in a medium-to-low water stress area and is considered to have minimal water withdrawal risk. In contrast, Kapok Computer (Kunshan) is located in an extremely high water stress area. However, the majority of water consumption at Kapok Computer (Kunshan) is for domestic use within the facility rather



than for manufacturing processes, and thus the impact on the local watershed is relatively limited. To mitigate the risk of water shortages affecting operations, Kapok Computer (Kunshan) has strengthened its emergency response measures for droughts, water supply interruptions, and shortages, and has reinforced the implementation of daily water-saving practices.

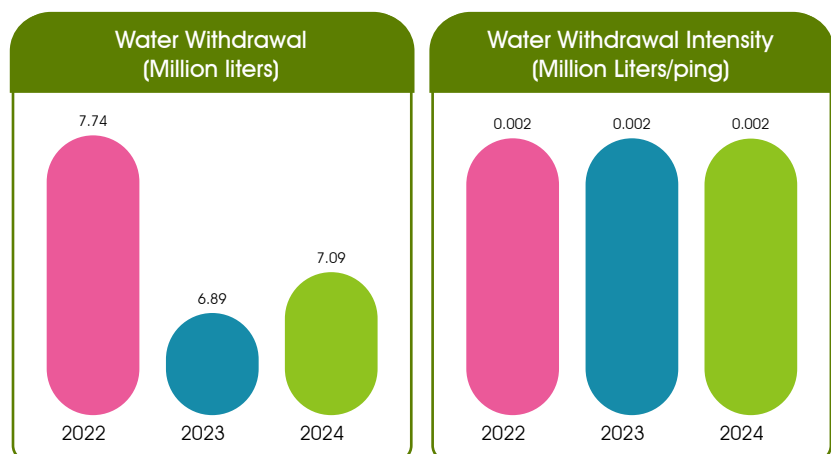
Kapok Computer (Kunshan) has adopted the ISO 14001 Environmental Management System and established water resource and wastewater pollution control procedures to manage both water usage and wastewater discharge. The “Energy Operation Control Procedure” also clearly specifies the requirements regarding water resource usage. In addition, employees are regularly educated on water resource issues and daily water conservation practices. Awareness policies include the following:

1. Having good habits such as conserving water and turning off faucets after use; preventing continuous water flow.
2. Strengthening daily inspection, maintenance, and management of water-using equipment to promptly address any leaks, drips, or other water wastage.
3. Reporting any damaged faucets or valves immediately for repair.
4. Posting water conservation signage in prominent areas and promoting awareness through internal communication.

3.3.2 Water Intake, Consumption, and Discharge

CLEVO’s Taipei headquarters primarily serves business, R&D, and administrative functions. Water usage is solely for domestic purposes and is 100% sourced from the municipal water supply. The annual water withdrawal amounted to 7.09 million liters, with a water withdrawal intensity of 0.002 million liters per ping, consistent with the previous year. Since the relocation of the headquarters from the former Sanchong office building to Xinzhuang in March 2022, water usage data has been recorded by the building’s property management and allocated based on the number of leased floors.

