

矽瑪  
企業永續報告書



Simula

Corporate  
Sustainability  
Report 2024

# Simula Technology Inc.

## Table of Contents

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Ch 1 Sustainable Development Policy

1.1 Sustainability Promotion Committee

1.2 Identification of Stakeholders

1.3 Stakeholder communication channels and issues of concern

1.4 Identification of Material Topics

Ch 2 About Simula Technology

2.1 Company Profile

2.2 Business Philosophy

2.3 Management System

Ch 3 Corporate Governance

3.1 Governance Practices

3.1.1 Board of Directors

3.1.2 Functional Committees

3.1.3 Internal Audit

3.1.4 Ethics and Integrity

3.2 Risk Management

3.3 Legal Compliance

3.4 Operational Performance

3.5 Products and Services

3.6 Innovation and R&D

3.7 Information Security

Ch 4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.2.1 Supplier Selection Mechanism

4.2.2 Supplier Screening and Audit Implementation

4.2.3 Procurement Policy

4.2.4 Local Procurement

4.2.5 Supplier Negotiation

4.3 Energy Management

4.3.1 Energy Usage

4.3.2 Energy Conservation

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.5.1 Water Withdrawal and Discharge

4.5.2 Water pollution prevention and wastewater discharge management

4.6 Waste Management

4.6.1 Treatment Process of Hazardous Waste

Ch 5 Social Care

5.1.1 Labor Relations

5.1.2 Human Rights Protection

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

5.5.1 Occupational Health and Safety Management System

5.5.2 Worker Participation, Consultation, and Communication

5.5.3 Occupational Safety and Health Education and Training

5.5.4 Hazard Identification, Risk Assessment, and Incident Investigation

5.5.5 Promoting a Health Workplace

5.5.6 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

5.5.7 Statistical Analysis of Occupational Hazards

Appendix 1. GRI Content Index

Appendix 2. Climate-Related Information of TWSE/TPEX Listed Company

Appendix 3. Assurance Statement

## Message from the Chairman



黄汉升

In recent years, the global economy has been severely impacted by COVID-19, the Russia-Ukraine war, and uncertainties surrounding globalization and free trade. Environmental, social, and corporate governance (ESG) has become an indispensable pillar supporting global sustainable development at this stage. Founded in 2003, Simula Technology upholds the Group’s philosophy of “creating shared value” and has been steadily advancing toward the United Nations Sustainable Development Goals (SDGs).

Simula Technology continues to expand into the automotive and consumer wearables fields while actively fostering medium- to long-term growth momentum. We are committed to helping customers solve problems by providing high-quality products and services, continuously enhancing customer satisfaction.

Looking ahead to our new five-year vision, we will be guided by AIoT and adhere to ESG principles to drive comprehensive progress in environmental, social, and corporate governance dimensions. We will keep innovating and optimizing products to meet customer needs and achieve sustainable development objectives. Through these efforts, we aim to create greater value for shareholders, employees, and society, becoming both a leader and a driver of sustainable development.

We actively engage in the ESG domain to help customers attain their sustainability goals while fulfilling our corporate social responsibilities to promote social harmony and stability. We are committed to improving the environment, reducing emissions, and enhancing energy efficiency to realize green manufacturing and sustainable development. By introducing advanced technologies and management methods, we will continue to optimize production processes, reduce environmental impacts, and achieve green development targets. At the same time, by collaborating within the Group, we are dedicated to community engagement—particularly digital inclusion in rural areas—and to supporting middle-aged and senior populations. Upholding a people-centered philosophy, we implement environmental protection through “source reduction” to decrease waste disposal, and pursue balanced development across environmental stewardship, social welfare, and corporate governance to make a positive contribution to society. We will continue to work hard and join hands with all stakeholders to build a better future together.

## Message from the General Manager



胡若尧

Simula Technology focuses on the design and manufacturing of electronic connectors, cables, and electronic modules. We have transformed from producing highly substitutable consumer and information electronics to highly customized products for the automotive, medical, industrial, and wearable sectors. As a component supplier, we play one of the most critical roles in automotive and wearable fields, where the key components we provide directly affect overall product performance and quality, thereby exerting important influence on ESG.

Amid the dual challenges of the pandemic and war to the global economy, it is especially necessary to center on ESG principles. With the robust development of AIoT (Artificial Intelligence of Things), particularly in automotive and consumer wearables applications, we are dedicated to offering innovative, problem-solving solutions that help customers address current challenges. Through continuous innovation and collaboration, we deliver higher-quality products and services to achieve sustained growth.

By promoting green manufacturing and automation technologies, we encourage manufacturers and material suppliers to adopt more environmentally friendly methods and materials while also improving production efficiency and output. This not only supports sustainable development objectives under ESG and reduces companies' negative environmental impacts, but also strengthens our sense of social responsibility. Through supply chain collaboration and ongoing training and education, we cultivate professionals with ESG awareness and competencies, laying a solid foundation for future sustainability and creating positive impacts on society and the environment.

Simula Technology is committed to comprehensively implementing ESG principles and integrating innovative technologies with sustainable development to continually create value and growth. Through innovative solutions, adoption of green materials, and transparent corporate governance, we strive to build a sustainable production environment, ensure robust corporate operations, and achieve shared progress. In this era of challenges and opportunities, as a member of society and of the Group, we steadfastly uphold the belief in "creating shared value," actively advancing ESG initiatives and working toward the common goals of environmental, social, and corporate governance.

## Reporting Guidelines

This Sustainability Report (the “ESG Report” or the “Report”) is the first issued by Simula Technology Inc. (hereinafter “Simula Technology” or the “Company”). The reporting boundary covers Simula Technology’s headquarters, the Simula Technology (ShenZhen) plant, and the Action Star Technology (Yilan) plant. The financial information disclosed is based on the consolidated financial statements (note) audited by Ernst & Young (Taiwan). Environmental and social data are collected by responsible internal departments and reviewed and confirmed by the respective unit heads. The reporting period is from January 1, 2024 to December 31, 2024. Where certain data span different years, such cases are separately explained in the text. As this is Simula Technology’s first ESG Report, no information restatements apply.

Other subsidiaries that serve solely as holding or administrative management entities (for example, Aspire Asia Inc., Simula Technology Corp., and Simula Company Limited) were excluded from the compilation of non-financial data.

## Publication Frequency

Report release frequency	Annually
Report release date	August 2025
Next report release date	August 2026

Note: The financial information contained in this ESG Report has been prepared in accordance with the scope of the consolidated financial statements, covering the parent company and all of its subsidiaries, and is consistent with the reporting entity used in the financial statements. However, the scope of environmental and social disclosures in this report is limited to units with actual operational activities, including Simula Technology Inc. (Taoyuan Head Office), Action Star Technology Co., Ltd. (Yilan Plant), and Simula Technology Co., Ltd. (ShenZhen) (ShenZhen Plant).

## Basis of Preparation and Assurance

This Report is prepared and disclosed in accordance with the Global Reporting Initiative (GRI) Standards 2021. For stakeholder convenience, a GRI Content Index is provided in the Appendix for cross-reference.

To ensure the quality of disclosures in this ESG Report, Simula Technology engaged an independent external organization, GREAT International Certification Co., Ltd., to perform assurance in accordance with the AA1000AS v3 Assurance Standard, Type 1, Moderate level, to confirm alignment with GRI requirements. The Assurance Statement is provided in the Appendix for reference.

## Feedback

<b>Responsible Unit</b>	<b>Corporate Governance Officer</b>
<b>Contact Phone Number</b>	03-301-0008 #1201
<b>Email</b>	<a href="mailto:jasminejianglin@simulatechnology.com">jasminejianglin@simulatechnology.com</a>
<b>Company Website</b>	<a href="http://www.simulatechnology.com">www.simulatechnology.com</a>

# Ch 1. Sustainable Development Policy

## 1.1 Sustainability Promotion Committee

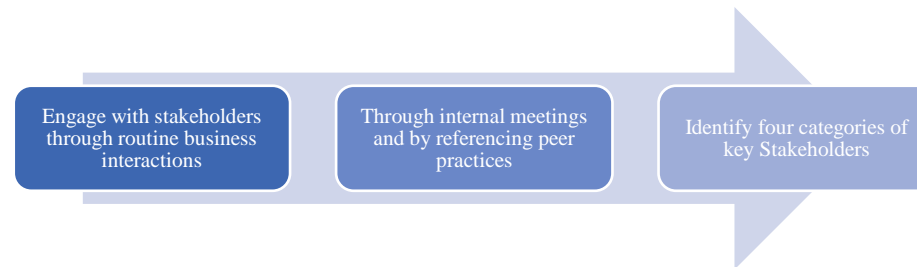
In December 2011, upon approval of the Board of Directors, Simula Technology established the “Corporate Social Responsibility Best Practice Principles” to fulfill corporate social responsibility and promote balanced development across the economy, society, and the environment. With the evolution of international trends and the growing importance of sustainability topics, the Board revised these principles in July 2022 and renamed them the “Sustainability Best Practice Principles.” For material environmental, social, and corporate governance (ESG) topics related to the Company’s operations, Simula Technology conducts thorough investigation and communication with stakeholders and formulates sustainability risk management strategies by integrating core sustainability objectives with risk management assessment results.

To further strengthen the Company’s management of sustainability information, in October 2024 the Board of Directors approved the “Sustainability Information Management Procedures” and the “Procedures for the Preparation and Assurance of the Sustainability Report,” which govern report preparation, internal review, and external assurance, thereby enhancing the reliability of sustainability information and ensuring the transparency and credibility of the Report. The Sustainability Report prepared under these procedures is also submitted to the Board for resolution and approval prior to public disclosure, thereby implementing the Board’s participation in the Company’s sustainable development.

To promote sustainability operations, the Company has established a Sustainability Task Force, convened by the General Manager and coordinated by the Corporate Governance Officer. Given that sustainability covers multiple dimensions, three dedicated subgroups have been set up under the Task Force: the Corporate Governance Group, the Green Sustainability Group, and the Social Engagement Group. Department heads serve as subgroup leads responsible for collecting stakeholder feedback on topics such as environment, supply chain, occupational safety, labor and human rights, operating performance, and corporate governance, and providing appropriate responses in this Report.

## 1.2 Identification of Stakeholders

### Identification of Key Stakeholders



Stakeholders are groups that influence or are influenced by Simula Technology. Based on industry characteristics, frequency of daily business interactions, and the degree of mutual influence, the Company identifies shareholders, employees, customers, and suppliers as key stakeholders. While pursuing profitability and sustainable development, the Company also places great importance on interactions with stakeholders and their rights and interests. Through stakeholder communication platforms, the Company seeks to understand stakeholder expectations and, in line with the principle of integrity, to appropriately address and respond with feedback or proactive improvement plans, with the aim of establishing effective communication channels with stakeholders.

### 1.3 Stakeholder communication channels and issues of concern

To understand stakeholder opinions and expectations and provide timely responses, the Company proactively maintains strong interactions with stakeholders through multiple channels during daily operations. Because different stakeholder categories have different topics of concern regarding the Company, Simula Technology learns stakeholders’ focus areas through engagement and responds in a timely manner to help stakeholders understand the Company’s operational profile.

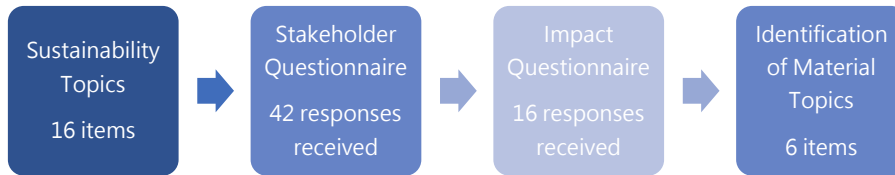
During routine business interactions, the Company collects key stakeholders’ topics of concern and consolidates them through the Sustainability Promotion Committee, summarizing 16 sustainability topics covering the environmental, people (including human rights), and economic dimensions to ensure the completeness and diversity of sustainability disclosures.

Key Stakeholders	Importance to the Company	Topics of Concern	Communication Channels	Frequency	Corresponding Chapter
<b>Shareholders</b>	Shareholders are a critical pillar supporting the Company’s sustainable operations. Simula Technology values communication and interaction with shareholders, is committed to enhancing operating performance and information transparency, strengthening corporate governance, protecting shareholder rights and interests, and pursuing long-term value growth for the Company and all shareholders.	Product Responsibility/ Product Safety Operational Performance Ethics and Integrity Innovation and R&D	Contact Person: Spokesperson Manager Jianglin Telephone: 03-3010008 ext. 1201 jasminejianglin@simulatechnology.com	Regular <ul style="list-style-type: none"> <li>• Annual General Meeting (annually)</li> <li>• Investor Conference (annually)</li> <li>• Annual Report and Financial Statements (annually/quarterly)</li> <li>• Monthly revenue announcements (monthly)</li> <li>• Official website</li> <li>• Market Observation Post System (MOPS)</li> </ul>	3.1.4 Ethics and Integrity 3.4 Operational Performance 3.5 Products and Services 3.6 Innovation and R&D
<b>Suppliers</b>	Suppliers are important partners for Simula Technology in ensuring stable production and improving quality. The Company values long-term cooperative relationships with suppliers. Through new-supplier qualification reviews and regular evaluation mechanisms, we ensure a stable supply of raw materials and components	Sustainable Supply Chain Operational Performance Ethics and Integrity Innovation and R&D Customer Relations	Contact Person: Procurement Manager Peng Telephone: 03-3010008 ext. 1606 tinapeng@simulatechnology.com	Regular <ul style="list-style-type: none"> <li>• Factory audits (annually)</li> <li>• Supplier meetings (annually)</li> </ul> Irregular <ul style="list-style-type: none"> <li>• Phone, e-mail</li> </ul>	3.1.4 Ethics and Integrity 3.4 Operational Performance 3.5 Products and Services 3.6 Innovation and

Key Stakeholders	Importance to the Company	Topics of Concern	Communication Channels	Frequency	Corresponding Chapter
	and compliance with quality requirements. The Company maintains solid communication and interaction with suppliers and continually strengthens supply chain management to respond to market changes and improve overall operating efficiency.				R&D 4.2 Sustainable Supply Chain
<b>Customers</b>	Customers are the key driver of Simula Technology's growth. The Company is committed to delivering stable and reliable product quality and timely, comprehensive technical support to meet diverse customer needs. Continuously elevating customer satisfaction and trust is the foundation for our business expansion and enhanced market competitiveness.	Product Responsibility/ Product Safety Innovation and R&D Customer Relations Information Security	Contact Person: Mr. Li, Assistant Vice President of Sales Telephone: 03-3010008 ext. 1805 benlee@simulatechnology.com	Regular <ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> </ul> Irregular <ul style="list-style-type: none"> <li>• Customer meetings</li> <li>• Sales visits</li> <li>• Phone, e-mail</li> </ul>	3.5 Products and Services 3.6 Innovation and R&D 3.7 Information Security
<b>Employees</b>	Employees are the cornerstone of Simula Technology's sustainable development. The Company values talent cultivation and physical and mental well-being and is committed to building a safe, friendly, stable, and diverse work environment that enables colleagues to focus on their work, apply their expertise, and grow together with the Company.	Remuneration and Benefits Occupational Safety Operational Performance Information Security	Contact Person: Manager Peng, Administration & Finance Department Telephone: 03-3010008 ext. 1606 tinapeng@simulatechnology.com	Regular <ul style="list-style-type: none"> <li>• Performance appraisals (annually)</li> <li>• Labor-management meetings (quarterly)</li> <li>• Employee welfare meetings (quarterly)</li> </ul> Irregular <ul style="list-style-type: none"> <li>• Internal grievance e-mail box</li> <li>• Training and education</li> <li>• Company intranet</li> <li>• Employee trips</li> <li>• Employee gatherings</li> </ul>	3.4 Operational Performance 3.7 Information Security 5.3 Remuneration and Benefits 5.5 Occupational Health and Safety

## 1.4 Identification of Material Topics

### Material Topic Identification Process

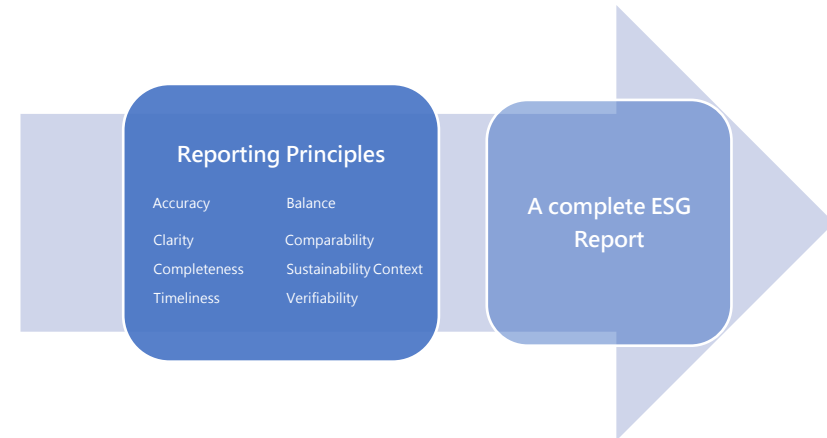


Aspect	Sustainability Topics
<b>Environmental Aspect</b>	Sustainable supply chain, materials management, energy management, greenhouse gas management, water resource management, waste management, green products/services
<b>People (including human rights) Aspect</b>	Compensation and benefits, occupational safety, talent development, product responsibility/product safety
<b>Economic Aspect</b>	Operating performance, business ethics and integrity, innovation and R&D, customer relations, information security

The Company's Sustainability Promotion Task Force defined 16 sustainability topics and issued an online questionnaire to key stakeholders and internal managers for completion. Stakeholders rated the degree of impact the topics have on them, yielding 42 valid responses and resulting in the impact scores for key stakeholders regarding the Company's sustainability topics. Managers rated the degree of impact the sustainability topics have on the Company internally and externally, yielding 16 manager responses. The two sets of scores were consolidated to produce a materiality matrix. Finally, after discussion by the Sustainability Promotion Task Force, material topics were determined across the environmental, people (including human rights), and economic aspects, namely: sustainable supply chain, materials management, compensation and benefits, product responsibility/product safety, operating performance, and innovation and R&D.

Based on the six material topics, the Company identified the main themes of this year's ESG Report. In the face of a constantly changing market, the Company must continue to innovate to enhance operating performance and maintain competitiveness. Through supply chain management, we ensure the quality of raw materials and product safety to earn customer trust, while also emphasizing compensation and benefits policies to retain talent.

## Principles for Report Preparation



The Company prepares its ESG Report in accordance with the GRI Standards' reporting principles. Under the sustainability context principle: transparently disclose how the Company responds to actual economic, environmental, and people (including human rights) conditions in the regions where it operates, in order to improve or mitigate negative impacts. Under the completeness principle: the information disclosed in the Report should be sufficient to reflect the scope of the Company's significant impacts on the economy, environment, and people (including human rights). Under the accuracy principle: the information in the Report should be sufficiently accurate and detailed to allow stakeholders to assess the Company's ESG performance. Under the balance principle: the information disclosed should fairly reflect both positive and negative performance to enable stakeholders to reasonably evaluate the Company's ESG performance. Under the clarity principle: the Report should present information in a way that stakeholders can easily understand and access. Under the comparability principle: the Report should disclose ESG information according to internationally used standards, and present disclosures in a manner that enables stakeholders to analyze the Company's long-term performance. Under the timeliness principle: the Company issues ESG Reports on a regular basis to provide material ESG information in a timely manner for stakeholders to make informed decisions. Under the verifiability principle: the Company compiles the ESG Report in a manner that allows internal and external parties to review and ensure the accuracy of the disclosures.

## Determining Material Topics and Boundaries

Aspect	Material Topics	Importance to Simula Technology	Internal Boundary	External Boundary			Corresponding GRI Standards	Report Disclosures
			Company	Shareholders	Suppliers	Customers		
<b>Environmental Aspect</b>	Sustainable Supply Chain	The Company actively implements supply chain management by effectively managing and jointly improving supplier performance in quality, price, delivery, service, and environmental and social responsibility. We promote sustainable procurement to enhance the core capabilities of local supply partners, protect local labor rights, and ensure that the sources of raw materials for all products or processed goods comply with applicable international laws and regulations. In doing so, we strengthen supply chain resilience, reduce operational risks, and realize the Company's objective of sustainable operations.	•		•		GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	4.2 Sustainable Supply Chain
<b>Environmental Aspect</b>	Raw Material Management	Materials management is critical to a company's sustainable development. It not only concerns the stability of production operations, but is also one of the key strategies for achieving cost optimization, sustainable use of resources, and reduced environmental impact. Through effective materials management, companies can reduce waste, improve supply chain efficiency, and further enhance market competitiveness. In addition, actively promoting environmentally friendly	•		•		GRI 301 Materials	4.1 Raw Material Management

Aspect	Material Topics	Importance to Simula Technology	Internal Boundary	External Boundary			Corresponding GRI Standards	Report Disclosures
			Company	Shareholders	Suppliers	Customers		
		materials procurement strategies can strengthen the Company's responsible image among stakeholders and support green transition. At the same time, in addressing the challenges of climate change, finite resources, and increasingly stringent regulations, robust materials management is a key to ensuring the Company's sustainable operations.						
<b>People Aspect (including human rights)</b>	Remuneration and Benefits	Providing a competitive remuneration system and comprehensive employee benefits attracts outstanding talent while also increasing employee loyalty. This fosters mutual growth between the company and its employees.	•				GRI 401 Employment	5.3 Remuneration and Benefits
<b>People Aspect (including human rights)</b>	Product Responsibility/ Product Safety	To ensure the quality of products and services and reduce impacts on the environment and users, the Company is committed to using compliant raw materials and to the development and production of products that ensure product and service safety and quality. Through rigorous quality management processes and compliance measures, we safeguard the safety of customers using the Company's products, and protect the corporate brand reputation and market competitiveness.	•		•	•	GRI 416 Customer Health and Safety	3.5 Products and Services
<b>Economic Aspect</b>	Operational Performance	Operating performance reflects a company's operational efficiency and competitiveness, affecting profitability, resource utilization,	•	•	•		GRI 201 Economic Performance	3.4 Operational Performance

Aspect	Material Topics	Importance to Simula Technology	Internal Boundary	External Boundary			Corresponding GRI Standards	Report Disclosures
			Company	Shareholders	Suppliers	Customers		
		customer satisfaction, and market advantages. By continually optimizing processes, reducing costs, and improving productivity, enterprises can achieve stable growth, enhance shareholder value, and maintain a leading position in the market.						
<b>Economic Aspect</b>	Innovation and R&D	The Company is committed to innovation in process technologies and product development. In recent years, we have continuously expanded application fields, upgraded manufacturing technologies, integrated products across domains, enhanced product added value, and provided superior user experiences.	•			•	Simula-defined topic	3.6 Innovation and R&D

## Ch 2. About Simula Technology

### 2.1 Company Profile

Simula Technology was founded in 2003 with headquarters in Taiwan. Leveraging robust technological capabilities, continual R&D innovation, and excellent customer service, Simula holds a leading position in the components manufacturing industry. As a professional connector manufacturer, Simula has become a trusted partner to the global electronics industry and has obtained multiple international quality certifications, including ISO 13485, IATF 16949, ISO 9001, and ISO 14001.

To meet the growing needs of global partners, Simula Technology has expanded its business footprint to the United States, Europe, and Asia. Its product portfolio has also become more diversified, ranging from connectors for consumer electronics to integrated solutions for automotive, medical, industrial, and marine electronics. By combining extensive product design experience with manufacturing strength, Simula Technology works closely with customers at every stage of product development to co-create innovative products that meet future market needs.

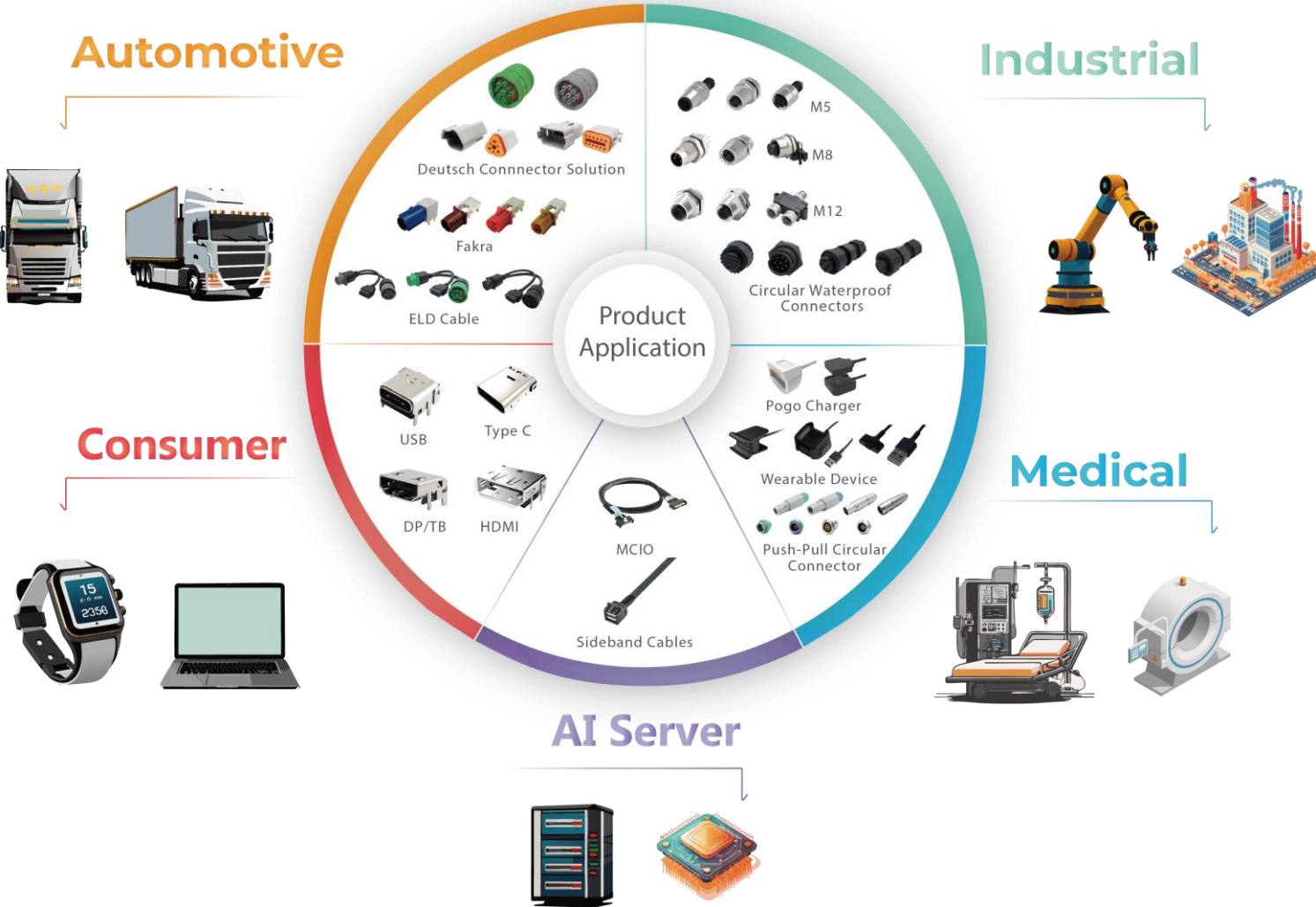
<b>Company Name</b>	<b>Simula Technology Inc.</b>
<b>Headquarters Location</b>	14F., No. 1351, Zhongzheng Rd., Taoyuan Dist., Taoyuan City, Taiwan
<b>Industry</b>	TPEX-listed Electronics Components Industry
<b>Capital Amount (Unit: NT\$ thousands)</b>	NT\$799,729
<b>Shareholding Structure</b>	Domestic institutions: 51.73% Domestic individuals: 47.77% Foreign institutions and foreign individuals: 0.50%
<b>Consolidated Revenue for 2024 (Unit: NT\$ thousands)</b>	NT\$1,768,710

<b>Number of Employees</b>	Taiwan: 342 Overseas: 258
<b>Operational Site</b>	Taiwan (Taoyuan headquarters; Action Star Yilan plant) Overseas: Shenzhen, China; United States (sales office).
<b>Main Products/Services</b>	The Company's principal businesses are the R&D, manufacturing, and sale of electronic connectors, cables, and electronic module products. The primary functions are to provide transmission of power, audio-visual signals, and electronic signals for various devices. The main application products include a wide range of consumer electronics, automotive electronics, network communications, as well as industrial and medical equipment.
<b>Primary Product Sales Mix Note 2</b>	Wearable products: 14.37% Consumer products: 9.56% Automotive, medical, and industrial products: 75.87% Others: 0.2%
<b>Revenue by Region</b>	Taiwan (19.75%) China (13.46%) United States (38.13%) Vietnam (11.02%) Others (17.64%)

Note 1: Data are compiled up to the end of 2024.

