Energy Conservation, Carbon Reduction, Water Conservation, and Waste Management Policy

I. Environmental Sustainability Management Targets

As the Company is non-manufacturing and does not directly produce physical goods, it does not use raw production materials or large volumes of water. Its primary energy consumption stems from office computers and data center IT equipment. Although the scope for physical carbon reduction is limited by nature of operations, the Company actively aligns with government carbon reduction policies.

Setting 2023 as the baseline year for GHG emissions management, the Company focuses on annual energy conservation management and emissions control in the short term, aiming for a ~1% annual reduction in GHG emissions compared to the previous year. For the medium term, the Company sets a target to achieve a 5% reduction in GHG emissions by 2030 relative to the baseline year. Looking forward, the Company will continuously align with the government's 2050 Net-Zero Emissions policy and net-zero transition roadmap. It will progressively drive energy transition, enhance energy efficiency, and evaluate renewable energy adoption to implement concrete GHG reduction actions toward the 2050 Net-Zero target.

II. Energy Consumption

Soft-World Technology actively monitors the environmental impact of its digital operations, conducting carbon emission and cost-efficiency analyses on both domestic and international cloud platforms. The results indicate that international cloud services demonstrate relatively higher carbon efficiency compared to domestic providers. Moving forward, this insight will be incorporated into supplier selection and green procurement decisions to enhance carbon efficiency and operational resilience.

- Energy Consumption Over the Past Three Years

<table>
<tr><th>Project</th><th>Unit</th><th>2023</th><th>2024</th><th>2025</th></tr>
<tr><td>Annual Consolidated Revenue (Million NT$)</td><td>Million</td><td>6,249</td><td>6,774</td><td>6,518</td></tr>
<tr><td rowspan="2">Natural Gas</td><td>Cubic Meters</td><td rowspan="5">No data available</td><td rowspan="5">No data available</td><td>226.06</td></tr>
<tr><td>GJ</td><td>8.59</td></tr>
<tr><td rowspan="2">Liquefied Petroleum</td><td>Liters</td><td>174.53</td></tr>
<tr><td>GJ</td><td>4.36</td></tr>
<tr><td>Gasoline</td><td>Liters</td><td>11,170.07</td></tr>
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	GJ			382.02
Diesel	Liters			54.73
	GJ			2.11
Electricity purchased - non-renewable energy	kWh	2,840,987	2,906,247	2,958,322
	GJ	10,227	10,462	10,650
Total energy consumption	GJ	10,227.00	10,462.00	11,047.08
Total energy intensity		1.64	1.54	1.69

- Energy Saving Measures and Energy Saved

  Measures: Fully replaced high-energy-consuming lighting equipment with high-efficiency LED fixtures and optimized lighting configurations based on space needs, installed timers on decorative lighting in public areas to operate only during office hours, gradually replaced old air conditioning units with first-grade energy-efficient models, implemented practices such as turning off lights when not in use and managing energy consumption, and enhanced employees' energy-saving awareness through internal advocacy and training.

  Target: Continuously reduce energy consumption throughout operational activities, with a management target of achieving an approximate 1% annual reduction relative to the baseline year (2023).

  2025 Performance: In 2025, Energy consumption slightly increased compared to the previous Year, mainly due to the expansion of the inventory scope (including public electricity use and employee dormitories) and changes in the structure of operational electricity usage. Due to differences in the statistical scope of each Year, relevant data should be compared on a consistent basis. Excluding the impact of scope differences, the Company's energy use efficiency shows an optimization trend.

- 2025 ratio of non-renewable energy to renewable energy

Total consumption of non-renewable energy	GJ	11,047.08	100%
Total consumption of renewable energy	GJ	0	0%
Total energy consumption	GJ	11,047.08	100%

In 2025, the Company purchased one International Renewable Energy Certificate (I-REC), representing the environmental attributes of 1,000 kWh of renewable electricity, to support the development of renewable energy.