Water Resource Usage by the Taipei Headquarters in Recent 3 Years



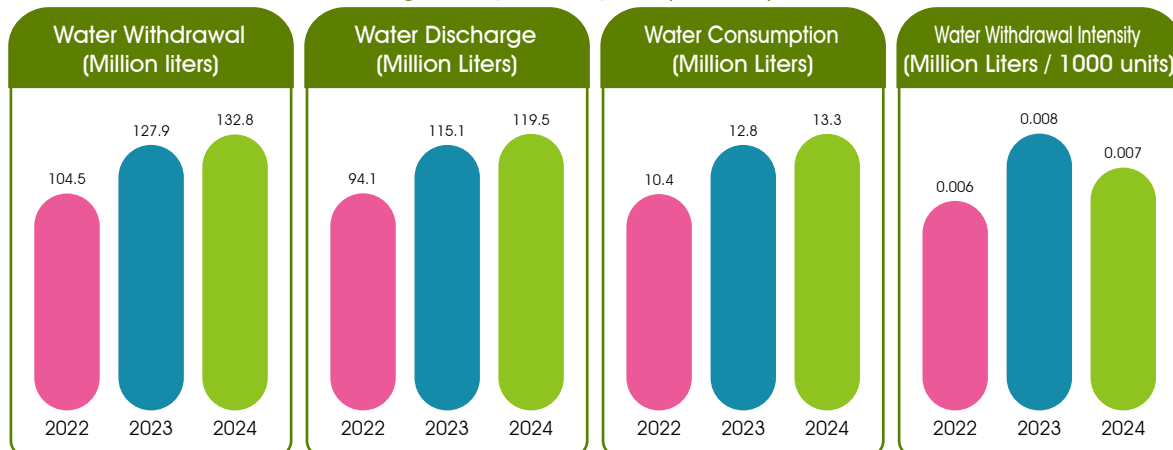
Water is not a critical input in the manufacturing process at Kapok Computer (Kunshan). However, if the wastewater generated by the factory is discharged

Note 1: Taipei headquarters does not have water intake from seawater, high water pressure areas, or water intake from total dissolved solids > 1,000 mg/L.
 Note 2: The type of wastewater discharged from the Taipei headquarters is solely domestic. The office building has a water treatment pool installed according to regulations that treats wastewater from living activities and discharges it only when the quality has met the statutory standards.
 Note 3: As the office building does not track wastewater discharge or water consumption data, only water withdrawal volume and water withdrawal intensity are disclosed.
 Note 4: Water withdrawal intensity = annual water withdrawal / office floor area (ping).
 Note 5: The denominator for intensity calculations is based on floor area (ping). Due to the headquarters relocation in March 2022 and a reduction in leased area starting April 15, 2024, floor area figures have changed accordingly. (1) January–March 2022 floor area: 4,422.29 ping (2) April 2022–April 14, 2024 floor area: 3,810.36 ping (3) April 15–December 2024 floor area: 3,711.07 ping

without proper treatment, it could still impact the local ecosystem and nearby communities. Therefore, CLEVO continues to monitor water recycling methods and strives to improve overall water use efficiency. Kapok Computer (Kunshan) sources 100% of its water from the Kunshan Municipal Water Supply Company. As the facility is responsible for manufacturing the Company's notebook computers, its water usage includes not only general domestic consumption but also cooling water for air conditioning systems. Since the production process does not require large volumes of water, all wastewater is discharged into the municipal sewage system, where it is treated at a nearby wastewater treatment plant before being released into local streams.

In 2024, the total annual water withdrawal for the factory and dormitory areas was 132.8 million liters. Water withdrawal at the factory decreased by approximately 8% compared to the previous year, mainly due to the installation of 5P air conditioning units in 2024, which reduced reliance on chillers and cooling towers, thereby lowering water consumption.

Water Resource Usage at Kapok Computer (Kunshan) over the Past 3 Years



Note 1: Kapok Computer (Kunshan) is located in an extremely high water stress area. No water is sourced from seawater or sources with total dissolved solids (TDS) greater than 1,000 mg/L.

Note 2: Water withdrawal intensity = total annual water withdrawal / annual notebook production volume (thousand units); the denominator for 2024 is based on Kapok Computer (Kunshan)'s reported notebook production volume: 1,613 thousand units in 2022; 1,679 thousand units in 2023; and 1,899 thousand units in 2024.

Note 3: In 2024, the data coverage was expanded to include both the Kapok Computer (Kunshan) factory and the dormitory areas. Accordingly, the water usage data for 2022 and 2023 were adjusted to reflect this expanded scope.