Note 2: Sourced from the 2024 Annual Report.

# Company Products



## Company Value Chain Position and Sustainability Focus

The Company focuses on the design and manufacturing of connector and wire harness products, positioned in the midstream segment of the connector industry supply chain. The main processes include mold development, metal stamping, plastic injection molding, electroplating, assembly, and testing. Product applications span diverse fields such as automotive, communications, consumer electronics, medical, and industrial.

To fulfill corporate social responsibility and respond to sustainability trends in the supply chain, the Company is progressively focusing on the following value chain-related topics:

### 1. Raw material sourcing and environmental issues

We primarily use metal and plastic raw materials and continuously monitor their supply stability and environmental issues, with preliminary evaluation of the feasibility of introducing supplier management mechanisms.

### 2. Process management and resource efficiency enhancement

For major internal process nodes, we have gradually carried out energy and resource-use inventories, with the goal of introducing energy-saving, carbon-reduction, and environmental improvement measures in future plans.

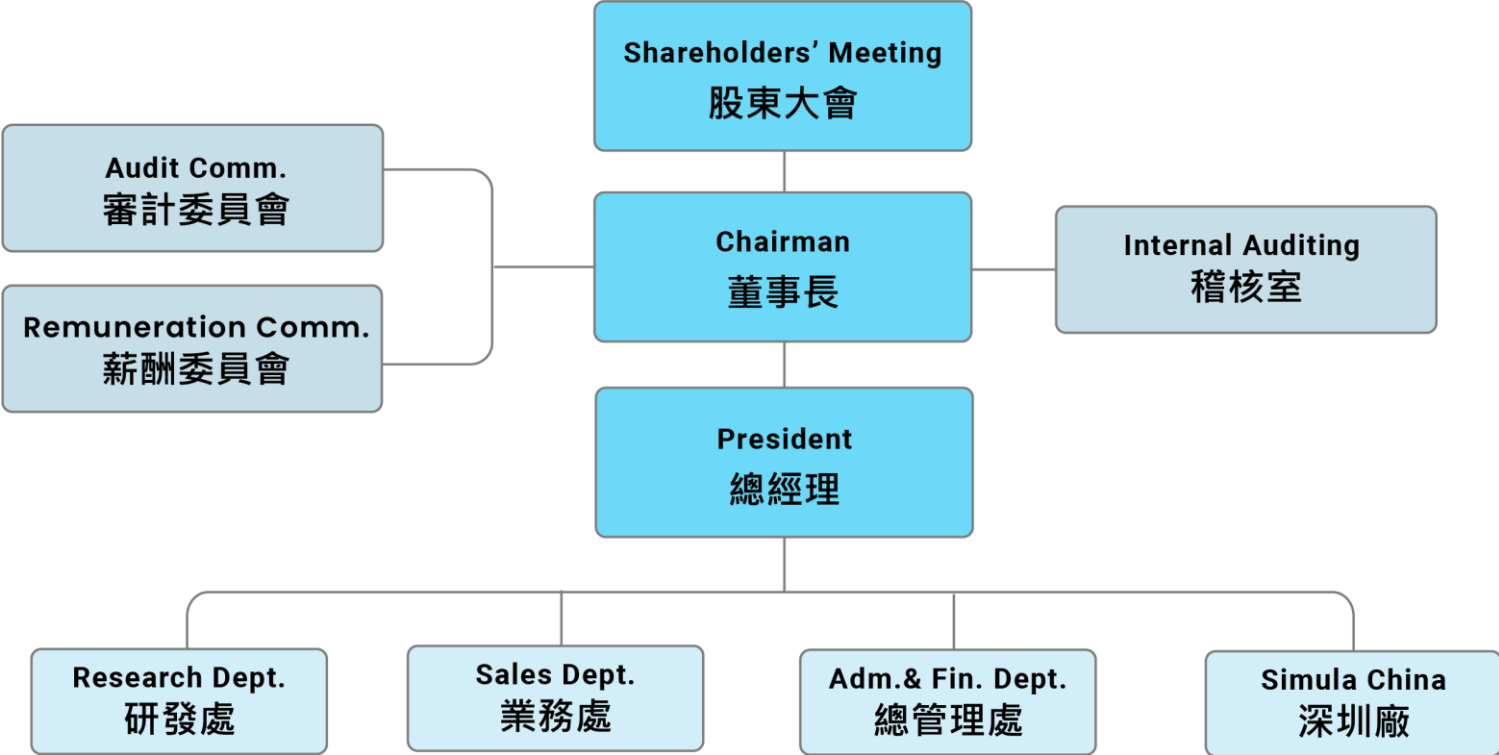
### 3. Product application trends and alignment with market demand

In line with trends in vehicle electrification and high-speed communications, we will continue to introduce R&D directions such as miniaturization and higher performance at the product design stage to strengthen our ability to support customers' sustainability needs.

## Diagram of Simula Technology's Upstream, Midstream, and Downstream Industry



Simula Organization Chart



## Business Functions

Department	Primary Responsibilities
<b>Audit Committee</b>	Established in accordance with relevant laws and policies to strengthen the functions of the Board of Directors; primarily assists in supervising the appropriateness of the Company's financial statements; the appointment (or dismissal), independence, and performance of the attesting CPAs; the effectiveness of the Company's internal control; and compliance with relevant laws and regulations.
<b>Remuneration Committee</b>	In an objective and professional capacity, evaluates the compensation policies and systems for the Company's directors and managerial officers and submits recommendations to the Board of Directors for reference in policy setting.
<b>Audit Office</b>	Establishes, implements, and advises on internal control, internal audit, and self-assessment systems to ensure the continuous and effective implementation of the internal control system, and assists the Board of Directors and management in the faithful fulfillment of their responsibilities.
<b>Chairman's Office</b>	<ol style="list-style-type: none"> <li>1. Provides recommendations on and follows up Company policies.</li> <li>2. Conducts project research, strategy planning, command and supervision, and implementation guidance.</li> </ol>
<b>General Manager's Office</b>	<ol style="list-style-type: none"> <li>1. Formulates and promotes business objectives.</li> <li>2. Coordinates the execution of business by various organizational units and approves organizational structures.</li> <li>3. Manages intellectual property and handles legal affairs.</li> </ol>
<b>Administration &amp; Finance Department</b>	<ol style="list-style-type: none"> <li>1. Coordinates operations in human resources, general affairs, information, and asset management.</li> <li>2. Conducts cash management as well as investment planning and execution.</li> <li>3. Coordinates accounting, tax, and stock affairs.</li> <li>4. Integrates supply chain resources.</li> <li>5. Seeks new partners.</li> <li>6. Requests for quotation, comparison, and price negotiation for outsourced items.</li> <li>7. Manages and evaluates outsourced suppliers.</li> <li>8. Co-develops new product designs with partners.</li> </ol>

Department	Primary Responsibilities
<b>Sales Department</b>	<ol style="list-style-type: none"> <li>1. Develops markets and sells products while conducting market and customer analyses to achieve the Company's profitability targets.</li> <li>2. Procures, inspects, returns, and negotiates prices for raw materials, finished goods, machinery, and mold equipment.</li> <li>3. Handles import/export customs clearance operations.</li> <li>4. Manages and evaluates suppliers.</li> <li>5. Plans and executes incoming inspection, in-process quality control, outbound inspection, and reliability analysis.</li> <li>6. Performs document control and promotes ISO quality certification and other business functions to achieve quality control and improvement objectives.</li> </ol>
<b>R&amp;D Department</b>	<ol style="list-style-type: none"> <li>1. Reviews mold development design, modification, and maintenance management.</li> <li>2. Reviews new product development design and schedule control.</li> <li>3. Manages product management, outsourced supplier engineering, and new product introduction engineering.</li> <li>4. Controls project schedules and formulates specifications for new products.</li> </ol>
<b>Shenzhen Plant</b>	<ol style="list-style-type: none"> <li>1. Responsible for support planning and execution required for manufacturing, including integration of production management, procurement, quality control, and engineering operations.</li> <li>2. Establishes and implements systems for outsourcing and materials control planning.</li> <li>3. Coordinates with the Sales Division on after-sales service and repairs.</li> <li>4. Manages inventory items, conducts stocktaking, and controls and manages all materials.</li> </ol>

## Company History

Year	Month	Company History
2004	01	Passed ISO 9001:2000 certification
2005	03	Simula Company Limited (Hong Kong)'s Shenzhen Plant passed ISO 9000 certification
2005	03	Simula Company Limited (Hong Kong)'s Shenzhen Plant passed ISO 14000 certification
2006	01	Approved by the Securities and Futures Commission of the Ministry of Finance for public offering of shares
2007	08	Received the “10th Rising Star Award” from the Ministry of Economic Affairs
2007	11	Approved by the Taipei Exchange (TPEX) for Emerging Stock Board trading
2008	09	Approved by the Taipei Exchange (TPEX) and the FSC Securities and Futures Bureau for TPEX listing of shares
2009	02	Shares officially listed and traded on the TPEX
2009	05	Received the “12th Golden Peak Award for Outstanding Enterprises of the Year”
2009	06	Ranked in CRIF Taiwan’s 2009 “Top 5,000 Large Enterprises in Taiwan” with a composite ranking of 242nd for business performance
2009	10	Received the "18th National Award of Outstanding SMEs"
2009	11	Received the "32nd Model of Entrepreneurs Awards"
2009	12	Recognized as an Excellent SME Model for Innovation and R&D in 2009
2010	01	Selected by Global Views Monthly in 2010 as one of the “Top 69 Listed/TPEX Companies” (Two-Star Enterprise)
2010	07	Ranked 35th among CommonWealth Magazine’s “2010 50 Fastest-Growing Enterprises”

Year	Month	Company History
2010	11	Honored as one of the “Taiwan Top 100 MVP Managers 2010” by Manager Today
2011	01	Again selected by Global Views Monthly in 2010 as one of the “Top 69 Listed/TPEX Companies” (Four-Star Enterprise)
2019	09	Executed a cash capital increase of NT\$54,000 thousand; capital stock increased to NT\$499,729 thousand
2020	04	Executed a private placement cash capital increase of NT\$300,000 thousand; capital stock increased to NT\$799,729 thousand Qisda directly or indirectly held 51.27% equity in Simula, becoming Simula’s parent company
2021	04	Invested in Action Star Technology Co., Ltd., with a shareholding ratio of 59.35%

### Participation in External Organizations

Name of External Association	Participation Status
Taiwan Electronic Connection Association	Member

## 2.2 Business Philosophy

Simula Technology upholds the business philosophy of “Integrity as the foundation, innovation for the long term, win-win cooperation, and sustainable development,” dedicated to realizing smart living through high-performance connectivity solutions and providing global customers with stable and reliable electronic interconnect technologies and diversified product applications.

Integrity is our cornerstone. We emphasize corporate governance and business ethics, adhere to regulatory compliance and transparent operations, and fully implement the requirements of our Integrity Manual regarding avoidance of conflicts of interest, a fair workplace, anti-corruption, and social responsibility. In product R&D, we continue to invest in advanced fields such as AI servers, AIoT applications, high-frequency connectors, and automotive modules, strengthening technological innovation and customer design-in capabilities, and actively upgrading toward high value-added industries to create long-term corporate competitiveness.

Facing rapidly changing markets and global sustainability trends, we not only pursue steady growth in operating performance but also incorporate environmental protection, employee well-being, and social value into our core management, continuously fulfilling our commitment to “technology connecting a better life.”



## 2.3 Management System

Simula Technology delivers high-quality products and services, pursues continuous improvement and innovation, and maintains corporate competitiveness. Simula has obtained quality certifications including ISO 13485, IATF 16949, and ISO 9001. To reduce the environmental impacts of our operations, the Company has also implemented the ISO 14001 environmental management system, continuously improving performance in quality and environment.



ISO45001:2018  
Occupational Health and Safety  
Management System



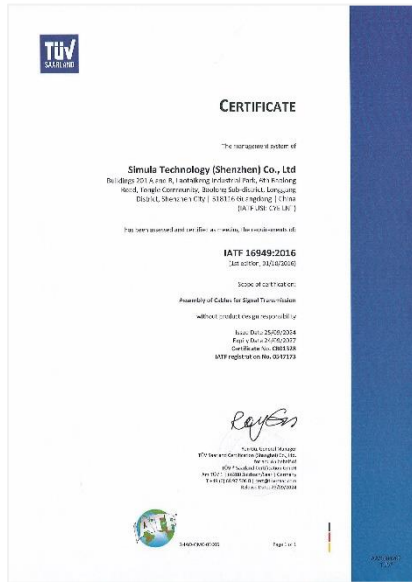
ISO14001:2015  
Environmental Management  
System



IECQ QC080000:2017  
Hazardous Substances Management  
System



ISO13485:2016  
Medical Devices Quality  
Management System



IATF16949:2016  
Automotive Quality Management System



ISO9001:2015  
Quality Management System



UL2799  
"Zero Waste to Landfill" Platinum Verification



RBA : 2024  
Responsible Business Alliance (RBA)  
Code of Conduct

## Ch 3. Corporate Governance

A sound corporate governance system plays a pivotal role in ensuring sustainable development and enhancing overall competitiveness. Its core elements include a well-structured Board of Directors, rigorous internal control mechanisms, and stable and effective financial management processes. Comprehensive systems not only help reduce operational risks but also strengthen competitive advantages and shape brand value. At the same time, by fostering a culture of integrity and accountability and complying with relevant laws and regulations, the Company practices ethical management, thereby ensuring robust corporate operations and protecting the rights and interests of all stakeholders.

To protect shareholders' rights, enhance Board functions, respect and respond to stakeholder needs, and improve information transparency, Simula Technology's Board of Directors has adopted the "Corporate Governance Best Practice Principles." In accordance with the principles of fairness, impartiality, and openness, the Company conducts director election procedures and appoints independent directors to strengthen the Board's management and supervisory functions. To prevent insider trading and uphold market fairness, the Board has also adopted the "Procedures for Handling Material Internal Information and Prevention of Insider Trading," expressly prohibiting insiders, including directors, managerial officers, and employees, from engaging in improper trading using material nonpublic information. For information disclosure, Simula Technology follows the principles of accuracy, timeliness, and fairness, has established a comprehensive disclosure system, and proactively provides operating, financial, Board of Directors, and shareholders' meeting information via the Company website and the Market Observation Post System (MOPS), enabling investors and shareholders to access Company developments in a timely manner.

Simula Technology also values communication and interaction with stakeholders. A dedicated "Stakeholder Section" is available on the Company website, offering dedicated contact windows and communication channels tailored to different stakeholder categories. Through this two-way communication platform, the Company can understand stakeholders' concerns and expectations, which in turn informs the formulation and adjustment of operating policies, jointly advancing corporate sustainable development.



## 3.1 Governance Practices

### Corporate Governance Achievements

- In October 2021, the head of the Finance Department was appointed as the Corporate Governance Officer.
- The performance evaluation results of the Board of Directors and functional committees were between 98 and 99 points.
- In 2024, the Company placed in the 21%-35% tier in the Corporate Governance Evaluation.

Simula Technology is committed to strengthening its corporate governance framework, adhering to the principles of ethical operations and sustainable development. In accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies,” the Company comprehensively assesses overall operating activities, designs and implements an internal control system, and continuously reviews and revises the system in response to changes in internal and external environments to ensure sustained effectiveness in both design and execution. Through robust management and control mechanisms, we effectively enhance operational efficiency and organizational performance, thereby achieving the objective of sustainable corporate development.

The shareholders’ meeting, composed of all shareholders, is the Company’s highest decision-making body. It is responsible for decisions on major operating and management matters and regularly receives reports from the Board of Directors to ensure that Company operations are lawful and transparent. The Board of Directors is the Company’s highest governance body. All directors fulfill their supervisory and decision-making duties with the duty of care of a prudent manager. The General Manager assists the Chair in promoting overall operating direction and sustainability strategies. The Board continually reviews financial performance and management policies to ensure compliant and steady operations.

To strengthen Board functions and improve governance, the Company has established the Audit Committee and the Remuneration Committee to enhance the quality of Board operations and decision-making. An independent Audit Office under the Board executes internal audit operations and regularly reports audit results to the Board and the Audit Committee, thereby strengthening internal controls and oversight mechanisms to effectively reduce risks and improve management efficiency.

To further support directors in effectively fulfilling their duties and to enhance overall governance quality, in October 2021 the Board resolved to appoint the head of the Finance Department as the Corporate Governance Officer, responsible for assisting directors in

exercising their powers, providing information necessary for decision-making, arranging relevant continuing education, and organizing matters related to Board and shareholders’ meetings to ensure that Board and shareholders’ resolutions are implemented in accordance with law. In addition, the Corporate Governance Officer helps strengthen communication and relationship management with investors. In 2024, the Corporate Governance Officer completed a total of 12 hours of governance-related continuing education. According to the results of the 11th Corporate Governance Evaluation in 2024, Simula Technology ranked within the 21%-35% tier among TPEX-listed companies, demonstrating effective operation of the Company’s various governance systems.

Looking ahead, Simula Technology will continue to enhance Board functions and governance transparency and progressively integrate sustainability concepts into the corporate governance framework to bolster operational resilience, fulfill corporate responsibilities, and move toward the goal of long-term, steady growth.

### 3.1.1 Board of Directors

The Board of Directors plans the Company’s business strategies and owes a fiduciary duty to all shareholders and other stakeholders. All directors adhere to the principle of integrity, faithfully perform their duties, observe the duty of care of a prudent manager, exercise their powers with due diligence, and actively participate in the planning and implementation of corporate governance systems. Except for matters required by laws or the Articles of Incorporation to be resolved by the shareholders’ meeting, other major matters related to business promotion and governance systems are deliberated and decided by the Board of Directors.

Simula Technology’s Articles of Incorporation specify the adoption of a candidate nomination system for the election of directors. Through regular re-elections, the Company ensures a sound and professional composition of the Board. Pursuant to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” in addition to the rule that the number of directors concurrently serving as managerial officers shall not exceed one-third of the Board seats, the Company also promotes a Board diversity policy to strengthen governance effectiveness and the stability of the governance structure. Director selection is merit-based. Under Article 20 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” the Board collectively possesses professional competencies including business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making. In addition to industry expertise and extensive practical experience, current directors have a deep understanding of industry trends and market changes and can effectively lead the Company in facing challenges and opportunities.

The Board currently consists of seven directors, including three independent directors, with a term of three years. The roles of Chairman and General Manager are clearly separated and held by different individuals to ensure segregation of duties and checks and balances. In accordance with the Articles of Incorporation, the Board convenes at least once per quarter. In 2024, four Board meetings were held, and the average attendance rate of directors reached 100%, demonstrating strong director engagement in corporate governance and decision-making.

Board of Directors				
Job Title	Name	Actual Attendance Rate (%)	Number of Other Companies Where Concurrently Serving as Director	Possesses Industry- or ESG-Related Background/ Experience
Chairman	Huang Han-Chou	100	10	Business
Director	Lin Yu-Chin	100	0	Business
Director	Cheng Yin-Shiang	100	1	Business
Director	Hu Jo-Yao	100	3	Business
Independent Director	Yeh Hui-Hsin	100	2	Finance and Accounting
Independent Director	Tan Tang-O	100	0	Business
Independent Director	Chen Jin-Ji	100	3	Business

Diversity Statistics/Year			2022		2023		2024	
			Number of Directors	Percentage	Number of Directors	Percentage	Number of Directors	Percentage
Director	Gender	Male	6	71.43%	6	85.71%	6	85.71%
		Female	1	28.57%	1	14.29%	1	14.29%
	Age	Under 50	1	14.29%	1	14.29%	1	14.29%
		Aged 50 to under 65	6	85.71%	6	85.71%	6	85.71%
		Aged 65 and above	0	0.00%	0	0.00%	0	0.00%
	Education	Graduate School	6	85.71%	6	85.71%	6	85.71%
		College/University	1	14.29%	1	14.29%	1	14.29%
		Other	0	0.00%	0	0.00%	0	0.00%

Note:

Percentage of female directors = (number of female directors at year-end/total number of directors at year-end) \* 100%.

Percentage of male directors = (number of male directors at year-end/total number of directors at year-end) \* 100%.

Percentage of female directors + percentage of male directors should equal 100%.

To establish a sound Board operating mechanism, strengthen its supervisory function, and ensure that independent directors maintain necessary independence in performing their duties, Simula Technology’s Board of Directors has adopted the “Regulations Governing Procedure for Board of Directors Meetings,” which clearly delineate the scope of responsibilities of independent directors as the basis for directors’ fulfillment of duties. Board members also uphold a high standard of self-discipline and implement a conflict-of-interest avoidance mechanism during meetings. Where a director or the legal entity they represent has a stake in a proposal, the director shall disclose the material content of such interest during the meeting and, if the relationship is deemed likely to harm the Company’s interests, shall voluntarily recuse from discussion and voting and shall not act as proxy for any other director’s voting rights, thereby safeguarding the fairness and legitimacy of decision-making procedures.

To further enhance the overall decision-making quality and operating effectiveness of the Board, Simula Technology has established the “Board Performance Evaluation Measures,” under which the Board Secretariat conducts an annual self-assessment. Evaluations are carried out via questionnaire and self-assessed by all directors, covering overall Board operations, the performance of individual directors, and the effectiveness of the functional committees. These results help the Company understand the status of governance functions and serve as a reference for future enhancements to Board effectiveness and organizational optimization.



When formulating corporate strategies and making decisions, directors often face issues related to corporate governance practices and regulatory compliance. To strengthen decision-making quality, the Company encourages and actively arranges relevant professional courses for directors. In response to global sustainability trends, the director training program also includes a set proportion of ESG-related course content to ensure directors' understanding of the Company's sustainable development. Simula Technology believes that, under the leadership of a Board that practices integrity and possesses abundant industry experience, Company operations will flourish and the Company will continue to make significant strides on the path to sustainable development.

Total training hours of all directors	<b>54</b>
Total hours of ESG-related courses	21
Directors' ESG-related course ratio	38.89%

Simula Technology values long-term communication and cooperation with stakeholders. Each department proactively maintains interactive relationships through existing routine communication mechanisms to ensure timely understanding of stakeholder concerns and potential impacts on Company operations. If a specific issue may pose a potential material adverse impact on the Company, the responsible unit will promptly initiate relevant response mechanisms and conduct multi-faceted due diligence on the incident, including prudent assessments of financial conditions, regulatory compliance, environmental protection, and labor rights. Investigation results are compiled by the responsible department and submitted to the General Manager and the Chairman for review. The Chair assesses whether the issue involves significant risks to overall operations as the basis for deciding whether to submit the matter to the Board for discussion. In 2024, the Company experienced no potential material adverse events.

### **3.1.2 Functional Committees**

To improve corporate governance and strengthen Board functions, the Company has established the Audit Committee and the Remuneration Committee. In accordance with laws and regulations, functional committees exercise their powers independently and are accountable to the Board, submitting proposals to the Board for resolution.

#### **Audit Committee**

To strengthen oversight of the Company's financial and internal control systems, the Audit Committee assists the Board by reviewing and supervising matters related to accounting policies, financial reporting processes, internal control systems, and the quality of internal audit execution, and submits its review results to the Board as a basis for decision-making. Simula Technology has established the Audit Committee pursuant to the "Audit Committee Charter." The Committee consists of three independent directors, one of whom serves as the convener, and at least one member possesses accounting or financial expertise as required. The Audit Committee convenes at least once per quarter. In 2024, four meetings were held, with a 100% attendance rate, demonstrating the independent directors' strong emphasis on financial governance and supervisory duties.

#### **Remuneration Committee**

To establish a reasonable and transparent compensation system for directors and managerial officers, Simula Technology has established the Remuneration Committee, which assists the Board in considering overall operating performance, individual responsibilities, and market levels to evaluate the fairness and reasonableness of remuneration structures, thereby ensuring complementarity between corporate governance and incentive systems. The Committee is established under the "Remuneration Committee Charter" approved by the Board. Members are selected by the Board from among professionals with relevant backgrounds; a majority of the members must be independent directors, and an independent director is elected by all members to serve as the convener and chair to ensure independence and objectivity in decision-making. In 2024, the Remuneration Committee convened two meetings, with a 100%

attendance rate for all members, fully demonstrating the Committee's active fulfillment of duties and providing robust support for the reasonableness of the Company's compensation policies.

The core duties of the Remuneration Committee are to establish and regularly review performance evaluation and compensation systems and standards for directors and managerial officers, ensuring fairness and market competitiveness.