III. Water Consumption and Management

The Company's operational locations are distributed across the North, Central, and South Regions, with water sources supplied by local municipal water companies. No groundwater or other proprietary water sources are used. Overall water usage is primarily applied in office areas, including sanitation facilities, air conditioning systems, and general daily operational needs. It does not involve high-water-consumption processes or production activities, and operations do not involve high water consumption or high-water-risk areas.

- Water Consumption Over the Past Three Years

Project	Year		
	2023	2024	2025
Total Tap Water Consumption (m^3)	15,437 m^3	16,491 m^3	14,493 m^3

- Water Conservation Management:
    1. Measure: Installed automatic sensor faucets with reduced flow rates to conserve water. Promote water-saving measures, promote the concept of water conservation among colleagues, and post "Save Water" slogans at faucets to remind colleagues to help to reduce the consumption of water resources.
    2. Target: Ensure that during periods of business growth, the increase in tap water consumption is controlled to remain below the rate of revenue growth. Achieve a 1% annual reduction in tap water consumption per unit of revenue.
    3. 2025 Target Achievement Status:
    The water consumption was reduced by 998 metric tons compared to the previous year, a reduction of 6.1%, achieving the annual reduction target. In the future, water-saving measures will continue to be promoted to reduce resource usage and enhance operational efficiency.

Year	2024	2025	Annual Growth Rate
Tap Water Consumption (m^3)	16,491	15,493	-6.1

IV. Greenhouse Gas Inventory

The Company has established a Greenhouse Gas Inventory mechanism based on the ISO 14064-1:2018 standard issued by the International Organization for Standardization (ISO). The assurance process was carried out by Crowe (TW) CPAs, and the level of assurance is Limited Assurance. The Operational Control Approach was used as the boundary for the inventory organization, and the scope of the inventory includes the company and its subsidiaries incorporated in the consolidated financial statements. The 2025 Year Greenhouse Gas Inventory has been completed by the company and third-party verification obtained; however, the subsidiary NetDragon, being a listed company, conducts its own inventory and is not yet included in the verification scope.

GHG emissions for the recent two years:

Year	2024	2025 (Note 1~4)	
		Soft-World Group	NetDragon
Direct Greenhouse Gas Emissions (Scope 1) (tons CO2e)	No data available	132.4404	4.9487
Energy Indirect GHG Emissions (Scope 2) (tons CO2e)	1,435.55	1096.0062	303.5558
Other Indirect GHG Emissions (Scope 3) (tons CO2e)	20.457	357.5178	N/A
(Scopes 1+2) GHG Emissions Intensity (tons CO2e / NT$ million revenue)	N/A	0.2358	

In 2025, GHG emissions increased compared to the previous year, mainly due to the expansion of the inventory boundary and adjustments in the calculation methods.

The addition of scope 1 and the expansion of scope 3 sources this year led to an increase in the overall inventory total. Since some emission scopes were only included in the statistics starting this year, there is a difference in the comparison basis with previous data. In the future, the Company will continue to maintain the consistency of inventory boundaries and gradually enhance data integrity and quality to strengthen greenhouse gas management and information disclosure quality.

Note 1： In 2025, the scope of the inventory expanded compared to 2024, adding public electricity use, employee dormitories, and some scope 3 emission sources (such as employee commuting).

Note 2： Completed the 2025 Greenhouse Gas Inventory and obtained third-party verification, and in principle, the subsidiaries included in the consolidated inventory scope are also included in the verification scope; however, the subsidiary NetDragon, being a listed company, conducts its own inventory and is not yet included in the verification scope.

Note 3： The emission factor used by the subsidiary NetDragon is based on a different calculation, and there is a difference in the inventory method compared to the Company, affecting the comparability of consolidated data.

Note 4： Due to adjustments in the inventory boundary and methods, the comparison basis of some scopes with previous data differs, making it unsuitable for direct trend comparisons.

- Implementation Measures:

The Company has established an “Energy Conservation, Carbon Reduction, Water Conservation, and Waste Management Policy,” which sets forth environmental principles covering energy saving, emissions reduction, water conservation, and waste management. Following the “Greenhouse Gas Reduction and Management Act” as a reference framework, the Company regularly monitors energy consumption and greenhouse gas emissions. The goal is to optimize energy use, enhance resource efficiency, reduce carbon emissions, and minimize waste generation.