3.3.3 Wastewater Discharge Policies and Reduction Practices

CLEVO places great importance on ensuring that all wastewater discharges comply with the regulations of local authorities. The Taipei headquarters is located in an office building, where wastewater is primarily domestic sewage. All domestic sewage generated at the Taipei headquarters is treated through a septic tank system before being discharged into the public sewer system. At Kapok Computer (Kunshan), all domestic wastewater is discharged to the wastewater treatment plant in the Precision Machinery Industrial Park, where it is treated before being released into the Wusong River. Although Kapok Computer (Kunshan) does not generate process wastewater, the company conducts at least one outsourced third-party wastewater quality inspection each year to minimize potential environmental risks. Testing parameters include pH, ammonia nitrogen, total phosphorus, and oil and grease. In 2024, all wastewater test results at Kapok Computer (Kunshan) complied with applicable regulatory limits, and no violations of discharge regulations were recorded.

2024 Wastewater Discharge Compliance Status – Kapok Computer (Kunshan)

Water Quality Standard/Factory Area	Compliance Status	Local Regulatory Requirements
pH	7.6	6.5–9.5
COD (mg/L)	34	≤500
Ammonia Nitrogen (mg/L)	4.79	≤45
Total Phosphorus (mg/L)	0.79	≤8
Grease (mg/L)	0.29	≤100
BOD ₅ (Biochemical Oxygen Demand, 5-day) (mg/L)	8.9	≤350

Note 1: Kapok Computer (Kunshan) conducts wastewater discharge in accordance with the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Emission Limits of Major Water Pollutants for Municipal Wastewater Treatment Plants and Key Industrial Sectors in the Taihu Basin.

Note 2: Annual water quality testing is outsourced, with testing standards based on Discharge Standard of Water Pollutants into Urban Sewers GB/T 31962-2015, Table 1, Class B standard.

Kapok Computer (Kunshan) focuses on daily water conservation and preventing water resource waste. The Facilities Department regularly reviews the rationality of water usage across departments. In cases of abnormal water consumption, investigations are conducted to identify the cause and implement improvements. For example, water leak detectors are purchased to identify and repair leakage points.

All water-use equipment is regularly maintained and operated, with detailed records kept for water consumption and operational data. To prevent water resource waste, the company continues to strengthen the management and replacement of aging equipment. In 2021, a project to improve the separation of rainwater and wastewater was carried out in the dormitory area. All domestic wastewater generated from the dormitory area is directed to the wastewater treatment plant for proper treatment and discharge. Currently, the rainwater and wastewater separation system in the dormitory area is functioning well, with no blockages or overflows observed.

3.4 Waste Management

The production of notebook computers requires the use of various components and chemical materials. If waste is not properly managed, it may result in heavy metal or chemical pollution, posing risks to the surrounding environment and human health. Therefore, CLEVO considers proper waste management an essential part of fulfilling its corporate responsibility.

3.4.1 Value Chain Waste Assessment

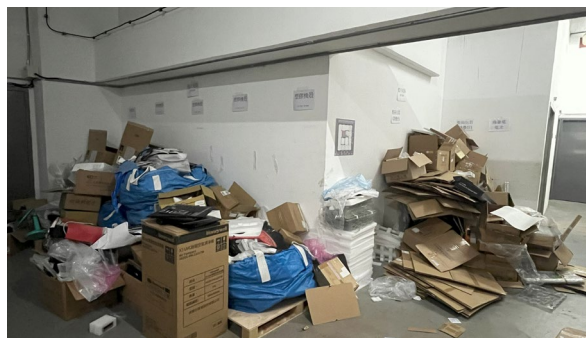
CLEVO is committed to designing products that comply with international hazardous substance regulations, aiming to reduce the use and generation of hazardous waste during the production process. The company also continuously improves its manufacturing processes to minimize waste generation. CLEVO has established the Operating Procedure for Waste Management, which all employees are required to follow to ensure proper waste handling and disposal. In addition, if chemicals are used during the manufacturing process, they must be managed in accordance with relevant procedures to reduce the risk of chemical leaks.