In conducting remuneration evaluations, the Remuneration Committee comprehensively considers the following principles: first, the Company's compensation policies must comply with legal requirements and possess competitive advantages that attract and retain outstanding talent; second, compensation for directors and managerial officers should take into account common industry levels, time invested, responsibilities, achievement of personal goals, performance in other roles, and historical salary levels for comparable positions. Compensation should be linked to the Company's short- and long-term operating objectives, financial performance, and individual contributions, with a comprehensive assessment of reasonableness in relation to operating performance and potential risks. In addition, remuneration design should not induce directors or managerial officers to engage in behavior that exceeds the Company's risk tolerance. For senior executives, especially the ratio of short-term performance bonuses and the timing of variable pay, remuneration structures should be prudently designed in light of industry characteristics and the Company's operating model, balancing incentive effects with the goal of sustainable and prudent operations.

#### **Compensation System**

The Articles of Incorporation provide that, if there is profit for the year, 5%–20% shall be allocated as employee remuneration, to be distributed in stock or cash as resolved by the Board of Directors. The recipients may include employees of subsidiaries who meet certain criteria. The Company shall also allocate, from the same profit amount, not more than 1% as directors' remuneration as resolved by the Board. However, if the Company has accumulated losses, the amount necessary for covering such losses shall be retained in advance. Among the allocation of employee remuneration, the distribution to grassroots employees shall not be less than ten

percent of the total amount of employee remuneration mentioned above. The remainder shall then be allocated according to the foregoing ratios. The distribution plans for employee and directors' remuneration shall be approved by a special resolution of the Board of Directors and submitted to the shareholders' meeting.

In addition to participating in profit distribution under the Articles of Association, the directors and independent directors receive fixed remuneration under the "Remuneration Measures for Directors and Members of Functional Committees." The fixed remuneration is determined based on responsibilities, meeting attendance, and market compensation levels, and, after review by the Compensation Committee, is submitted to the Board of Directors for approval.

At present, Simula Technology is still in the stage of promoting ESG and has not yet linked ESG development goals and performance to the personal compensation of directors and managerial officers. However, Simula Technology will continue to monitor ESG trends. Once internal ESG implementation becomes more mature in the future, the Remuneration Committee will study and evaluate the establishment of relevant measures.

### 3.1.3 Internal Audit

The Company's Audit Office reports to the Board of Directors and is headed by one Chief Audit Officer responsible for internal audit operations; appointment and dismissal require Board approval, and the Chief Audit Officer regularly attends Board meetings to present work reports. The appointment/dismissal and compensation of the Chief Audit Officer follow processes similar to those for general employees and require the Chair's approval; performance evaluations are conducted annually.

Internal audit is an independent unit that assists management in establishing and executing the internal control system, evaluates and measures operating effectiveness and efficiency, enhances the reliability, timeliness, and transparency of information, and ensures compliance with relevant laws and regulations to strengthen the Company's operating framework. In addition to regular reporting to the Board of Directors, the Audit Office also reports the progress and findings of audit work to the Chair and independent directors monthly or as needed.

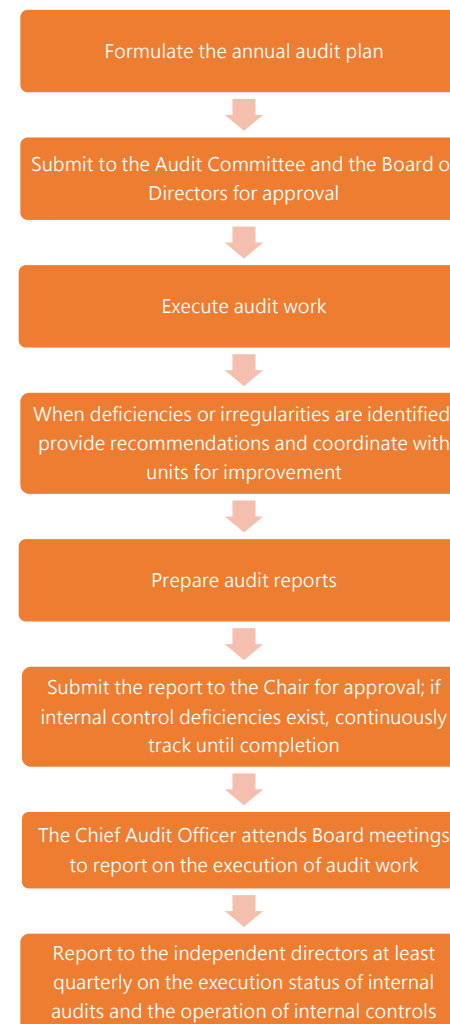
Based on the results of the annual risk assessment, the internal audit unit prepares the audit plan, which is executed upon Board approval. Audit reports are prepared based on the results and submitted to the Chair and independent directors for review. For deficiencies and irregularities identified during audits, the Audit Office provides improvement recommendations and tracks progress until completion.

The internal audit function also reviews each unit's self-assessment operations and related implementation status and reports consolidated results to the Chair and the Board of Directors as a primary basis for evaluating the effectiveness of the internal control system and issuing the Internal Control System Statement. In addition, as required by regulations, the Company files with the competent authority the annual audit plan, roster and training hours of audit personnel, audit plan implementation status, Internal Control System Statement, and the status of improvements for internal control deficiencies and irregularities.

The Chief Audit Officer communicates regularly with members of the Audit Committee and reports audit matters at each quarterly Audit Committee meeting. In special situations, the Chief Audit Officer will also promptly report to the Audit Committee members.

In 2024, the Company completed 45 audits in accordance with the audit plan. Although three internal control deficiencies were identified, all have been rectified or are undergoing continuous improvement to ensure the effectiveness and soundness of the internal control system.

### Audit Flowchart



### 3.1.4 Ethics and Integrity

#### Specific Achievements

- Percentage of directors who signed the Integrity Commitment: 100%
- Integrity Manual (Employee Code of Conduct) training for on-the-job personnel: 68 person-times, 1 hour.

Integrity in business operations is the most fundamental social responsibility of an enterprise and is crucial to corporate operations and long-term development. Dishonest conduct not only causes losses to the enterprise, but may also erode employee morality, undermine trust among customers and business partners, and even trigger illicit behaviors such as lobbying or bribery, thereby severely impacting corporate governance mechanisms and worsening the overall operating environment.

Upholding the principles of integrity, transparency, and accountability, Simula Technology designates the General Administration Office as the unit promoting its integrity management policy and regards integrity as the cornerstone of the Company's sustainable development. To ensure that all colleagues follow the principle of integrity in business execution, on March 20, 2020, the Board of Directors approved revisions to the "Ethical Corporate Management Best Practice Principles," and on February 26, 2021, promulgated the "Code of Ethical Conduct for Directors and Managerial Officers." In addition, the Company compiled an "Integrity Manual" as a code of conduct for all colleagues regarding integrity and ethical behavior, thereby further establishing sound corporate governance and risk control mechanisms to create an environment for sustainable operations.

Internally, the Company has set up a physical mailbox and announced an independent whistleblowing e-mail address on the Company website, with corresponding contact windows for stakeholders to express opinions. Whistleblower identities and the content of reports are kept confidential, and anonymous reports are permitted. The Company undertakes to protect whistleblowers from improper treatment due to their reports. Reports involving general employees shall be submitted to the department head; reports involving directors or senior executives shall be submitted to the independent directors. If it is verified that the reported party

has violated relevant laws or the Company's integrity management policies and regulations, the reported party shall be immediately required to cease the relevant behavior and be subject to appropriate disposition. Where necessary, the Company will seek damages through legal procedures to protect its reputation and rights and interests. For substantiated reports, the relevant Company units shall be required to review internal control systems and operating procedures and propose improvement measures to prevent recurrence of similar conduct. If a report is verified and is beneficial in rectifying corporate deficiencies, or if significant clues or evidence are provided for a major report, the responsible personnel shall submit the matter to the General Manager, and appropriate rewards shall be granted to the whistleblower or meritorious personnel.

In business interactions, Simula Technology requires suppliers to sign an Integrity and Anti-Corruption Commitment and explains the Company's integrity policies and related regulations to counterparties, expressly rejecting the direct or indirect provision, promise, solicitation, or acceptance of any improper benefit in any form or under any pretext. Contracts between the parties shall include terms allowing termination where one party conceals material transaction information from the other, reaching a serious level. Simula Technology avoids commercial transactions with agents, suppliers, customers, or other business counterparties involved in dishonest conduct. When entering into contracts with counterparties, the Company seeks to fully understand the counterparty's integrity management status and incorporates compliance with Simula Technology's integrity policies into the contractual terms.

## 3.2 Risk Management

In 2023, Simula Technology’s Board of Directors approved the “Risk Management Policy and Procedures” as the basis for the Company’s risk management operations and established the Risk Management Committee, chaired by the General Manager, with the head of the Administration Division serving as Executive Secretary. Risk management meetings are convened regularly, with an annual report to the Board on operating status.

Simula Technology identifies risk items based on material topics in this Report that could potentially have negative impacts on the Company. Depending on the nature of each risk item, the responsible departments carry out subsequent risk control tasks and formulate risk management strategies to effectively control actual or potential risks to the Company.

Risk Category	Risk Item	Risk Management Strategy
Environmental Sustainability	Pollution from wastewater discharge	<ol style="list-style-type: none"> <li>1. Store laboratory grinding wastewater separately and have it handled by professional waste processors to avoid groundwater contamination.</li> <li>2. Change dormitory hot water heating from diesel boilers to hot water generated automatically by air compressors to reduce air pollution and enhance environmental safety.</li> </ol>
	In-plant waste/ Air pollution	<ol style="list-style-type: none"> <li>1. Install waste treatment equipment for exhaust gas treatment to meet environmental emission standards.</li> <li>2. Sort waste by category and consign it to qualified professional contractors for conversion into reusable resources to avoid environmental pollution.</li> </ol>
	Supplier violations of sustainability requirements	Implement supplier due diligence and require suppliers to sign Prohibited Substances and Integrity Commitments to ensure compliance with relevant regulations.
Employees	Occurrence of occupational accidents	1. Value employees: Convene labor–management meetings regularly; discuss labor relations topics raised by employee representatives; communicate resolutions and outcomes to all employees.
		2. Safety education: Pursuant to the “Regulations of Occupational Safety and Health Management,” establish “Safety and Health Guidelines,” conduct safety awareness training for employees and visiting contractors, standardize operating procedures, and provide safety operation instructions.

Risk Category	Risk Item	Risk Management Strategy
		3. Employee care: <ol style="list-style-type: none"> <li>(1) Listen to employees: Hold quarterly labor-management meetings to hear employee opinions and improve the work environment.</li> <li>(2) Employee care: Maintain robust labor/health insurance and retirement systems; purchase group insurance to protect employee rights.</li> <li>(3) Medical care and consultation: Provide free annual employee health checkups; arrange monthly visits by contracted medical staff for employee health consultations.</li> <li>(4) Employee family care: Holiday gifts for three major festivals, wedding gifts, childbirth subsidies, a monthly subsidy of NT\$2,500 for each preschool child of employees until the child turns six, parental leave without pay, paternity leave for male employees, and family care leave.</li> </ol>
	Insufficient employee competencies	Define competency standards for relevant positions and enhance employee capabilities through various training programs.
<b>Corporate Governance</b>	Decline in revenue and insufficient R&D innovation capacity	<ol style="list-style-type: none"> <li>1. Declining product competitiveness: increase opportunities for direct co-design with customers, demonstrate new product technologies and R&amp;D capabilities; integrate upstream and downstream supply chains; proactively introduce automated production to improve efficiency and reduce costs.</li> <li>2. Insufficient innovation/R&amp;D capacity: bring in new technologies and R&amp;D personnel to raise overall R&amp;D levels, deepen and broaden product offerings, and enhance product competitiveness.</li> </ol>
	Supply chain disruptions	<ol style="list-style-type: none"> <li>1. Establish safety stock backup mechanisms.</li> <li>2. Actively develop and qualify top-performing suppliers; establish second-source mechanisms to reduce the risk of disruptions.</li> <li>3. Conduct unscheduled annual evaluations of qualified suppliers and replace unqualified suppliers.</li> </ol>
	Information security incidents	<ol style="list-style-type: none"> <li>1. Implement the Company's information security management standards to ensure the security and stability of computer data, systems, equipment, and network environments.</li> <li>2. Regularly promote information security awareness and provide training to enhance employees' cybersecurity vigilance, enforce behavior management, and reduce human risks such as social engineering.</li> <li>3. Regularly conduct information system security testing and cyber/information security health checks to strengthen internal and external network defenses, with continuous improvement and optimization of high-risk assets and vulnerabilities.</li> <li>4. Implement incident reporting and emergency response drills to ensure that information security incidents are discovered, reported, and handled in a timely manner to minimize operational impact.</li> </ol>

### 3.3 Legal Compliance

Regulatory compliance is the cornerstone of the Company's relationships with local governments and communities. Any violation could inflict significant damage on finances and corporate image; compliance records also affect recognition of the Company by shareholders and customers. The Company monitors, in real time, regulations that may affect its finances and operations to ensure no illegal conduct in business activities.

In corporate governance, functional committees oversee financial operations and internal control systems. Through corporate governance best practices and Board performance evaluations, the Board is better positioned to supervise important proposals, strengthen its functions, provide professional opinions, and enhance information transparency. In the future, in line with the Corporate Governance Evaluation and the Corporate Governance Best Practice Principles, the Company will continue to strengthen its corporate culture and comply with stock exchange requirements.

Regarding personnel management, the Company has established internal integrity rules and conducts regular audits. The ethics of employees and regulatory compliance are built on integrity and honesty as core values and are realized through a series of regulatory formulation, diligent implementation, self-review, as well as unobstructed whistleblowing channels and whistleblower protections. Management leads by example, requiring every colleague to ensure that their business conduct complies with laws and the Company's policies and rules. Compliance is self-checked through annual internal control self-assessments and subject to internal audit. The Company has also formulated guidelines that employees must follow in business execution, requiring all colleagues across the Group, regardless of position, rank, or location, to comply with the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct for Directors and Managerial Officers." Contents include working environment guidelines, equal opportunity, confidentiality, prohibition of moonlighting and avoidance of conflicts of interest, gift-giving/receiving and business etiquette, respect for employees and customers, whistleblowing, protection and immunity, etc., to earn public trust, enhance corporate image, and ensure sustainable operations and development. To prevent

violations of fair competition and antitrust laws, the Company has established related codes of conduct as behavioral guidelines for management and employees in business activities to reduce legal risks. The Company competes on the principles of integrity and fairness, fosters a culture of regulatory compliance, and builds a trustworthy and respected corporate reputation.

In environment, safety, and health, the Company has formulated relevant management measures and monitoring/measurement and performance management measures to manage operational activities, products, or services related to applicable OSH and environmental laws and other requirements, and to effectively control the performance of the environmental management system, so as to adopt effective corrective and preventive measures.

To enhance colleagues' awareness of integrity management and legal compliance and to implement the Company's integrity governance policies and internal rules, the Administration Department, in accordance with laws and internal regulations, regularly provides integrity management and compliance-related training to colleagues of different departments and ranks. In 2024, a total of 68 colleagues at Simula Technology Taiwan participated in courses, each receiving one hour of training, for a total of 68 training hours and a 100% course completion rate. Course content covered "Integrity Declaration," "Conflicts of Interest and Avoidance," "Regulatory Compliance," and "Trade Secrets and Company Assets." Learning outcomes were reinforced and checked through online testing. External training was provided in accordance with regulations by assigning the heads of Finance, Corporate Governance, and Audit to relevant programs, totaling 36 hours of training.

In overall compliance practice, Simula Technology has had no major violations in recent years related to corporate governance, securities trading, environmental protection, labor and human rights, occupational safety, leakage of customer privacy, marketing and labeling, or product responsibility.

### 3.4 Operational Performance

Material Topics		Operational Performance
Significance to the Company		Operating performance reflects a company’s operational efficiency and competitiveness, affecting profitability, resource utilization, customer satisfaction, and market advantages. By continually optimizing processes, reducing costs, and improving productivity, enterprises can achieve stable growth, enhance shareholder value, and maintain a leading position in the market.
Policy/Commitments		<p>Policy: The Company is committed to enhancing operational efficiency and optimizing resource allocation. Through data-driven decision-making and continuous improvement, we ensure steady corporate growth.</p> <p>Commitments:</p> <ol style="list-style-type: none"> <li>1. Efficiency first: Optimize processes, reduce waste, and increase productivity and operating efficiency.</li> <li>2. Data-driven: Monitor operating conditions to ensure decisions are scientific and effective.</li> <li>3. Financial soundness: Rigorously manage costs and resource allocation to secure long-term profitability and sustainable development.</li> <li>4. Customer-oriented: Provide high-quality products and services to ensure customer satisfaction and market competitiveness.</li> <li>5. Continuous improvement: Regularly evaluate performance and elevate overall operating results through innovation and technological upgrades.</li> </ol>
Objectives	Short-term	<ol style="list-style-type: none"> <li>1. Increase the number of new Request for Quotation (RFQ) cases year over year in line with annual targets.</li> <li>2. Achieve an RFQ initiation rate of not less than 30%.</li> <li>3. Strengthen Out-of-China (OOC) service capabilities.</li> <li>4. Enhance Made-in-Taiwan (MIT) manufacturing capabilities.</li> <li>5. Develop smart factories and automated production to improve efficiency and quality while reducing costs.</li> </ol>
	Mid- to long-term	<ol style="list-style-type: none"> <li>1. Deploy future technologies and new markets such as AI and quantum computing.</li> <li>2. Develop environmentally friendly material connectors to align with global green manufacturing trends. Establish environmentally friendly and sustainable production processes.</li> </ol>
Resources invested in 2024		<ol style="list-style-type: none"> <li>1. Overview of resources invested in the MIT production line: To enhance automation and overall manufacturing efficiency of the MIT production line, the Company plans to invest a total estimated amount of NT\$25 million in phases. The actual amount invested in 2024 was approximately NT\$10 million; the remaining budget will be executed in phases according to subsequent project progress.</li> <li>2. Production lines have been established in Taichung and Yilan.</li> <li>3. Contribution from Taiwan has accounted for 30% of overall performance.</li> </ol>
Responsible Department/Complaint Mechanism		Sales Department (web_sales@simulatechnology.com)
Evaluation Mechanism/Results		<ol style="list-style-type: none"> <li>1. Number of new Request for Quotation (RFQ) cases: 659; Target achievement rate: 110%</li> <li>2. Number of Product Development Request (PDR) cases: 300; Target achievement rate: 125%</li> <li>3. Establishment of production lines in Taichung and Yilan</li> </ol>

Simula Technology’s principal businesses are the R&D, manufacturing, and sale of electronic connectors, cables, and electronic module products. The primary functions are to provide transmission of power, audio-visual signals, and electronic signals for various devices. The main application products include a wide range of consumer electronics, automotive electronics, network communications, as well as industrial and medical equipment.

In recent years, the connector industry has faced numerous challenges, including higher precision in end devices, high-speed network communications, and the miniaturization and portless design of end devices, driving connectors toward micro- and ultra-micro development. Fast-charging technology also raises requirements for current and power-carrying capacity of connectors. In addition, with the rapid growth of applications such as AI, e-sports, smart manufacturing, IoT, optical fiber, smart wearables, autonomous vehicles, and drones, more development opportunities for connectors are expected, including continuous evolution of various high-frequency transmission interface technologies, new trends in integration of connectors and sensors, and advances toward flexible electronics for connectors. We believe these will usher in a new wave of prosperity for the connector industry.

Operating performance is a key indicator demonstrating a company’s operational efficiency and market competitiveness, directly affecting profitability and resource allocation, as well as customer satisfaction and overall market position. To strengthen operating performance and achieve steady growth, the Company proactively promotes process optimization, cost control, and productivity improvement to enhance shareholder value and consolidate a leading market position.

In terms of operating management policies, the Company is committed to improving operational efficiency and resource allocation effectiveness, building a highly resilient and efficient operating profile through data-driven decision-making mechanisms and continuous-improvement management models. We adhere to the principle of “efficiency first,” effectively improving productivity and operating efficiency by optimizing processes and reducing waste. At the same time, we introduce data analytics and real-time monitoring to enhance the scientific rigor and accuracy of decision-making.

Further, in financial management, we strictly control cost structures and resource allocation to ensure financial soundness while pursuing growth, thereby supporting long-term profitability and sustainable development. On the customer service front, we uphold a “customer-oriented” approach, continually optimizing product and service quality to enhance customer satisfaction and brand competitiveness. Finally, through regular performance reviews and technological innovation, the Company continuously improves operations to respond flexibly to market changes and future challenges, advancing steadily toward sustainable development.

## Direct economic value generated and distributed

Item/Unit: NT\$ thousands	2022	2023	2024
Revenue (A)	4,231,024	2,039,055	1,768,710
Operating Costs (B)	3,317,423	1,754,673	1,561,615
Employee Compensation and Benefits (C)	269,625	196,275	186,980
Payment to Investors (D)	112,853	298,574	10,960
Payment to Government (E)	54,034	107,439	4,878
Community Investment (F)	0	0	0
Retained Economic Value (A-B-C-D-E-F)	477,089	-317,906	4,277

Source: Company consolidated financial statements

### Government Financial Assistance Received (Unit: NT\$ thousands)

Item	2022	2023	2024	Description
<b>Tax Reductions and Credits</b>	3,691	5,038	4,386	2024 1. Simula - Investment tax credit for 2022: NT\$2,540 thousand 2. Simula - Undistributed earnings substantial investment credit for 2021: NT\$899 thousand 3. Action Star - Undistributed earnings substantial investment tax refund for 2023: NT\$945 thousand 4. Action Star - Double deduction for pandemic isolation leave in 2023: NT\$2 thousand
				2023 1. Simula - Investment tax credit for 2021: NT\$3,190 thousand 2. Simula - Undistributed earnings substantial investment credit for 2020: NT\$203 thousand 3. Action Star - Undistributed earnings substantial investment tax refund for 2022: NT\$1,016 thousand 4. Action Star - Undistributed earnings substantial investment tax refund for 2021: NT\$629 thousand
				Simula - Investment tax credit for 2020 recognized in 2022: NT\$3,691 thousand
<b>Subsidies</b>	1,597	22	839	2024 1. Simula Technology (ShenZhen) - Second-half industrial promotion subsidy (capacity target achieved): CNY 156 thousand 2. Simula Technology (ShenZhen) - Shenzhen social employment expansion subsidy for social insurance premiums: CNY 31 thousand Exchange rate applied: 2024 average RMB to NTD rate of 4.4868.
				2023 Simula Technology (ShenZhen) - Longgang District employment subsidy: CNY 5 thousand. Exchange rate applied: 2023 average RMB to NTD rate of 4.4147.
				2022 1. Action Star - Energy-saving tax rebate income: NT\$5 thousand 2. Simula Technology (ShenZhen) - Various government subsidies including social insurance subsidies, cross-border transportation subsidies, and pandemic-related subsidies totaling CNY 367 thousand. Exchange rate applied: 2022 average RMB to NTD rate of 4.3381.
<b>Investment subsidies, R&amp;D subsidies, and other related types of assistance</b>	-	-	1,537	Action Star - "Large guiding small" project subsidy (equipment) in 2024: NT\$1,537 thousand

### 3.5 Products and Services

Simula Technology places strong emphasis on product responsibility and product safety. For product-related issues raised by customers, comprehensive response and handling mechanisms are in place, with continuous improvement based on feedback. By continually optimizing product design and production processes, we reduce potential risks, enhance product quality and customer satisfaction, and align with corporate sustainable development objectives.

Material Topics		Product Responsibility/Product Safety
Significance to the Company		To ensure the quality of products and services and reduce impacts on the environment and users, the Company is committed to using compliant raw materials and to the development and production of products that ensure product and service safety and quality. Through rigorous quality management processes and compliance measures, we safeguard the safety of customers using the Company’s products, and protect the corporate brand reputation and market competitiveness.
Policy/Commitments		All products and services of the Company comply with the regulations of competent authorities in our operating locations and applicable international laws and regulations. We follow relevant regulations such as the EU RoHS and REACH to ensure products are free of hazardous substances and strictly control the sources of raw materials to avoid the use of conflict minerals. The Company commits to following relevant laws and regulations, implementing product safety policies, reducing risks arising from product design or manufacturing defects, and protecting user rights and interests.
Objectives	Short-term	<ol style="list-style-type: none"> <li>Continue to ensure that the Company complies with international standards and certifications such as ISO 9001, ISO 13485, IATF 16949, ISO 14001, ISO 45001, and QC080000 to meet customer requirements.</li> <li>Strengthen after-sales tracking mechanisms and customer satisfaction surveys to ensure no safety issues arise from product design.</li> </ol>
	Mid- to long-term	<ol style="list-style-type: none"> <li>Continuously optimize product safety management processes in accordance with ISO and other international standards and external audit requirements.</li> <li>For product design, raw material selection, and production processes, ensure compliance with regulations and safety standards to reduce impacts of products on users and the environment.</li> </ol>
Resources invested in 2024		Resources were invested in maintaining and optimizing various international standard certifications, including internal audits, training, and improvement actions, to comply with customer and regulatory standards.
Responsible Department/Complaint Mechanism		Product Development Center: Responsible for product development and design and raw material selection. Quality Assurance Center: Responsible for quality inspection and risk assessment during product manufacturing, and for handling customer product complaints and related processing. Customer Service: Provides customer inquiry and complaint channels to ensure customer feedback receives timely response and handling.
Evaluation Mechanism/Results		<ol style="list-style-type: none"> <li>All Company products comply with relevant legal and regulatory requirements, with no instances of penalties by competent authorities due to product safety or quality issues.</li> <li>The Company has never received formal customer complaints or claims due to product safety issues, indicating that product design, production, and after-sales service processes effectively control risks and protect customer rights and user safety.</li> <li>The Company has obtained multiple quality management system certifications, including ISO 9001, ISO 13485, and IATF 16949. Each management system operates effectively and undergoes annual external audits by third-party professional institutions, with continual successful approvals to ensure the validity of certifications and the effective operation of systems.</li> </ol>

As global electronic products become increasingly integrated and sophisticated, connectors, as key components for electronic signal and power transmission, have design and manufacturing quality that directly affect the safety and stability of end products. The Company focuses on the design and manufacturing of electronic connectors and cable products. Our products are widely used in smartphones, notebook computers, automotive electronics, medical equipment, industrial, and communications fields, including industries with high risk and high safety requirements such as automotive electronics, 5G high-speed communications, defense, and medical devices. These applications impose stringent standards and requirements on product safety, reliability, and regulatory compliance.

In addition, global regulations such as the EU RoHS and REACH, and standards such as ISO 13485 and IATF 16949, continue to raise requirements for environmental responsibility and safety compliance of products. Stakeholders, especially end customers and major brands, attach great importance to product responsibility issues, reinforcing the necessity for enterprises to ensure robust product responsibility and product safety management systems. Through comprehensive quality management systems and internal/external audit processes, the Company continuously refines product design and process improvements and strengthens raw material control across the supply chain to reduce product-use risks and the incidence of customer complaints, protect customer rights and user safety, further solidify the corporate brand image and market competitiveness, and realize corporate sustainability goals.