To achieve the above targets, the Company continues to implement the following measures:

1. Energy Management Optimization
   Strengthen energy management in office areas, continuously promote the replacement of high-efficiency equipment and electricity management measures to enhance Energy Consumption efficiency.
2. Digitalization and Paper Reduction Measures
   Introduce electronic workflows to reduce paper usage and related indirect carbon emissions, promoting a paperless operational model.
3. Introduction of Renewable Energy
   In Year 2025, green electricity has been utilized through the purchase of Renewable Energy Certificates, but carbon offsetting has not yet been carried out. In the future, we will gradually move in this direction as a specific action plan to drive energy transition.
4. Employees' Participation and Green Actions
   Enhance employees' awareness of energy saving and carbon reduction through internal education and advocacy, promoting energy-saving behaviors in daily operations, including reducing paper printing, promoting video conferences, encouraging the use of reusable tableware, and implementing waste sorting measures.

In the future, Soft-World will continue to optimize smart power monitoring and cloud-based energy management systems, actively evaluating the feasibility of renewable energy integration to steadily progress toward the net-zero carbon emission goal. The Company continues to promote GHG emissions reduction through energy management and operational optimization, targeting a 1% decrease in emission intensity by 2030 compared to the baseline year (2023).

V. Waste Management

Soft-World Group is firmly committed to environmental sustainability and proactively manages its operational impact on the environment. The Group has achieved zero emissions of harmful pollutants, underscoring its position as a low environmental impact digital services provider. We continue to invest in high-efficiency equipment and energy-saving designs, integrating environmental considerations into facility upgrades and daily operations. These efforts support the Group's transition toward low-carbon operations and green transformation. Additionally, the Group has strengthened its resource management practices with a focus on improving resource efficiency. Comprehensive controls have been implemented for regulated substances, ensuring full compliance with environmental laws and corporate responsibility standards. These actions reflect Soft-World's long-term commitment to sustainable development and environmental stewardship.

- Waste Generation and Impact Management

  Soft-World Group identifies potential sources of waste generated from operational activities and across the upstream and downstream supply chain, and evaluates the potential positive and negative environmental impacts. Waste reduction measures are implemented at the source, including minimizing material consumption and optimizing packaging design. Waste is managed through classification based on its nature. All waste-generating activities follow clearly defined standards for hazardous and non-hazardous waste classification to ensure proper treatment and to mitigate environmental risks.

- Management Approach for Significant Waste-Related Impacts

  For high-impact waste types such as decommissioned IT equipment and general office waste, Soft-World has established dedicated classification and compliance handling mechanisms. The effectiveness of waste management is regularly evaluated, with ongoing efforts to improve recycling rates and reduce overall waste generation.

- Waste Generation

  Based on a workforce of 1,086 employees and estimations derived from the per capita waste generation data provided by the Department of Environmental Protection, the projected waste generated by Soft-World in 2025 is as follows:

Category	Volume (Metric Tons)	Notes
Recyclable Materials	155.30	Paper, Plastic, and Metal Waste
General Business Waste	197.65	Non-Recyclable General Waste
Total	352.95	Based on the estimation of 1 kilograms of waste per person per workday and 250 workdays per year

- Waste Disposal and Transfer

  All waste is handled by government-approved and certified vendors in accordance with regulatory standards, including recycling, reuse, incineration, or landfill disposal. Records of all transfer and treatment processes are maintained, and regular audits are conducted to ensure vendor compliance.

VI. Renewable Energy

In response to the government's renewable energy policy, the Company procures green electricity. In 2025, the Company purchased one International Renewable Energy Certificate (I-REC) with an investment of NT$3,000, achieving an estimated energy offset of 1,000 kWh. Based on the 2025 electricity grid emission factor of 0.424 kg CO_2/kWh published by the Energy Administration, Ministry of Economic Affairs, this is estimated to reduce carbon emissions by approximately 0.424 metric tons.