3.4.2 Generation and Disposal of Waste

CLEVO's Taipei headquarters primarily serves business, R&D, and administrative functions. Waste generated is mainly general domestic waste, which is collected and disposed of by the building's property management. In 2024, the estimated total volume of domestic waste was 59.96 metric tons.¹ Confidential documents are regularly destroyed through hydropulping by certified contractors. The resulting material can be reused as recycled paper pulp. In 2024, approximately 550 kilograms of documents were destroyed via hydropulping, representing a 72% increase in recovered volume compared to the previous year, marking a significant improvement. General business waste generated by the company is also handled by licensed waste disposal contractors. The Taipei headquarters has set a 2025 waste management target to increase the recycling rate of packaging materials by 30% in volume compared to the 2024 baseline (approximately 50 cubic meters). CLEVO will continue to enhance its waste management practices and improve resource recovery rates in order to achieve the company's annual goals.



Photo of Confidential Document Destruction via Hydropulping



General Industrial Waste Disposal Documentation

Note1 According to data published by the Ministry of Environment, the average daily general waste generation per person in New Taipei City in 2024 was approximately 1.33 kg. Estimation Formula: (1.33 kg / 24 hours) * 8 hours * 541 employees * 250 working days / 1,000 = 59.96 metric tons

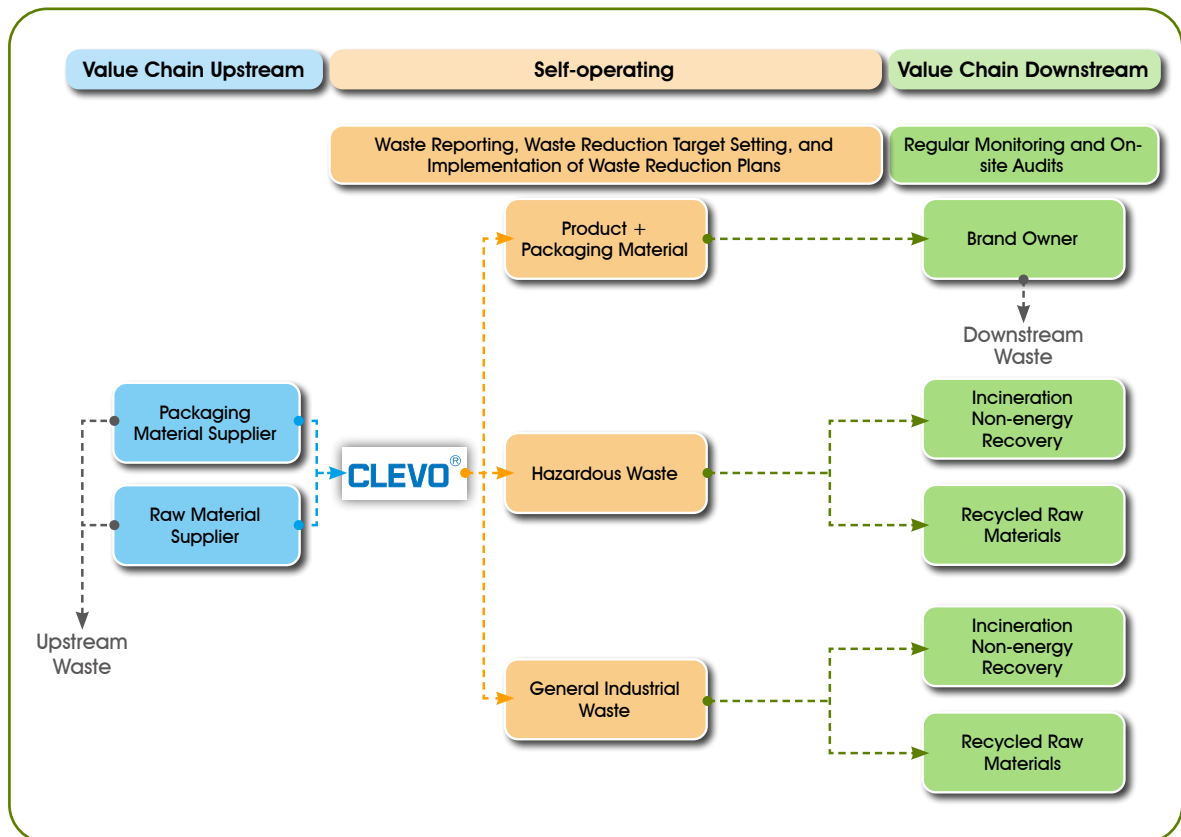


General Industrial Waste Disposal Pictures



Scrap Disposal Records

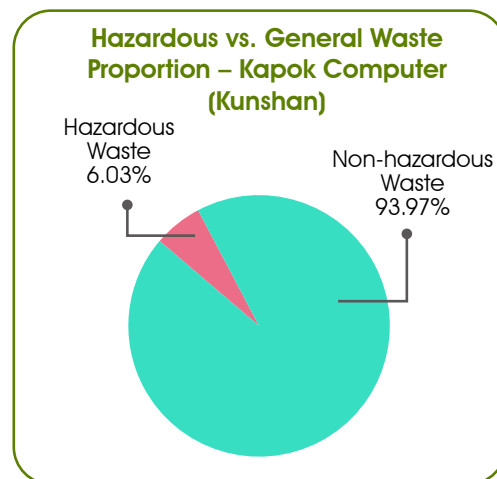
Kapok Computer (Kunshan) Value Chain Waste Disposal Flow Chart



Kapok Computer (Kunshan) serves as the group's primary production site. To ensure proper waste management, the Company follows local government regulations and internal procedures to manage all types of waste. The Environmental Health and Safety (EHS) Office at Kapok Computer (Kunshan) is responsible for the collection, storage, utilization, and treatment of hazardous waste. All waste is handled by qualified and licensed waste disposal contractors. In 2024, Kapok Computer (Kunshan) conducted on-site audits of four downstream waste disposal vendors, all of whom passed the assessments.