### 3.6 Innovation and R&D

Material Topics		Innovation and R&D
Significance to the Company		The Company is committed to innovation in process technologies and product development. In recent years, we have continuously expanded application fields, upgraded manufacturing technologies, integrated products across domains, enhanced product added value, and provided superior user experiences.
Policy/Commitments		<p>Policy:</p> <ol style="list-style-type: none"> <li>Enhance high-speed communication technologies and testing capabilities</li> <li>Develop technological capabilities for automotive electronics</li> <li>Increase modular design technologies</li> <li>Improve automation design capabilities</li> </ol> <p>Commitments:</p> <p>Enhance automation and modular design capabilities; firmly implement design reuse, common materials, and design simplification; and adopt multi-faceted design review methods to improve product quality stability and reduce design risks. Conduct mass production and cost analyses, introduce process optimization and automation, and effectively reduce manufacturing costs.</p>
Objectives	Short-term	Actively participate in association-organized Workshops or Plug Tests to obtain the latest product directions and technical information, and strive for opportunities to engage in integrated product development and standards-setting with mainstream manufacturers in the electronics industry.
	Mid- to long-term	Secure early-adopter opportunities among high-end and overseas customers, develop more advanced and higher-spec products, and gradually assume the role of a market leader in new product specifications.
Resources invested in 2024		<ol style="list-style-type: none"> <li>Participate in association Workshops or Plug Tests</li> <li>Upgrade high-frequency testing equipment</li> <li>Develop automated welding equipment and fixtures</li> </ol>

Material Topics	Innovation and R&D
	Estimated total investment above: NT\$10 million
Responsible Department/ Complaint Mechanism	R&D Department/Complaint Channels Contact Person: R&D Division, Section Manager Yuan Telephone: 03-3010008 ext. 1610 EMAIL: jackyuan@simulatechnology.com Audit/annually Phone, e-mail/irregular
Evaluation Mechanism/Results	1. Cumulative number of patents in 2024: 73 2. Number of customer-side design-ins: 38

To address rapid industrial changes and diversified market demands, the Company continues to promote innovation and R&D as a key strategy for sustainable growth. In policy terms, we focus on four technological dimensions:

- I. Enhancing high-speed communication technologies and testing capabilities to meet the surging trend in data transmission;
- II. Developing automotive electronics capabilities to strengthen the technological foundation for future smart mobility applications;
- III. Increasing modular design technologies to improve product flexibility and development efficiency;
- IV. Strengthening automation design capabilities to shorten design cycles and improve precision.

At the execution level, the Company advances automation and modular design capabilities and introduces strategies for design reuse, common materials, and design simplification. Through multi-faceted design review mechanisms, we enhance product quality stability and reduce design risks. We also conduct mass production and cost analyses, introduce process optimization and automated production, effectively control manufacturing costs, and improve overall efficiency, further strengthening the Company’s market competitiveness. We have built a flexible and efficient R&D system that creates greater value for customers while propelling the enterprise toward goals of higher quality, intelligence, and sustainable development.

Faced with rapidly evolving industrial technologies and global market competition, we adopt proactive, forward-looking strategies with clearly planned short-, medium-, and long-term development goals to continuously strengthen our influence in the industry. In the short term, we will actively participate in workshops and product interoperability tests (Plug Tests) organized by major associations to promptly grasp the latest technical trends and product directions, and to pursue opportunities for collaborative integrated development and standards-setting with mainstream players in the electronics industry, thereby strengthening industry linkages and technology alignment.

In the medium to long term, we target high-end and international customer markets and actively seek early-adopter cooperation opportunities to accumulate critical technological capabilities and expand global influence. We will continue to invest in developing more advanced and higher-spec products, gradually shaping the Company into a leader of new market product specifications, opening a new chapter in technological innovation and industrial upgrading, laying a solid competitive foundation, and moving toward a future of technological leadership and international development.

## Recently Developed Products and Technologies

Item	Brief Description
<b>Product Development</b>	<ul style="list-style-type: none"> <li>(a) Customized internal and external cable and wire harness development (Cable &amp; Wire Harness of Automotive/Industrial/Medical)</li> <li>(b) Next-generation standard active cable development (USB4.0 Active/DP2.1 Active Cable)</li> <li>(c) Industrial standard connector development (IEC Standard M5/M8/M12/M32 Series)</li> <li>(d) Customized automotive connector development (D-Sub/OBD/DT Series/Waterproof)</li> <li>(e) Customized Pogo Pin connector development (Consumer/Medical/High Frequency)</li> <li>(f) Customized magnetic connector development (Consumer/Medical)</li> <li>(g) Customized wearable cable development (Consumer/Medical)</li> </ul>
<b>Technical Development</b>	<ul style="list-style-type: none"> <li>(a) DP2.1 Re-Driver Active PCBA Module Solution</li> <li>(b) DP2.1 Re-Timer Active PCBA Module Solution</li> <li>(c) USB4.0 Cable Twist Structure Solution</li> <li>(d) LPM PCBA Molding Solution</li> <li>(e) Development of vision-recognition automated cable arrangement equipment</li> <li>(f) Development of automated test-history upload system</li> </ul>

<b>R&amp;D Capacity in the Past Three Years</b> (Unit: NT\$ thousands)			
<b>Item/Year</b>	2022	2023	2024
<b>R&amp;D expenses</b> Note 1	37,031	29,989	31,214
<b>R&amp;D-to-revenue ratio</b> Note 2	3.30%	4.30%	3.48%
<b>R&amp;D headcount</b> (Unit: persons) Note 3	21	18	20
<b>Graduate-degree/R&amp;D headcount ratio</b> Note 4	33.33%	33.33%	40.00%

Source:

1. R&D expense figures are cited from Simula Technology Inc.'s annual **parent company only financial statements**.
2. The R&D/revenue ratio is calculated by dividing R&D expenses by revenue in the same year.
3. R&D headcount figures are provided by the Human Resources Department; the statistical scope covers **Simula Technology Taiwan** R&D personnel and is not a disclosure item of the parent company only financial statements.
4. The graduate-degree/R&D headcount ratio is calculated by the HR data based on educational attainment.

<b>Patent Count in the Past Three Years</b>			
<b>Statistics/Year</b>	2022	2023	2024
<b>Number of patents granted</b>	0	1	1
<b>Cumulative number of valid patents</b>	71	72	73

Source: Statistical scope covers the number of R&D patents of Simula Technology Taiwan.

### 3.7 Information Security

Information security is the cornerstone of corporate operations. It protects data, safeguards reputation, ensures compliance and business continuity, and thereby supports the Company’s long-term development.

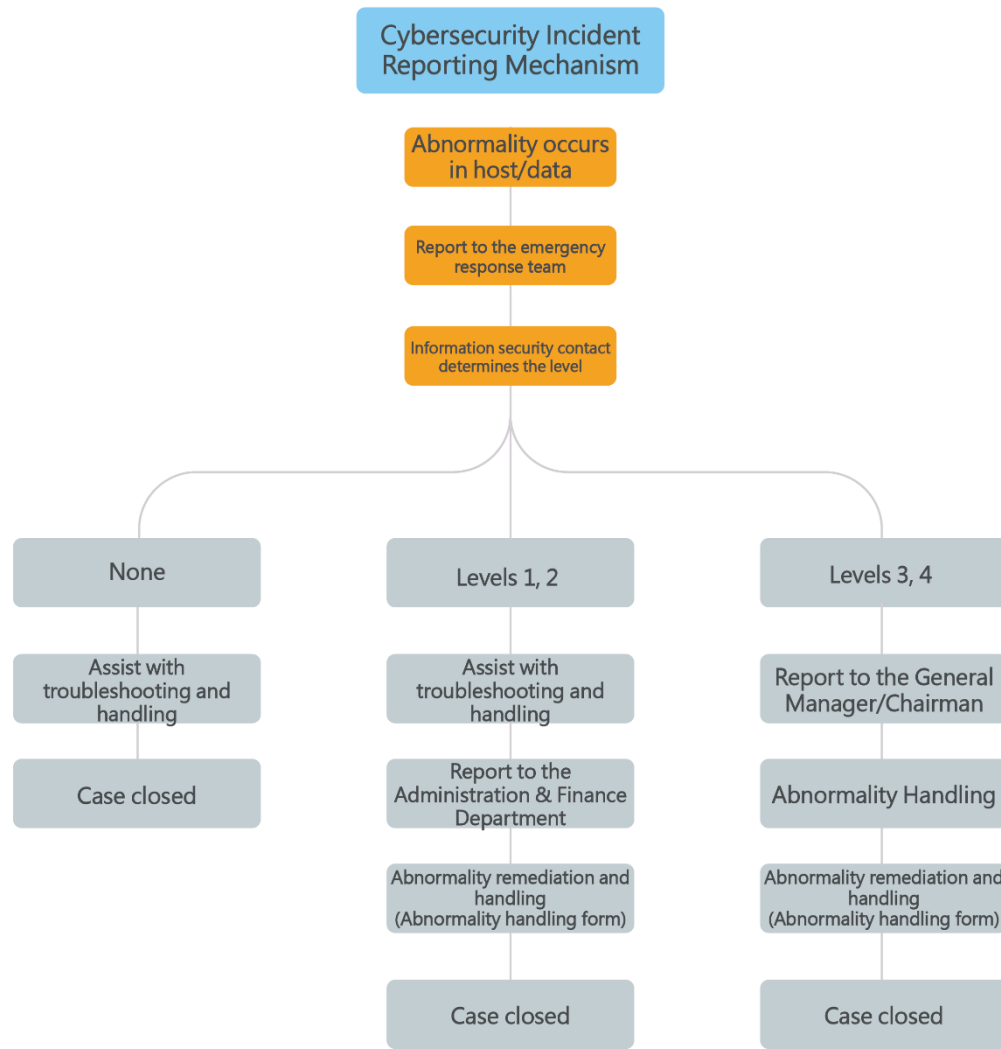
Simula Technology has established a secure and reliable computerized operating environment to ensure the security of computer data, systems, equipment, and networks, and to maintain normal operations. In accordance with laws and regulations such as the Cyber Security Management Act, Personal Data Protection Act, Copyright Act, and Electronic Signatures Act, and under the framework of our “Information and Communications Security Operating Specifications,” we continue to monitor security issues and plan response measures while strengthening investment in cybersecurity protection software and hardware, including updates of next-generation antivirus software, building global joint-defense security meshes, conducting security health checks, upgrading internal operating systems and patching vulnerabilities, and more. To embed the importance of information security within our organizational culture, we hold periodic information security education and training as well as cybersecurity drills.

Simula Technology has established an information and communications security management unit under the General Administration Office. This unit is responsible for formulating internal information security policies, planning and executing information security operations, and promoting and implementing information security policies, and it reports monthly to the Group on the status of information security execution. In addition, the Company conducts annual information security education and training and social engineering drills. In 2024, a total of 69 colleagues completed the training courses, each receiving 3 hours of instruction, for a total of 207 training hours and a 100% course completion rate. Routine information security awareness is also promoted via periodic e-mail communications.

To ensure there is a clear reporting and response mechanism when an information security incident occurs, enabling swift and effective handling, the Company has established a cybersecurity incident reporting mechanism. Whenever an abnormal condition in the Company’s information systems, services, or network status is identified as potentially violating information security or indicating failure of protective measures and affecting system functionality, the dedicated information security supervisor will determine the incident level based on the content and activate corresponding measures.

### Incident Level Determination

Impact Level of Assessment Categories	Confidentiality	Integrity	Availability
Level 1	Leakage of non-core business data	Tampering with non-core business systems or data	Impact or brief interruption of non-core business operations (single-computer level)
Level 2	Leakage of core business data that is not classified or sensitive	Minor tampering with core business systems or data	Impact on core business operations or reduced system performance, with recovery within the tolerable downtime. (Office-area scope)
Level 3	Leakage of classified or sensitive official data	Serious tampering with core business systems or data	Impact on core business operations or system downtime with no recovery within the tolerable downtime. (Tier-1 plant handling scope)
Level 4	Leakage of Company confidential data	Tampering with critical information infrastructure systems or data	Impact on operations or downtime of critical information infrastructure with no recovery within the tolerable downtime. (Beyond Tier-1 plant handling scope)



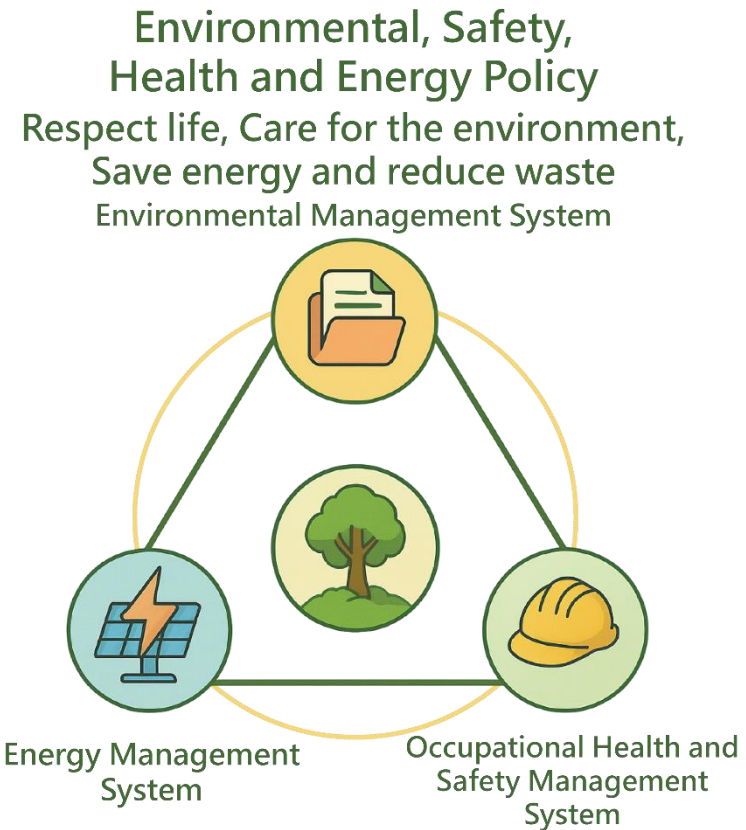
## Ch 4. Environmental Sustainability

Simula Technology upholds the principles of balanced development and sustainable operations, regarding environmental sustainability and a healthy workplace as the cornerstones of the Company's sustainable development. To fulfill corporate social responsibility, the Company actively promotes green operation strategies. Through energy conservation and carbon reduction, resource circularity, and the application of environmentally friendly technologies, we reduce environmental impacts. At the same time, we are committed to building a safe and healthy workplace, enhancing employee well-being, and ensuring the co-creation of sustainable value for the enterprise, the environment, and society. As of 2024, we continue to maintain effective operation of the ISO 14001 Environmental Management System, undergoing regular internal audits each year and unscheduled audits by verification bodies. Deficiencies identified through EHS audits are incorporated into key improvement items, and continuous improvement is carried out through the PDCA cycle to achieve the spirit of legal compliance and continual improvement in the EHS management system.

### Environment, Health and Safety and Energy Policy

Full employee participation  
Reduce environmental impacts  
Focus on health and safety  
Uphold continual improvement

Comply with laws and regulations  
Conserve energy consumption  
Prevent occupational injuries  
Ensure customer satisfaction



## 4.1 Raw Material Management

Material Topics	Raw Material Management
<b>Importance to the Company</b>	Materials management is critical to a company’s sustainable development. It not only concerns the stability of production operations, but is also one of the key strategies for achieving cost optimization, sustainable use of resources, and reduced environmental impact. Through effective materials management, companies can reduce waste, improve supply chain efficiency, and further enhance market competitiveness. In addition, actively promoting environmentally friendly materials procurement strategies can strengthen the Company’s responsible image among stakeholders and support green transition. At the same time, in addressing the challenges of climate change, finite resources, and increasingly stringent regulations, robust materials management is a key to ensuring the Company’s sustainable operations.
<b>Policy/Commitments</b>	The Company commits to integrating sustainability concepts into the entire materials management process and to responsible raw-materials procurement to ensure that material sources are lawful, compliant, and transparent. We prioritize the use of environmentally friendly materials and recycled resources and work proactively with suppliers to build a green supply chain. The Company also commits to reviewing and updating related policies annually to ensure alignment with international standards and stakeholder expectations.
<b>Short-term Goals</b>	<ol style="list-style-type: none"> <li>1. Optimize materials procurement processes, enhance supply chain transparency, and ensure that over 90% of key suppliers meet environmental and social responsibility standards.</li> <li>2. Reduce the number of raw-material supply interruptions by 30%. Achieve a production plan completion rate of over 95%.</li> </ol>
<b>Medium- to Long-term Goals</b>	<ol style="list-style-type: none"> <li>1. Continuously increase the proportion of recycled materials used, striving to reach 50% by 2035.</li> <li>2. At the product design and development stage, systematically consider the environmental/health impacts of raw-material selection, production, sales, use, recycling, and disposal; avoid, where possible, the use of raw materials containing toxic or hazardous substances; reduce pollutant generation and emissions; and minimize product impacts on the environment/health.</li> </ol>
<ol style="list-style-type: none"> <li>1. Resources invested in 2024</li> <li>2. Specific Achievements</li> </ol>	<ol style="list-style-type: none"> <li>1. To address production needs and fluctuations in raw-material lead times, a total of four person-times were invested during the year in dedicated support for procurement and materials control operations. This included raw-material tracking, supplier communications, inbound/outbound coordination, and real-time system data adjustments to ensure stable material supply and smooth production scheduling.</li> <li>2. Through manpower investment and cross-departmental coordination mechanisms, we strengthened our responsiveness in materials supply, effectively shortening supply time lags caused by sudden demand for certain raw materials. In addition, we supported rapid responses to rush orders and material shortages, helping complete material supplementation for numerous new or revised finished-goods item numbers, thereby indirectly improving production plan attainment and delivery stability.</li> </ol>
<b>Evaluation Mechanism</b>	A total of 8,135 kg of recovered materials were reintegrated into production processes in 2024, accounting for 12% of total raw-material usage.
<b>Responsible Department/Complaint Mechanism</b>	<b>Responsible Department:</b> Materials Center <b>Complaint Mechanism:</b> catolu@simulatechnology.cn

We uphold our commitment to sustainable development by prioritizing raw materials from lawful and sustainable sources (prohibiting conflict minerals), reducing waste during manufacturing, and enhancing resource efficiency. The main raw materials used in the R&D and manufacturing of connectors include metals (such as copper), wires, plastic resins, and the lubricants and adhesives required for assembly.

### Procurement Statistics of Raw Materials by Site:

Simula Technology Taiwan									
Unit: metric tons	Renewable materials	Non-renewable materials							Total quantity of materials procured
	Cardboard boxes	Plastic pellets (PVC)	Plastic pellets (PP)	Plastic pellets (LPM)	Materials (wires)	Materials (plastic parts)	Materials (metal terminals)	Materials (PCBA)	
2022	0.442	0.000	0.000	0.000	5.674	17.718	6.420	0.062	30.316
2023	0.618	0.075	0.050	0.000	25.746	13.863	8.005	0.091	48.448
2024	1.953	3.350	2.325	0.340	63.886	33.681	16.779	0.051	122.365

Simula Technology (ShenZhen)										
Unit: metric tons	Renewable materials			Non-renewable materials						Total quantity of materials procured
	Cardboard boxes	Pallets	Plastic raw materials	Wires	Connectors	PCB	Copper	Stainless steel	Tin	
2022	48.706	28.392	121.639	162.967	23.347	1.958	30.626	54.265	4.576	476.476
2023	23.932	20.664	87.745	124.077	12.317	1.134	28.382	42.836	2.410	343.497
2024	45.728	33.600	135.198	280.894	17.572	0.958	23.271	36.254	3.918	577.393

Action Star Technology				
Unit: metric tons	Non-renewable materials			Total quantity of materials procured
	Tin	Plastic pellets (ABS)	Plastic pellets (PC+ABS)	
2022		2.244	48.673	3.380
2023		1.253	9.697	2.170
2024		1.964	3.045	4.347

Simula Technology is committed to reducing waste generation to lessen environmental impacts. For Simula Technology Taiwan, due to the process characteristics of outsourced products, recycling mechanisms are not applicable; therefore, no related recycling measures are in place.

For the recycling and reuse of materials at Action Star Technology, the Company adopts the following approach: tin dross generated after feeding tin bars into the DIP furnace is collected centrally and weighed for management; once it accumulates to a certain amount, it is handed over to licensed recyclers for processing and exchanged proportionally for tin bars.

Simula Technology (ShenZhen) follows the recycling and reuse process below: first, collect gate/runners generated after plastic production; then outsource to suppliers for modification and restoration processing; after completion, the materials are delivered and warehoused; finally, materials are issued upon requisition according to demand, ensuring effective circular use of resources.

### Statistics on Materials Recycling and Reuse by Site:

Simula Technology (ShenZhen)			
Unit: metric tons	Total quantity of recycled input materials used	Total quantity of materials used	Percentage of recycled/reused materials used
2022	33.204	106.485	31.18%
2023	8.702	60.513	14.38%
2024	8.136	66.928	12.16%

Action Star Technology			
Unit: metric tons	Total quantity of recycled input materials used	Total quantity of materials used	Percentage of recycled/reused materials used
2022	0.156	0.376	41.54%
2023	0.173	0.613	28.22%
2024	0.424	1.274	33.28%

At present, the Company has not implemented measures for the recycling of products and their packaging materials. We will continue to monitor the feasibility of resource circularity.

## 4.2 Sustainable Supply Chain

Material Topics	Sustainable Supply Chain
Importance to the Company	<p>The Company actively implements supply chain management by effectively managing and jointly improving supplier performance in quality, price, delivery, service, and environmental and social responsibility. We promote sustainable procurement to enhance the core capabilities of local supply partners, protect local labor rights, and ensure that the sources of raw materials for all products or processed goods comply with applicable international laws and regulations. In doing so, we strengthen supply chain resilience, reduce operational risks, and realize the Company’s objective of sustainable operations.</p>
Policy/Commitments	<p>Establish long-term supplier sustainability assessments:            Conduct regular evaluations of suppliers’ environmental and social responsibility performance; prioritize collaboration with well-performing suppliers; provide improvement recommendations to underperforming suppliers, and consider replacement if no improvement is made.</p>
Short-term Goals	<ol style="list-style-type: none"> <li>1. The Company conducts routine annual supplier audit operations. Suppliers must complete and return the “Supplier Quality Management Evaluation Form” and the “Supplier Process Capability Evaluation Form.” If, during transactions or cooperation, a supplier is found to have serious adverse records sufficient to cause significant negative environmental or social impacts, the Company will, in accordance with its rules, immediately suspend or terminate the relationship to fulfill corporate responsibility and ensure supply chain sustainability.</li> <li>2. Each year, 100% of new suppliers must complete a declaration of zero use of hazardous substances and submit third-party test reports to ensure products are fully compliant with standards.</li> <li>3. The Company undergoes periodic and ad hoc relevant internal and external audits and reviews and optimizes internal procedures based on valuable recommendations received.</li> </ol>
Medium- to Long-term Goals	<ol style="list-style-type: none"> <li>1. To ensure partners provide a safe working environment, respect labor rights, follow ethical business principles, and commit to environmental protection, the Company actively advances supplier sustainability management, seeking to work together to achieve sustainable development goals.</li> <li>2. To implement responsible supply chain management, the Company requires new suppliers to confirm compliance with various corporate social responsibility specifications, to fully understand and abide by the Company’s concrete requirements for sustainable operations, and to sign a Supplier Commitment, with a target signing rate of 100%.</li> <li>3. To strengthen suppliers’ awareness of and effectiveness in ESG (environmental, social, and corporate governance), one supplier evaluation is conducted each year, incorporating completion of an ESG self-assessment questionnaire. No fewer than 10 suppliers are evaluated each time, and truthful responses are required. The results will be incorporated into</li> </ol>

Material Topics	Sustainable Supply Chain
	evaluation records as the basis for subsequent cooperation and improvements. 4. Promote local procurement to support local economic development while reducing transportation risks and carbon emissions.
1. Resources invested in 2024 2. Specific Achievements	1. On-site supplier audits and evaluations: 20 suppliers in total. 2. Supplier Integrity Agreement signing rate: 100%. 3. Supplier Corporate Social Responsibility Commitment signing rate: 100%.
Evaluation Mechanism	1. No major deficiencies were identified in either internal audits or customer audits. 2. For key production materials, 20 supplier sites were audited on-site, with a 100% completion rate.
Responsible Department/Complaint Mechanism	<b>Responsible Department:</b> Materials Center <b>Complaint Mechanism:</b> catolu@simulatechnology.cn

Simula Technology regards suppliers as crucial strategic partners. Beyond providing products or services that meet customer requirements, we value and invite suppliers to jointly practice corporate social responsibility in the areas of environment, society, and business management.

In supplier management practice, each site has formulated operating procedures requiring our suppliers to comply with the laws and regulations of their operating countries/regions and to follow these Guidelines across all business activities; to sign an Integrity and Anti-Corruption Commitment; and to include in contracts a clause allowing either party to rescind or terminate the contract if the counterparty seriously conceals transaction-related information. Going forward, Simula Technology will progressively collaborate with suppliers to build a supply chain that prioritizes environmental protection, labor rights, safety, social responsibility, and sustainable development. These objectives will be incorporated as key criteria for the selection and auditing of critical suppliers, enabling the establishment of risk control items and identification of high-risk suppliers. Based on evaluation results, improvement measures will be formulated, and suppliers will be assisted in continual enhancement.

All materials procured by the Company comply with relevant laws and regulations and with environmental and safety requirements. To maintain high quality, we pursue continual improvement aligned with international management system standards. We have established supply chain management procedures. Beginning in 2025, supply chain evaluations covering “human rights, environment, safety, health, and management systems” will be introduced (e.g., phased requirements for suppliers to obtain relevant certifications such as ISO 14001, ISO 45001, ISO 14064-1, RBA, bans on hazardous substances, bans on conflict minerals, and formulation of human rights policies) to monitor suppliers’ EHS management and implementation. We will continue to encourage suppliers to value business ethics, protect labor rights, focus on working conditions and occupational safety and health, and develop materials and processes that reduce environmental impacts.

## 4.2.1 Supplier Selection Mechanism

Evaluation of Existing Suppliers	<p>As a TPEX-listed company, Simula Technology understands that stable, high-quality suppliers are key partners for sustained growth. Accordingly, in accordance with ISO 9001 supplier control procedures, we have established an annual evaluation system for existing suppliers. Each year, we evaluate the top ten suppliers by transaction amount based on core indicators such as quality, design and manufacturing capability, and delivery performance.</p> <p>The evaluation is led by the Procurement unit and jointly executed with personnel from Quality Assurance, Engineering, and other relevant departments, using the “Supplier Evaluation Form” for quantitative scoring. In 2024, all audits and evaluations were completed, with a 100% pass rate and no suppliers identified with significant or potential environmental or social impacts.</p>
New Supplier Screening	<p>Simula Technology recognizes the environmental and social impacts of the supply chain and is progressively strengthening screening and evaluation mechanisms for new suppliers to ensure that those admitted in the future meet sustainability standards for quality, environment, and social responsibility.</p> <p>Currently, new suppliers must complete the “Supplier General Information Form.” Upon preliminary approval by Procurement, Quality Assurance, and Engineering, a document-based or on-site evaluation is arranged. Evaluation items include the Quality System Assessment (QSA), Process Capability Assessment (QPA), environmental and quality assurance documents (e.g., ISO certifications, environmental commitments), and the results of document-based or on-site audits.</p> <p>Only after passing screening and evaluation will the supplier be included in the “Approved Supplier List” and recorded in the Company’s ERP system for management. In 2024, the proportion of suppliers covered by the annual supplier survey was 100%.</p> <p>Starting from 2025, supplier selection mechanisms covering environmental and social standards will be introduced, together with a regular evaluation system, to continuously optimize sustainable supply chain management.</p>

Note: The mechanisms in this table are primarily based on the procedures of Simula Technology Taiwan and Simula Technology (ShenZhen).

## 4.2.2 Supplier Screening and Audit Implementation

### Simula Technology Taiwan's New Supplier Screening Implementation

New Supplier Screening	2024
Number of new suppliers	24
New supplier screening rate %	12.5%

Note: In 2024, Simula Technology Taiwan had a total of 24 new suppliers, of which 3 completed audits; the remainder had only basic information filed. Based on risk assessment principles such as supplier transaction amounts, the Company selects material suppliers (e.g., the top ten for the year) for self-assessment or on-site audits.

### Simula Technology (ShenZhen)'s New Supplier Screening Implementation

New Supplier Screening	2024
Number of new suppliers	1
New supplier screening rate %	100%

### Action Star Technology's New Supplier Screening Implementation

New Supplier Screening	2024
Number of new suppliers	21
New supplier screening rate %	0%

Note: Currently, only a supplier information form is established for new suppliers; a self-assessment questionnaire is planned to be introduced in 2025.

### Existing Supplier Audit Implementation Status of Simula Technology Taiwan for the Past Three Years

Existing Supplier Audits	2022	2023	2024
Number of existing suppliers	117	101	122
Number of existing suppliers audited	10	24	23
Supplier audit rate	8.54%	23.76%	18.85%

- Note 1: The audit benchmark is the top ten suppliers by transaction amount for the year.
- Note 2: The number of existing suppliers listed in this table is based primarily on raw materials, including categories such as metal parts, wires, connectors, and packaging materials.

### Existing Supplier Audit Implementation Status of Simula Technology (ShenZhen) for the Past Three Years

Existing Supplier Audits	2022	2023	2024
Number of existing suppliers	111	106	90
Number of existing suppliers audited	0	12	20
Supplier audit rate	0.00%	11.32%	22.22%

- Note 1: No audits were conducted in 2022.
- Note 2: The audit benchmark is to select electroplating plants, wire plants, hardware plants, PCBA plants, connector plants, and packaging plants, with at least the top three in each category.
- Note 3: The number of existing suppliers listed in this table is based primarily on raw materials, including categories such as metal parts, wires, connectors, and packaging materials.

### Existing Supplier Audit Implementation Status of Action Star Technology for the Past Three Years

Existing Supplier Audits	2022	2023	2024
Number of existing suppliers	311	378	399
Number of existing suppliers audited	50	110	171
Supplier audit rate	16.08%	29.10%	42.85%

- Note 1: The audit benchmark is to select metal-part plants, wire plants, connector plants, and packaging plants, with 100% self-assessment audits across the four categories.
- Note 2: The number of existing suppliers listed in this table is based primarily on raw materials, including categories such as metal parts, wires, connectors, and packaging materials.

### 4.2.3 Procurement Policy

Local procurement helps drive local economic development, create jobs, generate tax revenue, and support community development. Through localized procurement, it also enhances supply flexibility, shortens new product development time, reduces production costs, and at the same time lowers transportation costs and carbon emissions, thereby reducing fuel consumption and carbon footprints and mitigating negative environmental impacts. Simula Technology adheres to a policy of local procurement, giving priority to local partners in all procurement projects. We aim to enhance sustainable supply chain management effectiveness, reduce supply chain operating risks, and establish partnerships for sustainable growth. Simula Technology Taiwan is located in Taoyuan City, with a 2024 local supplier expenditure ratio of 20.47%. Simula Technology (ShenZhen) is located in Guangdong Province, PRC, with a 2024 local supplier expenditure ratio of 5.98%. Action Star Technology is located in Yilan County, with a 2024 local supplier expenditure ratio of 5.15%.

## 4.2.4 Local Procurement

### Proportion of Procurement Amount from Local Suppliers in the Past Three Years (Simula Technology Taiwan)

Item/Year	2022	2023	2024
Total number of suppliers	117	101	122
Number of local suppliers	63	57	76
Proportion of local suppliers (%)	53.85%	56.44%	62.30%
Proportion of local procurement amount (%)	15.84%	14.86%	20.47%

### Proportion of Procurement Amount from Local Suppliers in the Past Three Years (Simula Technology (ShenZhen))

Item/Year	2022	2023	2024
Total number of suppliers	111	106	90
Number of local suppliers	88	88	74
Proportion of local suppliers (%)	79.28%	83.02%	82.22%
Proportion of local procurement amount (%)	75.94%	78.96%	82.65%

### Proportion of Procurement Amount from Local Suppliers in the Past Three Years (Action Star Technology)

Item/Year	2022	2023	2024
Total number of suppliers	311	378	399
Number of local suppliers	37	44	33
Proportion of local suppliers (%)	11.90%	11.64%	8.27%
Proportion of local procurement amount (%)	9.30%	7.50%	5.89%

Note 1: The definition of “local” is based on the operating site: for Simula Technology Taiwan and Action Star Technology, it is nationwide Taiwan; for Simula Technology (ShenZhen), it is Guangdong Province.

Note 2: Only raw material and equipment suppliers are counted.

## 4.3 Energy Management

Energy management is a major challenge faced by enterprises today and is a critical issue that Simula Technology takes seriously. Following the rapid development of the economy, energy demand continues to rise along with the pressure to secure energy resources, the core principle of which lies in increasing energy efficiency and reducing energy waste. Through reasonable future energy planning, the Company proposes more efficient energy usage methods while reducing energy dependence.

Earth's energy resources are limited. Simula Technology's operational sites include office-type setups (outsourced production lines) and self-owned production lines where most of the energy consumed is for manufacturing and administrative office needs. To prevent improper waste, we place great importance on energy management. The Company's energy usage includes purchased electricity as well as gasoline and diesel fuel.

Energy and GHG Management Policy	
✓	Compliance with national energy regulations
✓	Improve energy efficiency
✓	Procure equipment with energy efficiency labels

### 4.3.1 Energy Usage

Simula Technology's energy usage structure is primarily divided into three types of energy consumption. The first category is the electricity required for company operations, which accounts for the highest proportion of consumption. The second largest proportion is gasoline used for company vehicles, followed by diesel usage as the third category. The total electricity consumption for 2024 was 5,863,884.80 kWh, representing a significant decrease of 428,117.78 kWh compared to the total electricity consumption of 6,292,002.58 kWh in 2023. In the future, Simula Technology will be able to better understand annual energy usage through an inventory of energy consumption.

The Company discloses only the energy consumption within the organization. Energy consumption outside the organization includes upstream/downstream transportation and distribution, employee commuting, business travel (overnight trips), purchased goods, and the disposal of solid and liquid waste. Due to the difficulty in quantitative analysis, these are only qualitatively mentioned.

### Simula Technology - Activity Data for Energy

Year	Internal		
	Electricity (kWh)	Automotive gasoline (L)	Diesel (L)
2022	7,875,641.63	998.34	0.00
2023	6,292,002.58	3,209.79	5,282.05
2024	5,863,884.80	1,350.80	5,865.19

Note: The energy activity data is a compilation of data from Simula Technology Taiwan, Simula Technology (ShenZhen), and Action Star Technology.

### Simula Technology - Energy Usage Unit: GJ

Year	Internal			Total energy consumption
	Electricity	Automotive gasoline	Diesel	
2022	28,352.3099	32.6044	0.0000	28,384.9143
2023	22,651.2093	104.8272	185.7739	22,941.8104
2024	21,109.9853	43.0350	212.2264	21,365.2467

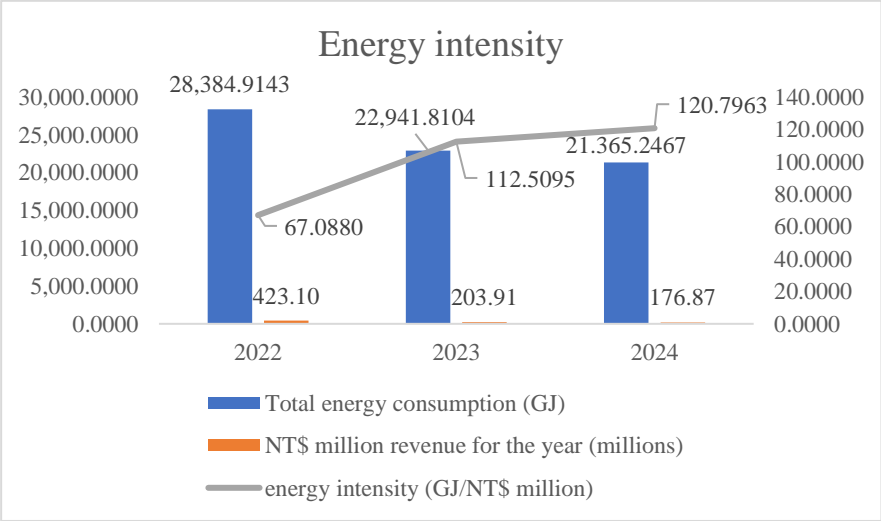
Note 1: Each kilowatt-hour of electricity is equivalent to 3.6 million joules. The calorific value of gasoline in 2022 and 2023 was 7,800 Kcal/L, while the calorific value of diesel in the same years was 8,400 Kcal/L. Additionally, 1 Kcal equals 4,187 joules (J), and 1 GJ equals 10<sup>9</sup> joules (J).

Note 2: The calorific values for gasoline and diesel in 2022 and 2023 are referenced from the "Net Calorific Value of Energy Products" published by the Energy Administration, Ministry of Economic Affairs. For 2024, the calorific values for automotive gasoline and diesel are based on the news information announced by the Ministry of Environment on February 13, 2025: the lower calorific value of automotive gasoline is 7,609 kcal/L, and the lower calorific value of automotive diesel is 8,642 kcal/L.

**Simula Technology - Energy Intensity Unit: GJ/NT\$ million revenue**

Year	Total energy consumption	NT\$ million revenue for the year	Energy intensity
2022	28,384.9143	423.10	67.0880
2023	22,941.8104	203.91	112.5095
2024	21,365.2467	176.87	120.7963

Note: Energy intensity = total energy consumption (GJ)/NT\$ million company revenue for each fiscal year



### 4.3.2 Energy Conservation

Simula Technology actively promotes sustainable management and is committed to energy conservation and carbon reduction in response to environmental challenges and climate change. Simula Technology (ShenZhen) and Action Star Technology have formulated energy-saving and carbon reduction measures tailored to their respective characteristics, aiming to reduce their energy consumption and carbon footprints. Although the production line operations of Simula Technology Taiwan primarily adopt an outsourced manufacturing model, the Company actively promotes energy-saving and carbon reduction measures at its office and warehousing locations in Taiwan, working towards corporate environmental sustainability goals alongside Simula Technology (ShenZhen) and Action Star Technology. The following outlines specific implementation plans for the three major sites, demonstrating our commitment and actions toward environmental protection.

#### Energy Conservation and Carbon Reduction Plan for Simula Technology Taiwan:

1. Energy conservation management: Adopt LED lighting equipment and set office machines and personal computer monitors to sleep mode; equip the air conditioning system with an automatic shut-off mechanism and regularly conduct maintenance and filter cleaning to increase usage efficiency.
2. Promote electronic operations: Implement electronic approval and electronic invoicing systems, replacing paper documents with email for official correspondence to reduce paper usage.
3. Water conservation and resource recycling measures: Continue to promote water conservation education and waste sorting and recycling policies.

#### Energy Conservation and Carbon Reduction Plan for Simula Technology (ShenZhen):

1. Install additional energy-saving LED lighting to reduce water and electricity consumption (replacing a total of 4,693 units).
2. Implement electronic office operations to reduce paper consumption, encourage employees to use email and electronic documents for transmission and approval, use

- double-sided printing, and promote the use of recycled paper to reduce energy consumption and carbon emissions produced during the papermaking process.
3. Reduce equipment standby energy consumption and increase equipment operational efficiency.
4. Utilize air compressor equipment to supply hot water to dormitories, thereby reducing energy consumption.
5. Install environmentally friendly equipment to purify factory exhaust emissions.
6. Compile monthly statistics on GHG emissions and analyze progress toward achieving targets.

#### Energy Conservation and Carbon Reduction Plan for Action Star Technology (Estimated Values):

System	Energy-Saving Efficiency (kWh/year)		Carbon reduction (metric tons CO <sub>2</sub> e/year)
	Energy savings (in kWh)	Energy savings rate	
Consolidate area air conditioning	97,027	32%	48
Air conditioning heat recovery	238,809	72%	118
<b>Total</b>	<b>335,836</b>	<b>53%</b>	<b>166</b>

Note: This table is based on the plan starting in 2024, with completion expected in 2025.

#### Electromechanical Engineering Section (All Completed):

1. The main air compressor pipe size was changed from 2 inches to 3 inches to reduce the continuous operation of the motor.
2. Increased the number of backup compressed air storage tanks to reduce continuous motor operation.
3. Install a linked control panel for the air compressor (the second unit will only activate when pressure is insufficient).
4. Designed air conditioning system control standards to reduce the air conditioning system's electricity usage.
5. All lighting equipment in the factory area has been replaced with LED tubes (a total of 400 LED tubes replaced).

### **Administrative Control Section (Ongoing):**

1. Reduce the number of lights turned on in unoccupied areas.
2. Encourage employees to turn off lights and unplug devices when not in use.
3. Commit to resource recycling and classification efforts to increase the efficiency of recycling work and reduce waste.
4. Require suppliers to use recyclable and reusable packaging materials.
5. Establish operational guidelines to avoid unnecessary waste and to purchase products with environmental protection labels.
6. Replace internal paper use with electronic documents to reduce paper usage.
7. Primarily use paper recycled from reclaimed materials for all posted labels or warning notices.
8. Prioritize energy-saving fixtures for new lighting purchases.

### **Newly Established Engineering Section (Currently in Progress):**

1. Apply to the Large-to-Small Manufacturing Industry Low Carbon and Intelligent Upgrade and Transformation subsidy program from the Ministry of Economic Affairs and implement consolidated air conditioning and electricity usage improvement for production line processes on the 3rd and 4th floors, as well as electricity usage improvement for the waste heat recovery process.

## 4.4 Greenhouse Gas Management

Extreme weather caused by greenhouse gases is a significant global environmental issue. Although Simula Technology is not a major energy consumer, as a member of the Earth community, reducing GHG emissions is a shared corporate goal. Simula Technology conducts a GHG self-inventory to understand the current situation and trends for in order to implement early responses. We continue to estimate the greenhouse gases generated from the Company's energy and employ these estimates as a reference for subsequent energy-saving and carbon reduction performance. In 2024, the Company's total carbon emissions were 2,798.3456 metric tons of CO<sub>2</sub>e, a decrease of 331.4863 metric tons of CO<sub>2</sub>e compared to the 3,129.8319 metric tons of CO<sub>2</sub>e emitted in 2023.

<b>Scope 1 Direct GHG emissions</b>	Emission sources owned or controlled by the Company; direct emission sources primarily consist of gasoline used in corporate vehicles and diesel used in trucks and corporate vehicles.
<b>Scope 2 Energy indirect GHG emissions</b>	The Company's indirect emissions mainly consist of indirect GHG emissions generated from purchased electricity. This includes electricity usage for equipment, offices, and public areas.
<b>Scope 3 Other indirect GHG emissions</b>	Other indirect emissions generated from the Company's other activities. Because these activities and their GHG emissions cannot be controlled, they are only subject to emission source identification and are not quantified. The qualitative listing includes: <ul style="list-style-type: none"> <li>a. Outsourced waste removal and incineration treatment, including emissions from contractors' transportation vehicles and incineration equipment.</li> <li>b. Outsourcing of wastewater treatment.</li> <li>c. Employee business travel and business trips.</li> <li>d. Employee commuting.</li> <li>e. Upstream and downstream transportation.</li> </ul>

## Simula Technology - Emission Volume by Emission Source Type

Type of emission source		Scope 1	Scope 2	Total emissions equivalent
		Direct emissions	Energy indirect	
<b>2022</b>	Emissions equivalent (metric tons of CO <sub>2</sub> e/year)	2.3075	3,898.4426	3,900.7501
<b>2023</b>	Emissions equivalent (metric tons of CO <sub>2</sub> e/year)	21.5827	3,108.2492	3,129.8319
<b>2024</b>	Emissions equivalent (metric tons of CO <sub>2</sub> e/year)	18.8642	2,779.4814	2,798.3456

Note 1: GHG types of included in the inventory are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

Note 2: The emission coefficient method was employed for calculations, where the emission factors for purchased electricity follow the carbon emission coefficients for electricity announced by the Energy Administration of the Ministry of Economic Affairs. The coefficients for 2022, 2023, and 2024 are 0.495 (kgCO<sub>2</sub>e/kWh), 0.494 (kgCO<sub>2</sub>e/kWh), and 0.474 (kgCO<sub>2</sub>e/kWh), respectively.

Note 3: In addition to power emissions, energy emission data were calculated using the estimation tool provided by the Environmental Protection Administration. The carbon emission factors used were sourced from the Greenhouse Gas Emission Factor Management Table Version 6.0.4.

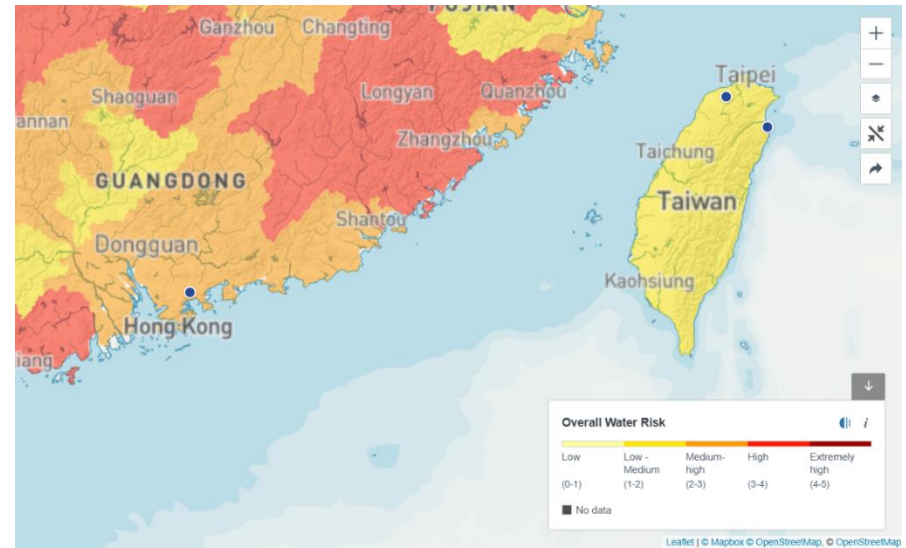
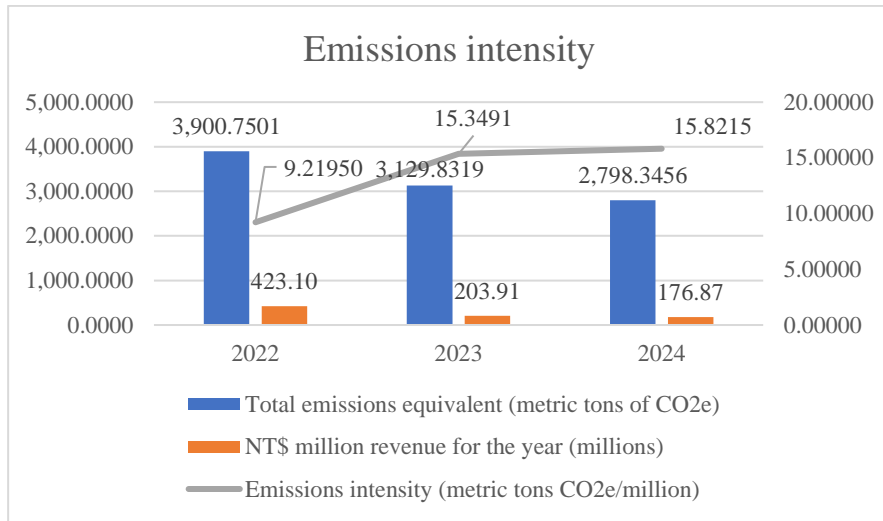
Note 4: Because the local coefficients from Simula Technology (ShenZhen) were relatively outdated, the coefficients published by the competent authority in Taiwan were used for calculations.

## Simula Technology - Emissions Intensity

Unit: metric tons CO<sub>2</sub>e/NT\$ million revenue

Year	Total emissions equivalent	NT\$ million revenue for the year	Emissions intensity
<b>2022</b>	3,900.7501	423.10	9.2195
<b>2023</b>	3,129.8319	203.91	15.3491
<b>2024</b>	2,798.3456	176.87	15.8215

Note: Emissions intensity is calculated as total emissions equivalent (metric tons of CO<sub>2</sub>e) divided by the company's revenue in NT\$ million for each year.



## 4.5 Water Resources Management

### Water Resources Management Policy

- ✓ Increase water resource use efficiency
- ✓ Evaluate water resource risks and response plans, manage water shortage risks

The Company operates in the electronic components manufacturing industry. According to the risk identification results of the water resource risk assessment tool developed by the World Resources Institute (WRI), in 2024 the Company's operational sites were classified as being in areas with low to moderate and moderate to high water resource stress. Our manufacturing processes do not require large amounts of water, nor do they produce process wastewater from product manufacturing. Therefore, there is no water shortage crisis.

330台湾桃園市桃園區中正路13...

Input address: 330台湾桃園市桃園區中正路1351號14樓

Match address: -

Latitude: 25.0226315

Longitude: 121.2950669

Country: Taiwan

Province: Taiwan

Major Basin: Taiwan

Minor Basin: Taan/Tachia River

Aquifer: -

Overall Water Risk: Low - Medium (1-2)

[Delete point](#)

中國廣東省深圳市龍崗區龍崗街...

Input address: 中國廣東省深圳市龍崗區龍崗街

Match address: 崗街道 郵政編碼: 518172

Latitude: 22.719742

Longitude: 114.272821

Country: China

Province: Guangdong

Major Basin: China Coast

Minor Basin: Dong Jiang

Aquifer: -

Overall Water Risk: Medium - High (2-3)

[Delete point](#)

268台湾宜蘭縣五結鄉利工一路...

Input address: 268台湾宜蘭縣五結鄉利工一路二段148號

Match address: -

Latitude: 24.6664249

Longitude: 121.8339519

Country: Taiwan

Province: Taiwan

Major Basin: Taiwan

Minor Basin: Lanyang / Hualien Basin

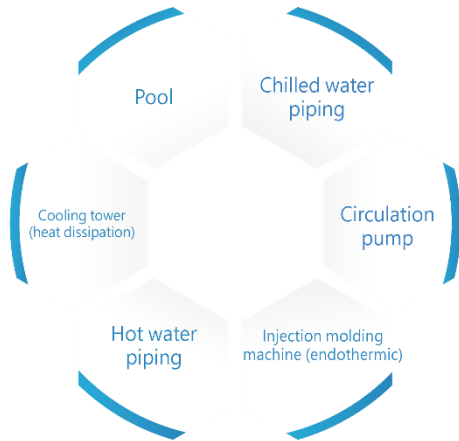
Aquifer: -

Overall Water Risk: Low - Medium (1-2)

[Delete point](#)

### 4.5.1 Water Withdrawal and Discharge

All operational sites of Simula Technology obtain their water supply from Taiwan Water Corporation, which provides tap water (third-party water, fresh water with total dissolved solids  $\leq 1000$  mg/L). No water was sourced from seawater, groundwater, or other sources. Water used was primarily for domestic water usage by general office staff or certain air conditioning equipment, such as restrooms and cooling towers. The wastewater was discharged through local sewage treatment systems. Simula Technology Taiwan is located in Taoyuan City, Taoyuan Dist., with water sourced from Shihmen Dam; Action Star Technology is situated in the Loung Te (with Letzer) Industrial Parks in Yilan County, with water supplied by Loung Te Water Treatment Plant, Suao Water Treatment Plant, and Wanshan Water Treatment Plant; Simula Technology (ShenZhen) is located in Longgang District, ShenZhen, with water sourced from Qinglinjing Reservoir and Songzikeng Reservoir. The operational risk related to water resources is relatively low. However, the Company continues to fully implement water resource management. The office staff's domestic water use focuses primarily on infrastructure inspection and improvement. The Company continues to supervise employees in water-saving environmental education and advocacy, actively practicing water conservation to reduce the impact on water resources and the environment.



Simula Technology (ShenZhen) Cooling Water Circulation

### Simula Technology - Water Resource Usage

Unit: ML (million liters)

Year	Operating site	Water withdrawal	Water discharge	Total water withdrawal	Total water discharge	Total water consumption
2022	Simula Technology Taiwan	0.9612	0.9612	79.0026	78.3005	0.7021
	Action Star Technology	3.4571	2.7550			
	Simula Technology (ShenZhen)	74.5843	74.5843			
2023	Simula Technology Taiwan	0.6365	0.6365	75.0900	74.5477	0.5423
	Action Star Technology	2.6543	2.1120			
	Simula Technology (ShenZhen)	71.7992	71.7992			
2024	Simula Technology Taiwan	0.7058	0.7058	76.9949	76.4830	0.5119
	Action Star Technology	2.6299	2.1180			
	Simula Technology (ShenZhen)	73.6592	73.6592			

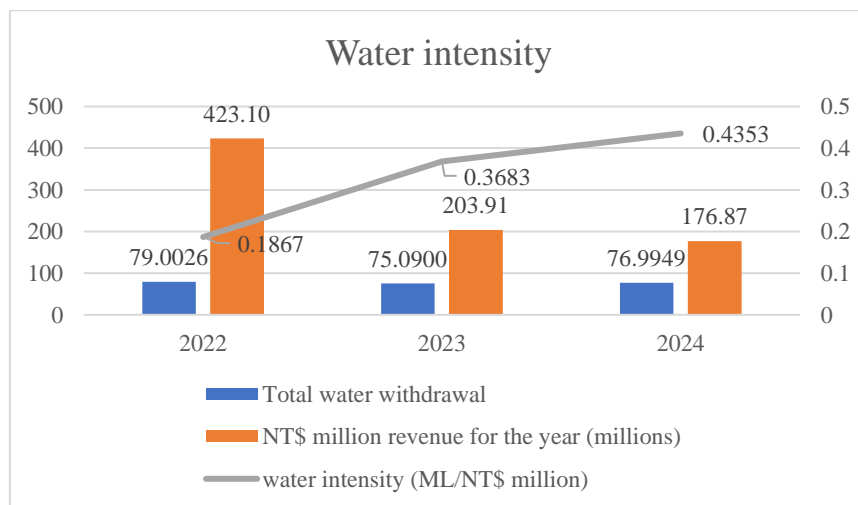
Note: Only Action Star Technology calculates water consumption according to the industrial park drainage regulations (calculated as 20% of water withdrawal). For all other sites, water consumption is disclosed based on the assumption that water withdrawal equals water discharge.