The total volume of waste generated by Kapok Computer (Kunshan) in 2024 was 994.99 metric tons. General waste accounted for 93.97% of the total, primarily consisting of waste cardboard, plastic, and industrial refuse from packaging and raw material suppliers. Hazardous waste made up 6.03% of the total, mainly consisting of scrap materials such as PCB edge trims and spent activated carbon from production processes. Hazardous waste is stored in a dedicated hazardous waste warehouse that was built in accordance with local regulations and internal procedures. This facility includes hardened flooring, surveillance systems, drainage channels, waterproof barriers, and lockable doors to ensure that collection, storage, transfer, utilization, and disposal are compliant with government requirements.

In 2024, the waste resource reuse rate was 19.75%, with the primary recycled waste categories including cardboard boxes, plastics, PCB edge trims, and spent activated carbon. CLEVO aims to reduce waste by 2% by 2027 (with 2024 as the base year) and will continue to properly manage waste generated from production processes.



Waste Generation by Kapok Computer (Kunshan) in 2024

Total Waste Divided by Item

Category	Waste Items	Production Volume (tons)	%	Waste Treatment Method
General Industrial Waste	Carton Boxes	88.00	9.41%	Recycled Raw Materials
	Plastic	58.00	6.20%	
	Waste Paper	371.00	39.68%	Recycle
	Waste Plastic	144.00	15.40%	
	Industrial Waste	172.00	18.40%	Incineration (non-energy recovery)
	Domestic Waste	60.00	6.42%	
	Food Waste	42.00	4.49%	
Total General Waste		935.00	100.00%	
Category	Waste Items	Production Volume (tons)	%	Waste Treatment Method
Hazardous Waste	Circuit Board Edges	45.40	75.68%	Recycled Raw Materials
	Waste Activated Carbon	5.00	8.33%	
	Waste Red Plastic Box	0.21	0.35%	Incineration (non-energy recovery)
	Waste Dust-free Cloth	2.07	3.45%	
	Waste Dust-free Paper	0.22	0.37%	
	Waste Packaging Barrel	1.12	1.87%	
	Waste Cleaning Agent	2.52	4.20%	
	Waste Solder Paste Box	3.45	5.74%	
Total Hazardous Waste Generated		59.99	100.00%	

Note: Waste data is based on daily recorded weights collected within the facility.