### Simula Technology - Water Intensity

Unit: ML (million liters)/NT\$ million revenue

Year	Total water withdrawal	NT\$ million revenue for the year	Water intensity
2022	79.0026	423.10	0.1867
2023	75.0900	203.91	0.3683
2024	76.9949	176.87	0.4353

Note: Water intensity = total water withdrawal (ML/NT\$ million company revenue) for each year.



### Water pollution prevention and wastewater discharge management

To ensure that the discharged water meets the water quality standards of the centralized wastewater treatment facilities in the industrial park (this report only briefly describes the standards for SS suspended solids and COD chemical oxygen demand), Action Star Technology conducts biannual testing of domestic sewage water quality. The aforementioned tests all comply with the local effluent discharge standards. Although water quality testing was not conducted at other locations, no incidents of violations of local environmental protection regulations occurred.

Annual Statutory Standard Value	SS	COD
	<320mg/L	<480mg/L
First half of 2023	19.2mg/L	162mg/L
Second half of 2023	9.6mg/L	154mg/L
First half of 2024	13.2mg/L	79.1mg/L
Second half of 2024 details	11.2mg/L	136mg/L

#### Measurements for water management

Promote water conservation measures, recycling and reuse, and increase the efficiency of water use equipment:

1. Using sensor-activated faucets.
2. Use a dual-flush toilet.
3. Irregular replacement and renewal of old pipelines.
4. Regular replacement of water dispenser filters and water quality testing to ensure water safety.
5. Regular maintenance and servicing of equipment, along with disinfection and cleaning of the water tower, to increase the efficiency of water usage equipment.
6. Post information related to water conservation, electricity saving, and resource preservation beside the equipment. Conduct educational training for new and existing employees to teach correct knowledge of water and electricity usage.

## 4.6 Waste Management

The primary sources of waste and the implementation measures at each operational site of Sigma Technology were as follows:

Simula Technology Taiwan	
Primary sources of waste	Implementation measures
<ol style="list-style-type: none"> <li>Scrap primarily consists of inventory materials and products that are expired, damaged, or unusable.</li> <li>Includes electronic components, packaging materials, and other spare parts that can no longer be used in production due to obsolescence, damage, or non-compliance with specifications.</li> </ol>	<ol style="list-style-type: none"> <li>Inventory and classification: A scrap inventory and classification are conducted according to item categories, distinguishing between reusable and non-reusable materials.</li> <li>Internal audit procedure: The disposal list must be reviewed and approved by the relevant departments. Once confirmed to be accurate, the disposal process may proceed.</li> <li>Collection and disposal: Recycling and disposal are outsourced to qualified collection contractors. According to their categories, scrap items are processed using methods such as incineration, landfill, or resource recycling.</li> <li>Document filing and tracking: A complete record of the waste disposal and transportation process is maintained to facilitate future audits and inspections.</li> </ol>

Action Star Technology	
Primary sources of waste	Implementation measures
<ol style="list-style-type: none"> <li>The waste generated primarily from surface mounting, component assembly, and packaging are all classified as general industrial waste.</li> <li>There are also employee household waste and non-process-generated waste materials such as scrap wood (pallets) and waste plastics.</li> <li>Waste lubricating oil</li> <li>Waste solvent (D-1504)</li> </ol>	<ol style="list-style-type: none"> <li>All general industrial waste is entrusted to qualified waste disposal contractors for handling.</li> <li>Waste lubricating oil is collected and processed by the contractor during maintenance.</li> <li>Waste solvent (D-1504) is temporarily stored on-site until its quantity meets the required amount for disposal, after which it is collectively entrusted to a qualified disposal contractor for processing.</li> <li>When the waste removal contractor dispatches the waste, they must complete the "Triplicate Form for Joint Treatment of Business Waste by Entrustment." Within 4 days of dispatch, the contractor must log into the Industrial Waste Report and Management System to verify the accuracy of the form details and the GPS clearance route. Finally, within 35 days of dispatch, the contractor must obtain proper disposal documentation.</li> </ol>

## Simula Technology (ShenZhen)

### Primary sources of waste

### Implementation measures

<ol style="list-style-type: none"> <li>1. Main types of waste materials include: defective products generated during the production process, copper scraps from stamping and finished product manufacturing, packaging materials for components used in production workshops (such as kraft paper tape and cardboard boxes), stretch film, paper roll cores, and waste paperboard produced during warehouse operations, as well as office courier packaging. All of these fall under the category of general industrial waste.</li> <li>2. Other types of waste include: domestic waste and food waste from employees, non-process-generated waste wood (such as pallets), damaged nylon and paper packaging bags, as well as sprue waste and waste plastics generated from injection molding.</li> <li>3. Special waste items such as: discarded fire extinguishers.</li> <li>4. Hazardous waste such as waste engine oil, empty barrels/empty bottles, oil-containing rags, waste grinding water, and waste fluorescent tubes are all classified and disposed of in accordance with regulations.</li> </ol>	<p>Simula Technology (ShenZhen) established the "UL2799A Waste Zero Landfill Management Manual" and implements waste reduction and resource reuse management in accordance with the manual's requirements. This year, the company has successfully passed the zero waste audit and obtained the UL2799 Platinum Level Certificate. The operational procedure is as follows:</p> <ol style="list-style-type: none"> <li>1. Waste generated from the operational activities of each department is collected and stored in the "Temporary Solid Waste Storage Area" established by each department. This process is managed by designated personnel according to the classification and treatment methods of the waste. Before transferring to the "General Solid Waste Storage Warehouse" each week, different types of waste must be weighed and recorded. Every Friday, the detailed weighing records are to be submitted to the Management Center for compilation and statistical analysis.</li> <li>2. The Management Center classifies and stores waste according to its final disposal method. Once a certain quantity is accumulated, it notifies a qualified organization that has a hazardous waste disposal contract with the company to carry out the transfer.</li> <li>3. The Product Development Center is responsible for design and process improvements to reduce material usage and solid waste generation; equipment improvements are implemented to decrease the amount of solid waste. The Quality Assurance Center is responsible for incoming material quality inspection to control solid waste generation. Process capability development aims to reduce defective and substandard products. The Product Manufacturing Center operates according to Standard Operating Procedures (SOP) to strengthen internal reuse. The Materials Center precisely manages both external and internal reuse within procurement and logistics.</li> </ol>
---	---

## Action Star Technology - Waste Output

Unit: metric tons

Category	Waste items	2022	2023	2024	Handling method	Off-site/On-site handling
<b>Hazardous industrial waste</b>	Printed circuit board waste containing metals and its dust	5.2360	1.9300	1.5200	Reuse	Off-site
<b>General industrial waste</b>	Industrial waste	66.4540	37.7180	25.6950	Physical treatment	Off-site
	Non-hazardous organic waste liquid (D-1504)	1.7200	0.0000	0.0000	Incineration	Off-site
	Subtotal	68.1740	37.7180	25.6950	-	-
<b>Recycling</b>	Waste paper	78.4900	29.9900	17.0100	Recycling	Off-site
	Scrap iron	0.9200	0.1300	0.1250	Recycling	Off-site
	Subtotal	79.4100	30.1200	17.1350	-	-
<b>Total weight (excluding recyclables)</b>		73.4100	39.6480	27.2150	-	-
<b>Total weight (including recyclables)</b>		152.8200	69.7680	44.3500		

## Simula Technology (ShenZhen) - Waste Output

Unit: metric tons

Category	Waste items	2022	2023	2024	Handling method	Off-site/On-site handling
<b>Hazardous industrial waste</b>	Empty barrels/bottles	0.0450	0.0405	0.0312	Incineration without energy recovery	Off-site
	Waste rags	0.1200	0.1371	0.0802	Incineration without energy recovery	Off-site
	Waste fluorescent tubes	0.0400	0.0364	0.0313	Incineration without energy recovery	Off-site
	Waste engine oil	0.1530	0.1327	0.0304	Incineration without energy recovery	Off-site
	Waste grinding water	0.0000	0.0000	0.1009	Recycling	Off-site
	Subtotal	0.3580	0.3467	0.2740	-	-
<b>General industrial waste</b>	Waste paper	3.5080	5.0174	3.1071	Recycling	Off-site
	Stretch film and adhesive tape roll cores	0.0265	0.0342	0.0274	Recycling	Off-site
	PET	1.7655	1.6560	1.9155	Recycling	Off-site
	Waste sprue material	1.4582	1.3379	1.6467	Reduction	Off-site
	Damaged nylon and paper packaging bags	0.2020	0.2220	0.2073	Reduction	Off-site
		0.0000	0.0000	0.0060	Incineration without energy recovery	Off-site

Category	Waste items	2022	2023	2024	Handling method	Off-site/On-site handling
	PE bags	0.8325	1.0468	0.6395	Recycling	Off-site
	Rubber finger cots	0.7586	1.0797	0.6953	Recycling	Off-site
	Scrap copper	10.3054	24.4184	19.3984	Recycling	Off-site
	Scrap steel	8.5095	19.4020	19.0352	Recycling	Off-site
	Scrap iron	0.1222	0.1684	0.0962	Recycling	Off-site
	Scrap aluminum	0.0125	0.0158	0.0043	Recycling	Off-site
	Scrap materials	3.8520	5.0857	17.0526	Recycling	Off-site
	Lightweight reusable wooden pallets	3.1610	4.6110	2.2260	Reduction	Off-site
	Waste wooden pallets	0.2465	0.2320	0.1215	Incineration without energy recovery	Off-site
	Woven nylon strapping	0.1255	0.1190	0.1136	Incineration without energy recovery	Off-site
	Household waste	0.1255	0.1076	2.7162	Incineration with energy recovery	Off-site
	Discarded fire extinguishers	0.1785	0.1400	0.4260	Recycling	Off-site
	Non-food kitchen waste	5.5546	16.9345	16.6510	Anaerobic digestion	Off-site
	Food waste	-	25.8144	26.7369	Biomass fuel	Off-site
	Food waste	-	34.1441	34.4755	Anaerobic digestion	Off-site
	Subtotal	40.7445	141.5869	147.2982	-	-
	<b>Total weight</b>	<b>41.1025</b>	<b>141.9336</b>	<b>147.5722</b>		

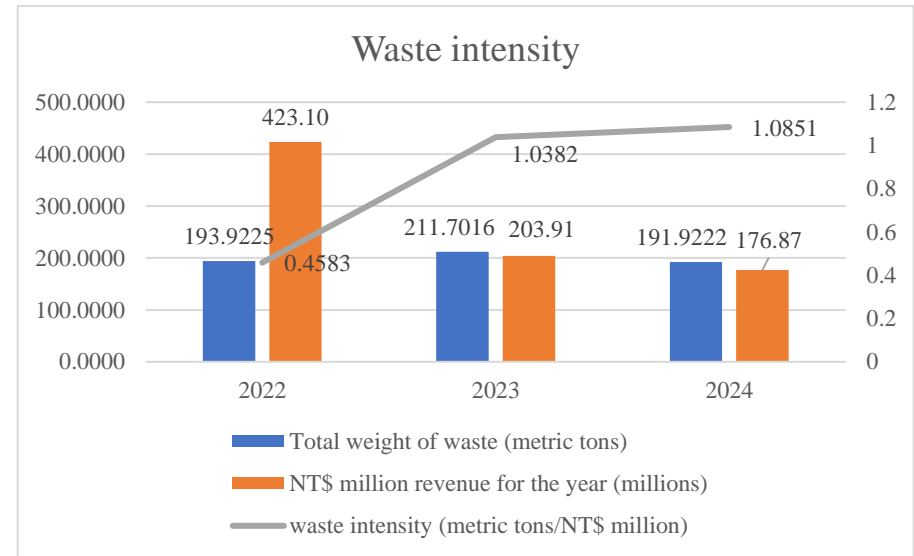
Note: The production lines of Simula Technology Taiwan are outsourced, and the operational sites consist only of offices and warehouses; therefore, it is not possible to quantify the weight of waste. Consequently, no scrapping was conducted in 2024.

## Simula Technology - Waste Intensity

Unit: metric tons/NT\$ million revenue

Year	Total weight of waste	NT\$ million revenue for the year	Waste intensity
2022	193.9225	423.10	0.4583
2023	211.7016	203.91	1.0382
2024	191.9222	176.87	1.0851

Note: Waste intensity = total weight of waste (metric tons) ÷ NT\$ million company revenue for each fiscal year.



## 4.6.1 Treatment Process of Hazardous Waste

Taking the Taiwan operational site as an example:



Clearance Permit and Roadmap for Action Star Technology:



## Ch 5. Social Care

### 5.1 Labor Relations

Simula Technology regards employees as its most valuable asset and is committed to creating a happy workplace by providing a safe working environment. To ensure harmonious labor-management relations and to continue its excellent corporate culture, thereby consolidating the Company's core values and sustainable development goals, the Company has strengthened employee benefits, offering a competitive remuneration system to boost employees' sense of belonging at the Company. In order to continuously maintain the competitiveness of employees and the Company, the Company has planned a comprehensive education and training system. Employees periodically participate in internal and external continuing education courses based on the nature of their work, enabling them to continue to grow in the workplace. At the same time, the Company provides transparent channels for promotion, ensuring that employees' achievements in continuing education, personal work performance, and goal attainment are accurately reflected in promotions and remuneration, allowing colleagues to anticipate future career development opportunities.

The Company places great importance on the safety of employees' working environment. Regarding the personal safety of employees and the protection of the working environment, in addition to complying with Taiwan's regulations, the Company has established and implemented a safety and health management plan. Regular activities include operational environment monitoring, safety and health inspections and audits, safety and health education and training, as well as fire safety education and training. These measures not only ensure the safety of employee working environments but also include employee health as a management item. The Company conducts annual health examinations for employees to help them understand their physical condition and provides subsequent medical consultation services.

Adhering to its commitment to employee well-being, the Company has established comprehensive systems for leave, welfare, and retirement. Furthermore, we maintain both an Employee Welfare Committee and regular labor-management meetings to collectively oversee and implement all employee welfare programs, thereby fostering labor-management cooperation and mutual prosperity.

The Company holds a labor-management meeting quarterly (four times per year), where representatives from both labor and management jointly discuss working conditions, the work environment, safety, health, and welfare measures. All meeting outcomes are formally recorded and tracked for necessary improvements.

In addition, a suggestion mailbox and employee grievance channels have been established to ensure that employees' opinions are communicated without obstruction.

The Company has not established a labor union, primarily because labor-management relations are harmonious, communication is smooth, and there is a high level of mutual trust between the parties. No significant labor-management disputes occurred during the reporting period.

### 5.1.1 Human Rights Protection

To fulfill corporate social responsibility and safeguard the fundamental human rights of all employees, customers, and stakeholders, Simula Technology respects and adheres to internationally recognized human rights principles, including the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Based on these principles, Simula Technology has established its human rights policy, which includes the following:

- I. Diversity, inclusion, and equal opportunity
- II. Oppose discrimination, bullying, and harassment
- III. Comply with minimum wages and reasonable working hours
- IV. Prohibit forced labor and child labor
- V. Healthy and safe workplace environment
- VI. Implement information security
- VII. Promote labor-management harmony
- VIII. Report complaints

To ensure that all employees understand the Company's human rights policy, compliance promotion sessions were conducted in 2024 for a total of 282 participants, including all employees and new hires, for a total of approximately 556 hours. Relevant course materials were uploaded to an internal employee training platform, making them available for reference by all company employees to complete human rights protection training. The course content included the following: prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, insider trading prevention, ethical training, anti-trust measures, and the provision of a healthy and safe environment. In the future, we will continue to focus on human rights protection issues, promote and implement related education and training to raise awareness of human rights protection, and reduce the likelihood of related risks occurring.

### Complaint Channels

- Email: [ethics@simulatechnology.com](mailto:ethics@simulatechnology.com) | • Telephone: 03-3010008
- Website: <https://simulatechnology.com>

## 5.2 Employee Statistics

All employees of Simula Technology are full-time staff under non-fixed-term contracts. The Company is committed to providing a stable and sustainable work environment, enabling employees to focus on their work, thereby enhancing overall work efficiency and quality of life while ensuring their economic security. As of the end of 2024, the total number of employees was 600, of which 340 people were women, accounting for 56.67% of all employees. This demonstrates the Company's commitment to talent-based employment without gender discrimination.

Employees can be categorized into direct personnel and indirect personnel based on the nature of their duties. The former primarily engage in production line operations, while the latter are involved in functions such as research and development, quality management, and business development, reflecting the Company's diverse utilization of technical and managerial talent. In recent years, the overall workforce age structure has been dominated by employees under the age of 50, accounting for 86.12%, reflecting a trend toward a younger labor force within the Company.

In terms of human resource allocation, Simula Technology is led by senior executives with practical experience who guide a young team, forming a stable organizational structure with growth potential. The Company's human resource operations remain stable, with no significant shortages occurring, demonstrating its efficiency and stability in the utilization of human resources.

## Number of employees

Statistics/Year		2022		2023		2024	
<b>Total number of employees</b>		785		650		600	
<b>Employment contract</b>		Irregular	Regular	Irregular	Regular	Irregular	Regular
<b>Gender</b>	Male	309	0	276	0	260	0
	Female	476	0	374	0	340	0
<b>Region</b>	Taiwan	475	0	369	0	342	0
	China	310	0	281	0	258	0
<b>Types of labor-employment</b>		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>Gender</b>	Male	309	0	276	0	260	0
	Female	476	0	374	0	340	0
<b>Region</b>	Taiwan	475	0	369	0	342	0
	China	310	0	281	0	258	0

Note 1: Total Number of Employees for the year: The total number of employees as of the end of the year (December 31) shall be used as the standard.

Note 2: Labor contracts are divided into non-fixed term contract employees (full-time) and fixed-term contract employees (short-term, seasonal, or for specific project periods; this also includes cases where original employees take maternity or parental leave, and the company hires other employees to temporarily fill the position until the original employee returns from leave).

Note 3: Employment types are categorized into full-time employees (working hours per week reaching the statutory maximum) and part-time employees (working hours per week not reaching the statutory maximum, including only partial-hour personnel such as student workers, hourly workers, and medical staff employed by the Company).

Note 4: The number of employees listed in this table is compiled from Simula Technology Taiwan, Simula Technology (ShenZhen, China), and Taiwan Action Star Technology.

## Number of Non-Employee Workers

Statistics/Year		2022		2023		2024	
<b>Total number of workers</b>		92		127		116	
<b>Contract Type</b>		Dispatch	Appointment	Dispatch	Appointment	Dispatch	Appointment
<b>Gender</b>	Male	67	0	72	0	57	0
	Female	25	0	55	0	59	0
<b>Region</b>	Taiwan	0	0	0	0	14	0
	China	92	0	127	0	102	0
<b>Nature of Work</b>		Technician/Operator	Senior Technical Consultant	Technician/Operator	Senior Technical Consultant	Technician/Operator	Senior Technical Consultant
<b>Gender</b>	Male	67	0	72	0	57	0
	Female	25	0	55	0	59	0
<b>Region</b>	Taiwan	0	0	0	0	14	0
	China	92	0	127	0	102	0

Note: Non-employee workers refer to individuals who provide labor services to the Company but do not have an employment contract with the company. These individuals are subject to the Company's control and direction regarding the content and execution of their work, such as dispatched personnel, on-site staff of contracted vendors, and senior executives appointed as senior consultants after retirement.

## Employee Diversity

Diversity Statistics/Year		2022		2023		2024		
		Number of workers	Percentage	Number of workers	Percentage	Number of workers	Percentage	
<b>Direct personnel</b>	Gender	Male	107	13.63%	79	12.15%	71	11.83%
		Female	334	42.55%	230	35.38%	201	33.50%
	Age	Less than 30 years	95	12.10%	52	8.00%	49	8.17%
		Above 30 years, less than 50 years	325	41.40%	246	37.85%	209	34.83%
		Above 50 years old	21	2.68%	11	1.69%	14	2.33%
	Education	Master's degree	1	0.13%	0	0.00%	0	0.00%
		College	128	16.31%	88	13.54%	89	14.83%
Other		312	39.75%	221	34.00%	183	30.50%	
<b>Direct personnel</b>	Gender	Male	202	25.73%	197	30.31%	189	31.50%
		Female	142	18.09%	144	22.15%	139	23.17%
	Age	Less than 30 years	44	5.61%	41	6.31%	32	5.33%
		Above 30 years, less than 50 years	243	30.96%	234	36.00%	219	36.50%
		Above 50 years old	57	7.26%	66	10.15%	77	12.83%
	Education	Master's degree	22	2.80%	22	3.38%	27	4.50%
		College	180	22.93%	190	29.23%	175	29.17%
Other		142	18.09%	129	19.85%	126	21.00%	

Note 1: Employees are categorized into direct personnel and indirect personnel.

Note 2: Percentage of direct personnel under 30 years old = (total number of direct personnel under 30 years old in the current year/total number of employees in the current year) × 100%.

## 5.3 Remuneration and Benefits

Simula Technology firmly believes that a stable and growth-oriented company must be built upon a solid foundation of human resources. To attract and retain outstanding talent, the Company offers a competitive remuneration and benefits system, values employee performance and long-term contributions, and fosters a fair and motivating workplace culture through transparent and equitable evaluation and reward mechanisms. This initiative not only strengthens employees' commitment to their work but also further shapes corporate cohesion and a sense of identity.

In terms of human resource development, the Company is committed to establishing a comprehensive and transparent promotion mechanism, enabling employees with the necessary capabilities and outstanding performance to receive deserved promotion opportunities, thereby fostering an overall atmosphere of learning and progress. Furthermore, Simula Technology arranges for employees to participate in educational training courses based on an annual plan, encouraging continued learning and professional development. These efforts support employees in realizing their personal potential and self-worth throughout their career journey.

The Company has also established diverse channels for feedback and dialogue in order to strengthen its internal communication mechanism, enabling employees to express their opinions and suggestions in a timely manner. The Company responds with goodwill and constructive feedback, further fostering a mutual trust between labor and management and maintaining a stable and positive cooperative environment.

Material Topics		Remuneration and Benefits
Significance to the Company		Providing a competitive remuneration system and comprehensive employee benefits attracts outstanding talent while also increasing employee loyalty. This fosters mutual growth between the company and its employees.
Policy/Commitments		<p>Policy: People are the most important asset of a company. Our aim, therefore, is to ensure that every employee can work with peace of mind and is willing to fully realize their potential. By effectively providing, through human resource policy, the human resources required for the company's sustainable development, the needs of the company's organizational development can be met.</p> <p>Commitments: The Company has established a remuneration system based on performance evaluation guidelines in order to implement the employment philosophy that each employee contributes according to their ability and is compensated according to their value.</p>
Objectives	<b>Short-term</b>	Adjust the salary structure annually in accordance with each employee's individual performance contributions.
	<b>Mid- to long-term</b>	Distribute employee bonuses based on the company's operating profit and individual employee performance.
Resources invested in 2024		<ol style="list-style-type: none"> <li>1. Recruitment and employment: Personnel are effectively provided and utilized based on annual workforce planning goals to meet each department's staffing needs and ensure high-quality human resources.</li> <li>2. Remuneration and benefits: When the Company generates profits, it shares them with employees through the distribution of employee remuneration and year-end bonuses. Salary adjustments are carried out based on operational performance and individual employee performance.</li> <li>3. Education and Training: According to an annual education and training plan, strengthen employee capabilities and assist in their growth to align with the Company's development objectives.</li> </ol>

Material Topics	Remuneration and Benefits
	4. Insurance system: In addition to labor and health insurance, employees are also entitled to group insurance.
<b>Responsible Department/Complaint Mechanism</b>	Administration & Finances Department
<b>Evaluation Mechanism/Results</b> <small>(Note)</small>	1. The average training hours per employee was 9.55 hours. 2. The percentage of employees involved in performance evaluations was 90%. 3. The employee health check-up rate was 78%, with on-site medical and nursing services provided 12 times.

Note: The evaluation mechanism/results refer to Simula Technology Taiwan.

Stable human resources are the core of the Company's sustainable development. Simula Technology provides a competitive remuneration system to attract and retain outstanding talent. The Company employs personnel based solely on merit, without discrimination in recruitment and employment based on gender, age, race, marital status, political affiliation, or other factors. Simultaneously, performance evaluation guidelines were established, centered on the employment philosophy of "each contributing according to their ability and receiving according to their value." Based on employees' job responsibilities, an annual training plan was designed to strengthen employee capabilities and support their growth. This approach enables employees to grow together with the Company while maintaining our competitiveness. In 2024, the average training hours per employee at Simula Technology Taiwan was 9.55 hours.

The Company conducts annual employee performance evaluations. In 2024, salary structures were adjusted based on operational results and individual employee performance, ensuring that employees' work performance was reflected in their remuneration. The Administration & Finances Department is responsible for coordinating, implementing, and supervising policies related to the remuneration and benefits system. A complaint channel was also established to ensure that employee rights are properly protected. In 2024, the employee performance evaluation rate at Simula Technology Taiwan reached 90%.

### Median Salary of Non-Managerial Employees

Non-managerial full-time employees	Number of employees	Average annual salary	Median annual salary
<b>2023</b>	59	1,167	898
<b>2024</b>	55	1,001	859
<b>Difference</b>	-4	-166	-39

Note: The median salary in the table is based on full-time non-managerial employees of Simula Technology Taiwan.

Note: The annual salary is primarily denominated in New Taiwan Dollars.

### Employee Performance Evaluations

2024 Evaluation statistics		Actual number of evaluated personnel	Number of employees of this type	Percentage
<b>Gender</b>	Male	257	262	43.67%
	Female	326	338	56.33%
<b>Employee type</b>	Direct	263	269	44.83%
	Indirect	320	331	55.17%

Note: The above performance evaluation data are compiled from the human resources data of Simula Technology Taiwan, Simula Technology (ShenZhen), and Action Star Technology.

## New Hires and Departing Employees

Item/Year		2022		2023		2024	
Total number of employees of the current year		785		650		600	
New hire and departing employee statistics		<b>Number of workers</b>	<b>Ratio</b>	<b>Number of workers</b>	<b>Ratio</b>	<b>Number of workers</b>	<b>Ratio</b>
New hires							
<b>Age</b>	Less than 30 years	69	8.79%	33	5.08%	32	5.33%
	Above 30 years, less than 50 years	95	12.10%	42	6.46%	62	10.33%
	Above 50 years old	6	0.76%	13	2.00%	18	3.00%
<b>Gender</b>	Male	59	7.52%	37	5.69%	42	7.00%
	Female	111	14.14%	51	7.85%	70	11.67%
<b>Education</b>	Graduate (Master's and doctoral programs)	3	0.38%	2	0.31%	4	0.67%
	College	75	9.55%	23	3.54%	59	9.83%
	Other	92	11.72%	63	9.69%	49	8.17%
<b>Region</b>	Taiwan	127	16.18%	21	3.23%	77	12.83%
	China	43	5.48%	67	10.31%	35	5.83%
Departing employees							
<b>Age</b>	Less than 30 years	115	14.65%	95	14.62%	78	13.00%
	Above 30 years, less than 50 years	192	24.46%	181	27.85%	152	25.33%
	Above 50 years old	19	2.42%	19	2.92%	16	2.67%
<b>Gender</b>	Male	126	16.05%	106	16.31%	76	12.67%
	Female	200	25.48%	189	29.08%	170	28.33%
<b>Education</b>	Graduate (Master's and doctoral programs)	4	0.51%	3	0.46%	5	0.83%
	College	66	8.41%	67	10.31%	66	11.00%

Item/Year		2022		2023		2024	
	Other	256	32.61%	225	34.62%	175	29.17%
Region	Taiwan	120	15.29%	130	20.00%	104	17.33%
	China	206	26.24%	165	25.38%	142	23.67%

Note:

1. Total number of employees in the current year: based on total number of employees as of December 31
2. New employees refer to those who were recruited by the Company during the current year, including those who joined within the year but had resigned by the end of the year.
3. New hire rate = (total number of new employees of a specific type for the current year/total number of employees for the year) × 100%.
4. For example, the percentage of newly hired female employees = (total number of newly hired female employees during the current year/total number of employees during the current year) × 100%.
5. Departing rate = (total number of new employees of a specific type for the current year/total number of employees for the year) × 100%.
6. For example, the departing rate for employees under 30 years old = (total number of departing employees under 30 years old/total number of employees during the year) × 100%.

## Employee Welfare System

1. Labor insurance, health insurance, and group insurance (life insurance, accident insurance, hospitalization insurance, cancer insurance).
2. Monetary gifts for major holidays (Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year), birthday gifts, and biannual departmental gatherings.
3. Employee profit-sharing (subject to the company's earnings situation).
4. Subsidies for employee marriage, funeral, and celebration.
5. Funeral condolence allowance (for oneself, parents, spouse, and children).
6. Employee travel (subject to the company's earnings situation).
7. Regular employee health examinations.
8. Provide employee education and training.
9. Childcare allowance: Employees receive a monthly childcare allowance of NT\$2,500 per child throughout their employment, continuing until the child reaches six years of age.
10. Other welfare activities (Family Day, hiking and cultural events, etc.) are organized in coordination with the headquarters of the Group.

## Parental Leave for Childcare

Employee parental leave/Year	Gender	Statistics (Note 5)		
		2022	2023	2024
Number of employees eligible for parental leave (Note 1)	Male	7	7	8
	Female	12	13	13
Number of employees applying for parental leave	Male	4	4	3
	Female	12	12	13
Number of employees scheduled to return after parental leave	Male	5	4	4
	Female	5	17	13
Number of employees actually returning after parental leave (Note 2)	Male	4	4	3
	Female	2	14	9
Return-to-work rate (Note 3)	Male	80.00%	100.00%	75.00%
	Female	40.00%	82.35%	69.23%
Number of employees who have completed one year of parental leave and have remained employed for 12 months after returning to work	Male	3	4	4
	Female	5	1	10
Retention rate (Note 4)	Male	100%	100%	100%
	Female	100%	50%	71%

Note 1: The number of employees eligible for parental leave is based on the number of male and female employees who have applied for maternity or paternity leave in the past three years.

Note 2: The number of employees who actually returned to work after parental leave includes those who returned earlier than scheduled.

Note 3: Return-to-work rate = (total number of employees who returned to work in the current year/total number of employees scheduled to return to work in the current year) × 100%.

Note 4: Retention rate = (total number of employees still employed 12 months after returning to work in the previous year/actual number of employees who returned to work in the previous year) × 100%.

Note 5: The statistics listed in this table were compiled from Simula Technology Taiwan, Simula Technology (ShenZhen), and Action Star Technology.

## Retirement System

Starting from July 1, 2005, the Company, in compliance with legal regulations, has been contributing 6% of employees' monthly salary to the Bureau of Labor Insurance's individual pension accounts for newly hired employees and existing employees who opted for the new pension system. At the same time, the Company continues to allocate an appropriate amount of retirement reserves to a special account at the Bank of Taiwan for existing employees who choose to apply the old pension system and for those who chose the new pension system but retained their years of service under the old system, calculated according to the pension payment standards of the original employee retirement regulations. Regarding employees who are transferred by organizational assignment to affiliated companies, their years of service will continue to be counted, providing employees with greater protection and achieving the goal of talent circulation within the group. Employees of overseas subsidiaries are required to pay various social security contributions, including pension and medical insurance, on a monthly basis in accordance with the regulations of the local government.

Retirement System	Old System	New System
<b>Applicable legal sources</b>	Labor Standards Act	Labor Pension Act
<b>How to withdraw</b>	A monthly contribution of 2% of the total salary of selected employees under the old system shall be made and deposited into a special account at Taiwan Bank (formerly the Central Trust Bureau) in the name of the Company.	A total of 6% is allocated to the employee's individual account at the Bureau of Labor Insurance based on insured salary level.
<b>Contribution amount</b>	The accumulated amount in the labor retirement reserve fund is NT\$7,061,000.	Contribution of NT\$3,456,000 for 2024

Note: The contributed amount is based on Simula Technology Taiwan.

## 5.4 Talent Cultivation

Simula Technology has always believed that the continuous growth and learning of employees are essential cornerstones for a company's sustainable development. To ensure that human capital continuously upgrades along with industry changes and business demands, the Company has established a comprehensive education and training system. Centered on on-the-job training, this system integrates new employee orientation, professional competency courses, and managerial training. It systematically promotes learning and development activities aligned with the company's annual objectives and the actual needs of each department.

Simula Technology annually formulates employee training plans based on the overall operational strategy. The plans encompass key annual training focuses, including professional knowledge, workplace skills, and leadership development. This approach assists employees in continuously enhancing their competitiveness throughout their career progression, while simultaneously enabling the organization to benefit from improvements in workforce quality. Through the continuous promotion of internal training, professional knowledge and practical experience can be effectively transferred between departments, and it can also serve as an important reference for employees in formulating their personal career development directions.

For new employees, the Company assigns dedicated personnel to conduct orientation sessions, complemented by online training and assessments. These cover fundamental topics such as company policies and occupational safety. Subsequently, respective departments provide practical training and professional skills development. In terms of daily learning, the Company encourages employees to select appropriate courses based on the nature of their job duties and supports their participation in both internal and external training related to business operations. Internal training is typically organized by each department, with experienced colleagues providing instruction; external training, on the other hand, requires supervisor approval before employees are selected to participate. Participants are then required to share their learning with their departments to achieve the benefits of knowledge dissemination and collective learning.

## Employee Training Hours Statistics

Statistics/Year		2022	2023	2024
<b>Average training hours per employee</b>		15.26	12.08	9.55
<b>Average employee training hours by category</b>	Female	29.68	24.51	19.71
	Male	31.43	23.81	18.52
<b>Average employee training hours by type</b>	Direct	-	-	-
	Indirect	15.26	12.08	9.55

Note: Employee training hours statistics are primarily from Simula Technology Taiwan, with plans to gradually include Simula Technology (ShenZhen) and Action Star Technology in the future.

## Employee Training Program

Assistance type	Description of the implemented plan and type and scope of assistance provided
<b>Employee competency training program</b>	<ol style="list-style-type: none"> <li>1. Participation in the Group's leadership training program</li> <li>2. Identify training needs within and outside each department. After arranging participation in external training and its successful completion, invite participants to become internal and external instructors. Collect and organize learning materials and develop a detailed course schedule.</li> <li>3. Conduct training according to the curriculum schedule. After each training session, arrange assignments and practical tasks, with instructors providing follow-up guidance.</li> <li>4. Organize skills assessments and performance demonstrations, and conduct targeted reinforcement training to address weaknesses identified in the assessments.</li> <li>5. Collect employee feedback, evaluate training effectiveness, and summarize experiences to serve as a reference for subsequent training.</li> </ol>
<b>Re-employment assistance (Retirement or termination of employment relationship)</b>	Post-retirement rehiring

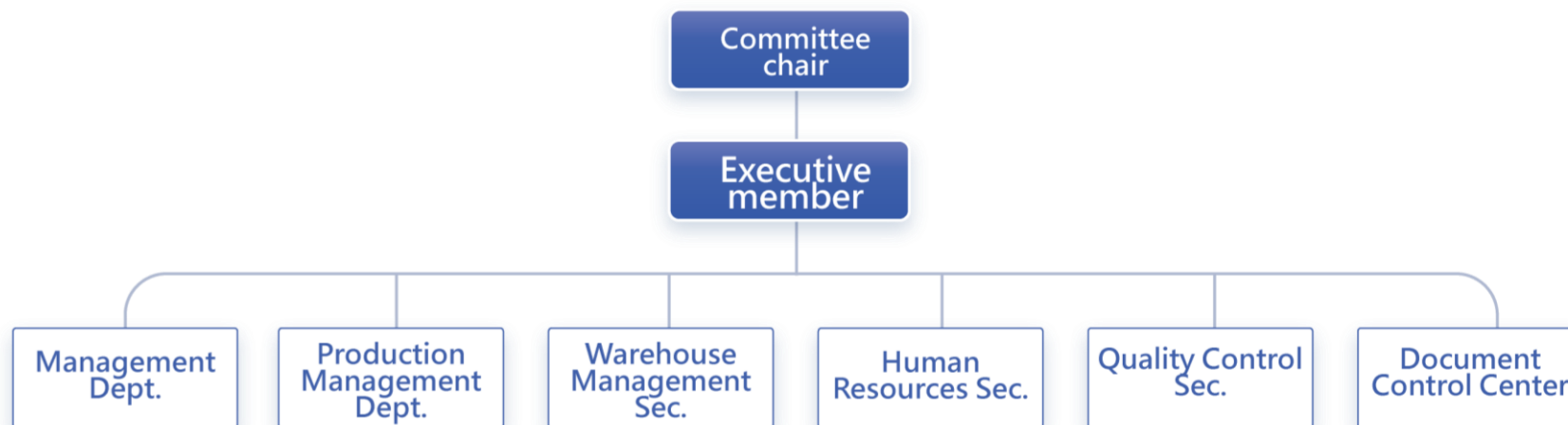
## 5.5 Occupational Health and Safety

### 5.5.1 Occupational health and safety management system

Simula Technology complies with local regulatory requirements. Its operational sites, Simula Technology (ShenZhen) and Action Star Technology, have passed third-party certification for ISO 45001:2018, and Simula Technology (ShenZhen) has established the "SM-QM-01 Quality, Environmental, Occupational Health and Safety, and Hazardous Substances Management System Manual" and the "SME-QM-01 Environmental Safety and Health Manual." Other workplaces are managed in accordance with relevant occupational safety and health management regulations. The occupational safety and health management system (hereinafter referred to as the "occupational safety management system") covers all workers within the Group, including both regular employees and labor-dispatched workers (non-employee workers). The Company's occupational safety management system personnel all possess appropriate qualifications and capabilities, hold relevant certifications, and have undergone various environmental safety and health training.



## Organizational Structure of the Occupational Safety and Health Committee



### Number of Workers Covered by Simula Technology Taiwan's Occupational Safety and Health Management System

Management system/Regulations	Inspection type	Number of workers	Ratio	Remarks
Occupational health and safety	Internal audit	57	89%	Excluding employees working overseas/from home
	Labor inspection	64	100%	Including overseas employees

### Number of Workers Covered by Action Star Technology's Occupational Safety and Health Management System

Management system/Regulations	Inspection type	Number of workers	Ratio	Remarks
ISO 45001 : 2018	Internal audit	298	100%	-
	External verification	249	84%	Excluding personnel from the Xizhi Office

## Number of Workers Covered by Simula Technology (ShenZhen)'s Occupational Safety and Health Management System

Management system/Regulations	Inspection type	Number of workers	Ratio	Remarks
ISO 45001 : 2018	Internal audit	252	100%	-
	External verification	252	100%	-

### 5.5.2 Worker Participation, Consultation, and Communication

An Occupational Safety and Health Committee shall be established that meets once every three months. The committee shall consist of no fewer than seven members, composed of the following personnel:

- I. Occupational health and safety personnel
- II. Supervisors, overseers, and site supervisors of various business units
- III. Engineering and technical personnel related to occupational safety and health
- IV. Medical and nursing personnel engaged in labor health services
- V. Labor representatives.

Responsibilities of organization personnel and supervisors at all levels are as follows:

Action Star  
Technology

- I. Occupational Safety and Health Management Unit: Responsible for drafting, planning, supervising, and promoting safety and health management matters, as well as guiding relevant departments in their implementation.
- II. Occupational Safety and Health Committee: Provides recommendations on safety and health policies formulated by the employer, and reviews, coordinates, and advises on matters related to safety and health.
- III. Occupational Safety and Health Business Supervisor: Responsible for overseeing and supervising safety and health management matters.
- IV. Occupational Safety (and Health) Manager, Administrator: Responsible for drafting, planning, and promoting safety and health management items and guiding relevant departments in their implementation.
- V. Workplace supervisors and managers at all levels: Exercise authority to direct and supervise the execution of safety and health management tasks by their subordinates, and coordinate and guide relevant personnel in their implementation.
- VI. Occupational safety and health personnel of first-level units: Assist the supervisors of first-level units in drafting, planning, and promoting safety and health management tasks within their respective departments, and guide relevant personnel in their implementation.

Simula  
Technology  
(ShenZhen)

An occupational safety meeting is held once a month, with participation from the supervisors of each department. Supervisors separately reinforce safety-related precautions during daily morning meetings.

A channel for occupational safety and health-related complaints and suggestions has been established and is managed by the responsible unit to encourage employees to report near-miss incidents for early risk awareness and potential hazard prevention, as well as for employees to provide suggestions regarding the company's occupational safety and health policies or to file complaints concerning any work environment, health concern, or safety hazard matters. In 2024, no occupational safety and health-related complaints were received.

### 5.5.3 Occupational Safety and Health Education and Training

Each site conducts general occupational safety and health training as well as relevant professional training for all employees in accordance with local regulations and production line characteristics. Based on this, work safety training is conducted to ensure that employees engage in operations in compliance with work safety rules, thereby reducing the occurrence of workplace injuries. All occupational safety education and training provided by the Company are free of charge. The following lists the specific measures at each location:

Simula Technology Taiwan	One occupational safety education training session and one fire evacuation drill are conducted annually. The training courses are provided for current employees to complete their learning within the company's system. The evacuation drills are personally led by the General Manager and the Chief Financial Officer, who guide all employees through practical exercises on-site. Following training, all participants are required to take a short test and to pass with a score of 90 points or above; those who do not pass must retake the test until they achieve a passing score.
Action Star Technology	Orientation training is provided for new employees, and annual safety education courses are regularly conducted for current employees. Promotional posters or flyers are irregularly posted on bulletins to boost safety awareness. Following training, learning outcomes are confirmed through oral or written exams to ensure that the educational training provides practical benefits.
Simula Technology (ShenZhen)	Health and safety-related training is provided that covers the correct use and maintenance of personal protective equipment (PPE). Posters promoting safety awareness are also displayed within the factory premises to reinforce employee awareness. The effectiveness of this training and advocacy can be seen through the absence of work-related injuries and safety incidents over the past three years, as well as the lack of cases with occupational disease after occupational health checks.

Operational site	Number of occupational safety training participants in 2024	Number of occupational safety training hours/session
Simula Technology Taiwan	65	1
Action Star Technology	326	3
Simula Technology (ShenZhen)	252	2

## 5.5.4 Hazard Identification, Risk Assessment, and Incident Investigation

Specific measures for each site are listed separately:

<p>Simula Technology Taiwan</p>	<p>Hazard identification: Signs are posted in hazard-prone areas, such as reminders for employees to watch their step on stairs; hazard warnings on chemical containers; and caution signs indicating high temperatures on communal steamers.</p> <p>※Explanation of the classification and reporting mechanism</p> <p>A comprehensive "Classification and Reporting Hierarchy" mechanism has been established according to the company's management policy in order to address the existence of hazard identification, risk assessment, and a hierarchy of controls, as well as an occupational accident investigation process. The mechanism is divided into three levels of incidents: Level A, Level B, and Level C. Corresponding notification procedures and response measures are activated based on the severity of the incident's impact. This is explained as follows:</p> <p><b>Level A Incident</b></p> <p>The nature of the incident is significant, with a wide-ranging impact, and includes fatal accidents, major fires or explosions, and production halts lasting more than five days.</p> <p>The Chairman, General Manager, Chief Financial Officer, Secretary-General, and responsible committee members of Simula Technology must be notified immediately. Subsequently, according to the incident severity, follow-up reporting procedures shall be completed in accordance with the Group's regulations.</p> <p><b>Level B Incident</b></p> <p>Moderate to major incidents affecting certain operations or personnel, including serious injury incidents and emergency response handling.</p> <p>The internal Chairman/Deputy Chairman, Chief Financial Officer, Secretary-General, and authorized committee members of Simula Technology must be notified.</p> <p><b>Level C Incident</b></p> <p>General accidents or minor impact incidents have a limited scope of impact, such as disabling injuries (work time loss of more than eight hours) and food poisoning affecting more than five people.</p> <p>The responsible committee members and the Secretary-General are notified.</p>
<p>Action Star Technology</p>	<ol style="list-style-type: none"> <li>Hazard identification on operational content or its facilities is conducted, verifying existing risk control methods, and performing risk assessment using the formula <math>S</math> (severity) * <math>F</math> (frequency of hazard occurrence) * <math>C</math> (effectiveness of risk control) = <math>R</math> (risk) to determine risk levels. Improvement measures are planned and implemented to reduce occupational safety and health risks, as well as the incidence rate of accidents.</li> <li>Risk levels are classified into mild, low, moderate, and high risks. When the evaluated risk level is classified as high risk, it is designated as a priority improvement item and serves as a basis for setting objectives and management plans.</li> <li>In the event of an occupational accident: report the incident, implement emergency medical measures, seek medical treatment, confirm incident circumstances, promote awareness and improve operational procedures, and formulate a return-to-work plan.</li> </ol>

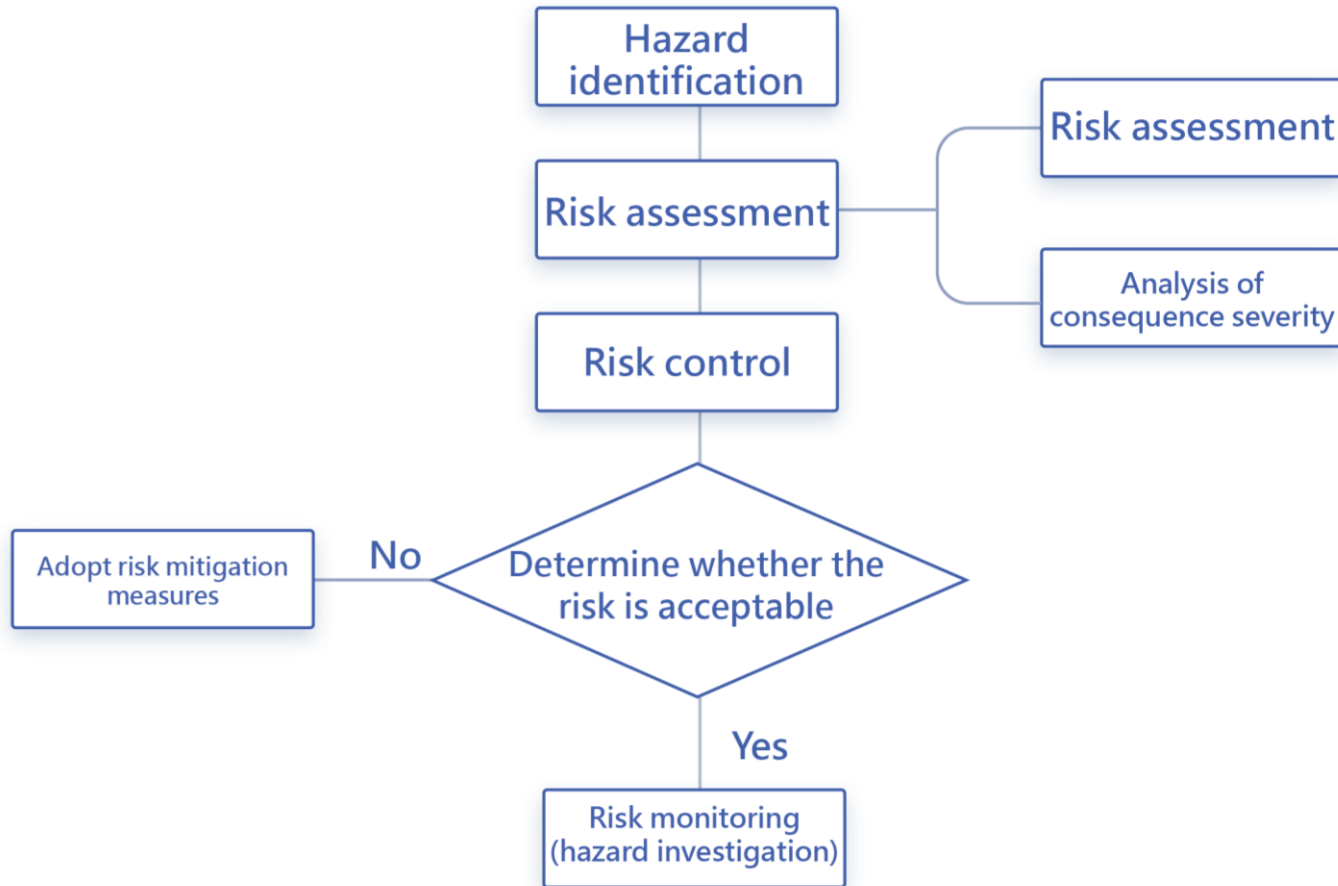
Simula  
Technology  
(ShenZhen)

1. Responsible personnel from relevant units identify and record the occupational safety and health hazards arising from company activities, facilities, and processes. These are documented in the safety and health-related activity and operation checklist, and the causes of risks (unsafe behaviors and environments) and the potential hazards they may trigger are explained for each operational process, energy source, raw material, and piece of machinery and equipment. Each department conducts a regular annual update of hazard identification as well as environmental factor identification and assessment.
2. Warning signs are posted in workshops and on machinery as reminders for employees: "Caution: Electric Shock" signs are posted on electrical boxes; "Noise exposure warning: Please wear earplugs" signs are posted beside stamping and automatic machines; "Dust hazard warning: Please wear a mask" signs are posted on plastic and mold processing machines; "Caution: Risk of Poisoning" signs are posted in chemical warehouses and chemical workstations; and "Caution: High Temperature" signs are posted outside ovens.
3. Occupational injury management measures have been established that stipulate that when an occupational injury occurs, the supervisor of the department where the injury happened must complete a report detailing the cause of the injury, corrective actions, and preventive measures.

### Major Risks of Simula Technology

Serial number	Risk type	High-risk area	Cause and possible time	Warning Signs	Severity and Scope of Impact	Potential secondary accidents	Risk level
1	Crushing/pinching Injury	Worksites for various machinery and equipment	Insufficient protection, lack of safety awareness, improper actions, or maintenance and servicing without shutting down equipment	/	Injured personnel	Personnel casualties	General risk
2	Fall	Stairwells or areas with dim lighting	Lack of concentration, failure to pay attention to the ground	/	Injured personnel	Personnel casualties	General risk

■ Risk Control Process



At the end of each year, the Environmental Safety and Health Unit is responsible for conducting a statistical analysis of all accidents and incidents that occurred during the year. According to the classification requirements for accidents and incidents, all such events are compiled and analyzed to identify the root causes. Preventive measures are then formulated to avoid a recurrence of these incidents. In 2024, the Company did not experience any major occupational safety, health, or hygiene incidents, nor did it receive any internal or external complaints or suffer penalties for violations of laws and regulations.

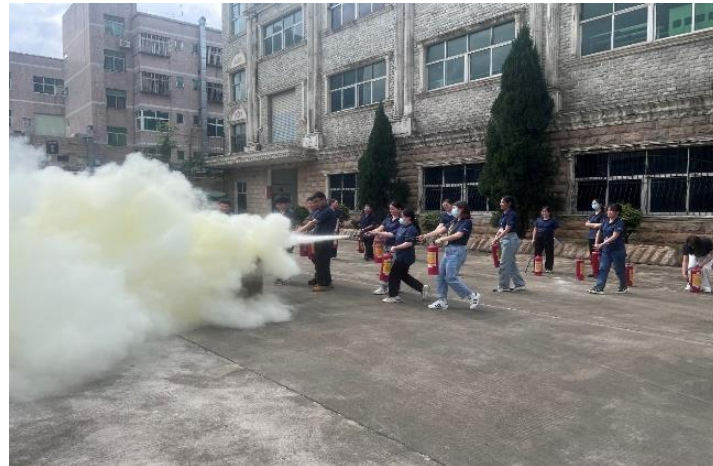
### 2024 Emergency Response Drill

In response to occupational accident handling and emergency response needs, four fire drills were completed in 2024.

Date of implementation	2024/04/29	2024/06/13 2024/10/29	2024/10/25
Drill items	Annual fire safety drill	Annual fire safety drill	Emergency evacuation drill
Drill content	<p>Meeting of all employees for training and education regarding the emergency response plan. Strengthen training in basic fire safety knowledge and the use of fire extinguishers to increase employees' self-protection awareness. Enhance employees' abilities to respond to emergencies, particularly in key positions and critical areas.</p> <p>Total number of participants: 258; total hours: <math>0.5 \times 258 = 129</math> hours</p>	<p>Meeting of all employees for training and education regarding the emergency response plan. Strengthen training in basic fire safety knowledge and the use of fire extinguishers to increase employees' self-protection awareness. Enhance employees' abilities to respond to emergencies, particularly in key positions and critical areas.</p> <p>Total number of participants: 42; total hours: 8 hours</p>	<p>Description of simulated scenario: On October 25, 2025, at 3:00 PM, an accident occurred involving employees in the assembly workshop. Personnel on site immediately reported the incident to the team leader and supervisor. Upon receiving the report, the supervisor promptly organized other employees to conduct on-site firefighting efforts. When the fire became uncontrollable, the supervisor issued an emergency evacuation order, and all employees immediately evacuated from the site. This drill effectively enhanced the emergency evacuation skills and fire safety awareness of all employees.</p> <p>Total number of participants: 253; total hours: 126.5 hours</p>



Photograph



## 5.5.5 Promoting a Health Workplace

Simula Technology conducts regular occupational health examinations at all its operational sites. The health checkup items and occupational hazard factor assessments are arranged according to the characteristics of each production line. Abnormalities are classified based on the inspection results and subsequent measures are implemented, including providing individual health consultations for employees, enhancing health education advocacy, arranging follow-up examinations, and improving hazard factors, in order to continuously maintain employee health.

In 2024, a total of 548 employees underwent occupational health examinations, including 50 from Simula Technology Taiwan, 246 from Action Star Technology (195 at the Yilan Plant, 44 at the Xizhi Plant, and 7 at special project sites in Yilan), and 252 from Simula Technology (ShenZhen). Among them, 72 employees were engaged in special operations or exposed to occupational hazards. The inspection results indicated that no cases of occupational diseases or suspected occupational diseases were found.

Simula Technology Taiwan	Annual health examinations are regularly provided to employees, and occupational nursing staff conduct monthly workplace inspections and health status monitoring. A weekly health report is also periodically published to promote health education and awareness. According to the health examination report results, the on-site nurse will provide health consultation services tailored to individual conditions. If further assistance is needed, the nurse can also arrange one-on-one health consultations between employees and occupational health professionals.
Action Star Technology	Full-time nurses are appointed to provide on-site services, and physicians visit the factory monthly to provide on-site health services. Employee health examinations are conducted once every two years to monitor employee health status and effectively implement occupational health management.
Simula Technology (ShenZhen)	Employees undergo occupational health examinations prior to commencing their duties, and regular annual occupational health follow-up examinations are conducted during their employment period. Employees leaving their positions are required to complete an occupational health examination before departure. For example, for employees working in special operational positions with the risk of noise hazard, if they are transferred from such positions, they will undergo occupational health examinations before the transfer. This is to safeguard their physical and mental health and to ensure proper control of occupational risks.

### Additional Measures for Promoting Worker Health:

Simula Technology Taiwan	<ol style="list-style-type: none"> <li>1. The Group organizes health promotion activities such as an online walking event, sports meet, beach cleanup activities, and family day, among others, to encourage employees to exercise, reduce carbon emissions, and stay active.</li> <li>2. The monitoring of operating environments is conducted semiannually, including the measurement of carbon dioxide levels, illumination, and compounds.</li> </ol>
Action Star Technology	Posters and other methods are used to promote knowledge related to physical and mental health, and on-site medical services are provided by physicians each month.
Simula Technology (ShenZhen)	<ol style="list-style-type: none"> <li>1. Each department regularly distributes protective equipment (helmets, goggles, earplugs, masks, gloves, safety shoes) on a monthly basis and requires personnel in positions exposed to occupational hazards to wear them properly.</li> <li>2. Qualified third-party testing agencies are engaged annually to conduct testing of the three types of waste (exhaust, wastewater, and waste oil fumes) as well as environmental monitoring.</li> </ol>

## 5.5.6 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Simula Technology (ShenZhen) has established "Supplier RBA Management Measures," and Action Star Technology has formulated a "Contractor Management Procedure Manual." Both companies have implemented routine on-site inspection records for contractor work to ensure that there are no cases of similar issues or related operational risks affecting workers and the work environment. If any hazards are identified during inspections, the process of hazard identification, formulation of countermeasures, implementation of countermeasures, and review of execution results will be followed with the aim of preventing and mitigating potential hazards. For contractors/subcontractors who fail to comply with the Company's occupational safety and health regulations and cause hazards, immediate rectification will be required, and the incidents will be handled according to procedure based on the hazard severity.

Specific measures are as follows:

<b>Simula Technology Taiwan</b>	<b>The primary work locations are the office and warehouse, with no factory manufacturing site. When equipment vendors visit to perform electromechanical maintenance, a safe and secure working environment is provided for them.</b>
<b>Action Star Technology</b>	To safeguard the health and hygiene of personnel within the plant area, all external contractors must complete a Contractor Safety and Health Declaration and an Environmental Hazard Notification Statement prior to commencing work on-site. These documents include information regarding workplace environmental hazards, safety and health regulations, and the required use of necessary personal protective equipment, thereby protecting the rights and interests of both parties and reducing the occurrence of occupational accidents.
<b>Simula Technology (ShenZhen)</b>	<ol style="list-style-type: none"> <li>1. Soundproofing devices have been installed on plastic workshop shredders and stamping workshop machines to reduce noise.</li> <li>2. The Supplier Quality Engineering (SQE) Department regularly conducts investigations on suppliers to ensure that conflict minerals are not used.</li> <li>3. When external companies visit the Company for operations, they are required to provide safety equipment and conduct occupational safety briefings before commencing work.</li> </ol>

## 5.5.7 Statistical Analysis of Occupational Hazards

According to the statistical and analytical data on employee occupational injuries and diseases shown in the table below, from 2022 to 2024, none of the employees of Simula Technology experienced fatalities caused by occupational injuries or cases of occupational diseases, achieving the goal of zero major occupational disasters.

Reporting Year		2022	2023	2024
Total hours worked		<b>2,202,287.02</b>	<b>1,787,506.29</b>	<b>1,668,656.53</b>
Fatal accidents caused by occupational injuries	Number of workers	0	0	0
	Ratio	0	0	0
Severe occupational injuries (excluding fatalities)	Number of workers	0	0	0
	Ratio	0	0	0
Recordable occupational injuries	Number of workers	<b>3</b>	<b>2</b>	<b>8</b>
	Ratio	<b>1.36</b>	<b>1.12</b>	<b>4.79</b>
Fatalities caused by occupational injuries	Number of workers	0	0	0
	Ratio	0	0	0
Recordable occupational diseases	Number of workers	0	0	0
	Ratio	0	0	0

Note 1: The total hours worked represent the actual attendance of all employees and non-employee workers during the year, including overtime hours and excluding all types of leave taken by all employees.

Note 2: A severe occupational injury is defined as an injury caused by occupational hazards that results in the employee being unable or having difficulty recovering to their pre-injury health status within six months. However, fatalities are excluded from this definition.

Note 3: Recordable occupational injuries are those resulting from any of the following work-related circumstances: fatalities, time away from work, work restrictions or job transfers, medical treatment beyond first aid, loss of consciousness, or significant injuries diagnosed by a physician or other licensed healthcare professional (even if they did not result in death, time away from work, work restrictions or job transfers, medical treatment beyond first aid, or loss of consciousness). This includes fatalities and severe occupational injuries, but excludes injuries that occur during commuting to and from work. Minor injuries (work-related injuries resolved with simple on-site first aid) are excluded from this statistic.

Note 4: Occupational diseases include, but are not limited to, musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical factors (such as noise-induced hearing loss, vibration-induced disorders), and mental health conditions (such as anxiety and post-traumatic stress disorder).

Note 5: The ratio calculation for each category was: (number of people in each category ÷ total hours worked) × 200,000. From 2022 to 2024, because the total number of employees did not exceed 500 people, the ratio was calculated using 200,000 hours.

(The ratio calculation for each category was: (number of people in each category ÷ total working hours) x1,000,000. From 2022 to 2024, because the total number of employees exceed 500 people every year, the ratio was calculated using 1,000,000 working hours.)

Main Types/Year		2022	2023	2024	Description of Hazards and Improvements
<b>Work-related injuries</b>	Pinching, crushing injury	0	0	4	After evaluating the on-site environment, optimizations were made to personnel operational patterns. Improvement measures included: installing fail-safe devices to reduce operational risks, clearly marking hazard warning signs to enhance awareness, and appropriately wearing safety protective equipment or using tools to replace manual operations according to operational requirements. Regular safety awareness campaigns are also conducted to strengthen employee risk awareness to ensure workplace safety and reduce potential hazards.
	Fall	1	2	3	Improvement measures include: installing handrails to enhance operational safety, posting hazard warning signs to increase awareness, removing potential obstacles, and promoting 5S management to maintain a clean and orderly work environment. Personnel are also required to wear appropriate non-slip footwear according to operational needs. Regular safety awareness campaigns are conducted to strengthen employees' risk awareness, ensuring safe operations and continuously optimizing the workplace environment.
	Improper actions	2	0	1	Improvement measures include the following: installing fail-safe devices to prevent operational errors, posting hazard warning signs to increase risk awareness, and appropriately wearing PPE or using tools in the place of hands to reduce the risk of occupational injury. Safety awareness among employees is further strengthened through regular safety promotion activities to ensure that their working environment meets safety standards, continuously optimizing workplace safety management.

## Appendix 1. GRI Content Index

<b>DECLARATION OF USE</b>	Simula Technology Co., Ltd. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024.				
<b>GRI 1 USED</b>	GRI 1: Foundation 2021				
<b>APPLICABLE GRI SECTOR STANDARDS</b>	NA				
<b>TOPIC</b>	<b>DISCLOSURE</b>	<b>DESCRIPTION</b>	<b>CHAPTER</b>	<b>PAGE NUMBER</b>	<b>REASON FOR OMISSION/NECESSARY EXPLANATION</b>
<b>GRI 2: GENERAL DISCLOSURES 2021</b>					
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>	2-1	Organizational details	2.1 Company Profile	11	
	2-2	Entities included in the organization's sustainability reporting	Reporting Guidelines	4	
	2-3	Reporting period, frequency and contact point	Reporting Guidelines	4	
	2-4	Restatements of information	Reporting Guidelines	4	
	2-5	External assurance	Reporting Guidelines	4	
<b>ACTIVITIES AND WORKERS</b>	2-6	Activities, value chain and other business relationships	2.1 Company Profile	13	
	2-7	Employees	5.2 Employee Statistics	65	
	2-8	Workers who are not employees	5.2 Employee Statistics	66	
<b>GOVERNANCE</b>	2-9	Governance structure and composition	3.1.1 Board of Directors	23	
	2-10	Nomination and selection of the highest governance body	3.1.1 Board of Directors	23	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
	2-11	Chair of the highest governance body	3.1.1 Board of Directors	23	
	2-12	Role of the highest governance body in overseeing the management of impacts	3.1.1 Board of Directors	23	
	2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Promotion Committee	5	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainability Promotion Committee	5	
	2-15	Conflicts of interest	3.1.1 Board of Directors	24	
	2-16	Communication of critical concerns	3.1.1 Board of Directors	23	
	2-17	Collective knowledge of the highest governance body	3.1.1 Board of Directors	25	
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Board of Directors	25	
	2-19	Remuneration policies	3.1.2. Functional Committees	26	
	2-20	Process to determine remuneration	3.1.2. Functional Committees	26	
	2-21	Annual total compensation ratio			Confidentiality regulations/remuneration is considered confidential corporate information and

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
					therefore will not be disclosed
STRATEGY, POLICY, AND PRACTICE	2-22	Statement on sustainable development strategy	Message from the Chairman Message from the General Manager	2	
	2-23	Policy commitments	4.2 Sustainable Supply Chain 5.1.1 Human Rights Protection	46 64	
	2-24	Embedding policy commitments	4.2 Sustainable Supply Chain 5.1.1 Human Rights Protection	46 64	
	2-25	Processes to remediate negative impacts	3.1.4 Ethics and Integrity	28	
	2-26	Mechanisms for seeking advice and raising concerns	3.1.4 Ethics and Integrity	28	
	2-27	Legal compliance	3.3 Legal Compliance	31	
	2-28	Membership associations	2.1 Company Profile	17	
	2-29	Approach to stakeholder engagement	1.3 Stakeholder communication channels and issues of concern	6	
STAKEHOLDER ENGAGEMENT	2-30	Collective bargaining agreements	5.1 Labor Relations	64	
<b>GRI 3: MATERIAL TOPICS 2021</b>					
MATERIAL TOPICS	3-1	Process to determine material topics	1.4 Identification of Material Topics	8	
	3-2	List of material topics	1.4 Identification of Material Topics	8	
<b>ECONOMIC ASPECT</b>					
<b>ECONOMIC PERFORMANCE</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	3.4 Operational Performance	32	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>	201-1	Direct economic value generated and distributed	3.4 Operational Performance	33	
	201-2	Financial implications and other risks and opportunities due to climate change	Appendix 2	96	
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Remuneration and Benefits	73	
	201-4	Financial assistance received from government	3.4 Operational Performance	34	
<b>PROCUREMENT PRACTICES</b>					
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>	204-1	Proportion of spending on local suppliers	4.2 Sustainable Supply Chain	50	
<b>ENVIRONMENTAL ASPECT</b>					
<b>MATERIALS</b>					
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3	Management of material topics	1.4 Identification of Material Topics 4.1 Raw Material Management	43	
<b>GRI 301: MATERIALS 2016</b>	301-1	Materials used by weight or volume	4.1 Raw Material Management	44	
	301-2	Renewable materials used	4.1 Raw Material Management	45	
	301-3	Reclaimed products and their packaging materials	4.1 Raw Material Management	45	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
<b>ENERGY</b>					
<b>GRI 302: ENERGY 2016</b>	302-1	Energy consumption within the organization	4.3 Energy Management	51	
	302-3	Energy intensity	4.3 Energy Management	52	
	302-4	Reduction of energy consumption	4.3 Energy Management	53	
<b>WATER AND EFFLUENTS</b>					
<b>GRI 303: WATER AND EFFLUENTS 2018 MANAGEMENT APPROACH</b>	303-1	Interactions with water as a shared resource	4.5 Water Resources Management	55	
	303-2	Management of water discharge-related impacts	4.5 Water Resources Management	55	
	303-3	Water withdrawal	4.5 Water Resources Management	56	
<b>GRI 303: WATER AND EFFLUENTS 2018</b>	303-4	Water discharge	4.5 Water Resources Management	56	
	303-5	Water consumption	4.5 Water Resources Management	56	
<b>EMISSIONS</b>					
<b>GRI 305: EMISSIONS 2016</b>	305-1	Direct (Scope 1) GHG emissions	4.4 Greenhouse Gas Management	54	
	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Greenhouse Gas Management	54	
	305-4	GHG emissions intensity	4.4 Greenhouse Gas Management	54	
<b>WASTE</b>					
<b>GRI 306: WASTE 2020 MANAGEMENT APPROACH</b>	306-1	Waste generation and significant	4.6 Waste Management	58	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
<b>GRI 306: WASTE 2020</b>		waste-related impacts			
	306-2	Management of significant waste-related impacts	4.6 Waste Management	63	
	306-3	Waste generated	4.6 Waste Management	61	
	306-4	Waste diverted from disposal	4.6 Waste Management	61	
	306-5	Waste directed to disposal	4.6 Waste Management	61	
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>					
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3	Management of material topics	1.4 Identification of Material Topics 4.2 Sustainable Supply Chain	46	
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>	308-1	New suppliers that were screened using environmental criteria	4.2 Sustainable Supply Chain	48	
	308-2	Negative environmental impacts in the supply chain and actions taken	4.2 Sustainable Supply Chain	49	
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>	414-1	New suppliers that were screened using social criteria	4.2 Sustainable Supply Chain	48	
	414-2	Negative social impacts in the supply chain and actions taken	4.2 Sustainable Supply Chain	49	
<b>SOCIAL ASPECT</b>					
<b>EMPLOYMENT</b>					
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3	Management of material topics	5.3 Remuneration and Benefits	68	
<b>GRI 401: EMPLOYMENT 2016</b>	401-1	New employee hires and	5.3 Remuneration and Benefits	71	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
		employee turnover			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Remuneration and Benefits	72	
	401-3	Parental leave	5.3 Remuneration and Benefits	73	
	Remuneration	Disclosure shall include the number of full-time employees not in managerial positions, the average and median salaries of such employees, and the differences in these three figures compared to the previous year.	5.3 Remuneration and Benefits	70	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>					
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018 MANAGEMENT APPROACH</b>	403-1	Occupational health and safety management system	5.5 Occupational Health and Safety	76	
	403-2	Hazard identification, risk assessment, and incident investigation	5.5 Occupational Health and Safety	80	
	403-3	Occupational health services	5.5 Occupational Health and Safety	85	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Health and Safety	78		
	403-5	Worker training on occupational health and safety	5.5 Occupational Health and Safety	79		
	403-6	Promotion of worker health	5.5 Occupational Health and Safety	85		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Occupational Health and Safety	86		
	403-8	Workers covered by an occupational health and safety management system	5.5 Occupational Health and Safety	76		
	403-9	Work-related injuries	5.5 Occupational Health and Safety	87		
	403-10	Work-related ill health	5.5 Occupational Health and Safety	87		
	<b>TRAINING AND EDUCATION</b>					
	<b>GRI 404: TRAINING AND EDUCATION 2016</b>	404-1	Average hours of training per year per employee	5.4 Talent Cultivation	75	
		404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent Cultivation	75	

TOPIC	DISCLOSURE	DESCRIPTION	CHAPTER	PAGE NUMBER	REASON FOR OMISSION/NECESSARY EXPLANATION
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Remuneration and Benefits	70	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	405-1	Diversity of governance bodies and employees	3.1.1 Board of Directors 5.2 Employee Statistics	24 67	
<b>CUSTOMER HEALTH AND SAFETY</b>					
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3	Management of material topics	3.5 Products and Services	35	
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	3.5 Products and Services	35	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.5 Products and Services	35	

## Appendix 2. Climate-Related Information of TWSE/TPEX Listed Company

### Risks and Opportunities of Climate Change for the Company and the Company's Response Measures

Item	Corresponding Chapter
1. Describe the Board's and management's oversight and governance of climate related risks and opportunities.	The governance of climate risks and opportunities, as well as sustainability risk management issues, is reported to the Board of Directors each year, with the Board overseeing the effectiveness of execution. The 2024 annual results were reported to the Board of Directors in February 2025. The General Manager serves as the committee chair, with level 1 department managers responsible for implementing risk identification, assessment, and handling.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the organization (short, medium and long term).	Please refer to "Risks and Opportunities/Financial Impact and Response Mechanisms" below.
3. Describe the financial impact of extreme weather events and transformative actions.	Please refer to "Risks and Opportunities/Financial Impact and Response Mechanisms" below.
4. Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system.	The following actions were implemented in accordance with the risk management policy: (1) The sustainability task force conducted assessments of ESG risks while carrying out evaluations of climate risks. (2) The sustainability task force met to discuss and resolve significant ESG risks and climate risks, which were subsequently confirmed through the internal decision-making mechanism. (3) Strategic objectives were set and implemented based on the approved ESG risks and climate risks. (4) The implementation status of ESG risks and climate risks were reported annually to the Board of Directors, with the most recent report made in February 2025.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company did not use scenario analysis to assess climate change risks in 2024.

Item	Corresponding Chapter
6. If there is a transition plan to address climate-related risks, please provide a description of the plan's content, as well as the indicators and objectives used to identify and manage physical and transitional risks.	Increase in average temperatures: To mitigate the energy consumption risks caused by climate change, the Company has planned a phased replacement of air conditioning systems in office areas. The plan is to complete the replacement of existing air conditioning systems in 2026, fully upgrading to energy-saving products that meet the government's level 1 energy efficiency standards and thereby increasing overall energy efficiency.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not yet been implemented.
8. If climate-related targets are set, the activities covered, greenhouse gas emission scopes, timeline, and annual progress should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, the sources and quantity of the offset emissions or the number of RECs should be disclosed.	N/A
9. Greenhouse Gas Inventory and Assurance	According to the Sustainable Development Roadmap, the Company, as a company with a capital of less than NT\$5 billion, should complete a GHG inventory for the 2026 consolidated financial statements of the parent and subsidiary companies by 2027, setting 2026 as the base year. Currently, because the Company has not yet conducted a GHG inventory for the consolidated financial statements, the base year, reduction targets, strategies, and specific action plans have not been established.


## Risks and Opportunities/Financial Impact and Response Mechanisms

Risks and Opportunities	Financial Impacts and Response Mechanisms
<b>Increased GHG emissions pricing</b>	According to the Climate Change Response Act, the government will legally establish net-zero emissions by 2050 and will impose a carbon fee in 2025 on industries with high direct or indirect emissions. The financial impact of this risk may be an increase in operating costs. However, at this stage, the Company is not part of a high-emission industry, so the overall operational financial impact is not expected to be significant.
<b>Changes in Rainfall Patterns and Extreme Variations in Climate Patterns</b>	In response to changes in rainfall (water) patterns and extreme variations in climate patterns, the frequency of extreme weather events (such as typhoons and heavy rain) has increased, which may lead to flooding in office buildings and affect company operations. After conducting a risk assessment, the following preventive and contingency measures were implemented to reduce financial losses and the risk of operational disruptions: 1. Regularly inspect office windows for airtightness and the exterior walls for waterproofing to prevent water leakage caused by heavy rain.

	<ol style="list-style-type: none"> <li>2. In coordination with the building property management, ensure the floor drainage system is unobstructed, and regularly clean balconies and drainage holes.</li> <li>3. A remote work mechanism has been established to ensure that employees can work from home during extreme weather conditions, thereby reducing the risk of operational disruptions.</li> <li>4. Plan employee emergency evacuation routes and notification mechanisms, and conduct regular reviews and drills.</li> </ol>
<b>Increase in average temperatures</b>	<p>The average temperature continues to rise, resulting in increased energy consumption and operating costs. In response to a 1-degree Celsius increase in average temperature across Taiwan, electricity usage has increased by 6%. Assuming electricity prices remain stable, a 1.5-degree Celsius temperature rise is estimated to cause a short-term increase of approximately 9% in electricity usage and associated costs, representing a moderate impact. Countermeasures include updating refrigeration and air conditioning equipment.</p>

# Appendix 3. Assurance Statement

## GREAT International Certification Co., Ltd. [Chinese Version]

 格瑞國際驗證有限公司  
GREAT International Certification Co., Ltd.

矽瑪科技股份有限公司  
2024 年永續報告書之獨立保證意見聲明書  
聲明書編號: 2506017

矽瑪科技股份有限公司(以下簡稱矽瑪科技)與格瑞國際驗證有限公司(以下簡稱格瑞驗證)為相互獨立的公司及組織, 格瑞驗證除了針對該公司 2024 年永續報告書進行評估和查證外, 與矽瑪科技並無任何財務上的關係。

本獨立保證意見聲明書(以下簡稱聲明書)的目的, 僅作為對下列有關矽瑪科技之永續報告書所界定範圍內的相關事項進行保證之結論, 而不作為其他之用途。除對查證事實提出聲明書外, 對於其他目的之使用, 或閱讀此聲明書的任何人, 格瑞驗證並不負有或承擔任何相關法律或其他之責任。

本聲明書係基於矽瑪科技提供予格瑞驗證之相關資訊所作查證之結論, 因此查證範圍乃基於並局限在這些提供的資訊內容之內, 格瑞驗證認為這些信息內容都是完整且準確的。對於這份聲明書所載內容或相關事項之任何疑問, 將全部由矽瑪科技回覆。

**保證範圍**

矽瑪科技與格瑞驗證協議的查證範圍包括:

1. 整份永續報告書內容及矽瑪科技在 2024 年 1 月 1 日至 2024 年 12 月 31 日的所有營運績效。
2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估矽瑪科技遵循 AA1000 當責性原則標準(2018)的本質和程度, 不包括對於報告書揭露的資訊/數據之可信賴度的查證。
3. 本聲明書以中文作成, 並翻譯成英文以供參考。

**意見聲明**

我們總結矽瑪科技之永續報告書內容, 對於矽瑪科技的相關運作與績效則提供一個公平的觀點。我們相信有關矽瑪科技 2024 年的環境、社會及公司治理等特定績效指標是被正確無誤地展現。報告書所揭露的績效指標展現了矽瑪科技對識別及滿足利害關係人的期望與努力。

我們的查證工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行, 以及規劃和執行這部分的工作, 以獲得必要的資訊數據及說明。我們認為矽瑪科技所提供的證據足夠以表明其依據 AA1000 保證標準 v3 及其 2018 年附錄的報告方法與自我聲明符合 GRI 永續性報導準則。

**查證方法**

為了收集與作成結論有關的證據, 我們執行了以下工作:

- 對來自外部團體相對於矽瑪科技之公司政策的議題, 進行高階管理的審查, 以確認本報告中聲明書的合適性;
- 與矽瑪科技之主管討論有關利害關係人參與的方式, 且並未直接接觸外部利害關係人;
- 訪談與永續報告書編制及資訊提供有關的職員;
- 在抽樣基礎上稽核矽瑪科技之績效數據;
- 審查報告中所作宣告的支持性證據;
- 針對矽瑪科技之報告及其相關 AA1000 當責性原則(2018)中描述有關包容性、重大性、回應性、及衝擊性原則的流程管理進行審查。

**結論**

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性、衝擊性與 GRI 永續性報導準則的詳細審查結果如下:

包容性

第一頁(共二頁)

 格瑞國際驗證有限公司  
GREAT International Certification Co., Ltd.

矽瑪科技已建立與主要利害關係人合作的過程, 包含股東、員工、客戶及供應商等, 於 2024 年展開一系列利害關係人活動, 涉及環境、人羣(含人權)和經濟等一系列重大主題。以我們的專業意見而言, 這份報告書涵蓋了矽瑪科技的包容性議題。

**重大性**

報告書已載明矽瑪科技所關注環境、人羣(含人權)和經濟面向等主題, 並列出 6 項重大主題包括永續供應鏈、原物料管理、薪酬福利、產品責任/產品安全、營運績效及創新研發等。以我們的專業意見而言, 這份報告書適切地涵蓋了矽瑪科技的重大性議題。

**回應性**

矽瑪科技執行來自利害關係人的要求與看法之回應。實行方法包括股東大會、法人說明會、年報及財報、官方網站、公開資訊觀測站、供應商工廠稽核/會議、客戶滿意度調查/會議/業務拜訪、員工績效考核/勞資會議/職權會議/內部申訴電子信箱/教育訓練、電話及電子信箱等眾多的內部和外部利害關係人的溝通機制, 作為提供進一步回應利害關係人的機會, 並能對利害關係人所關切議題及時回應。以我們的專業意見而言, 這份報告書涵蓋了矽瑪科技的回應性議題。

**衝擊性**

矽瑪科技已識別, 並以平衡且有效之量測及揭露方式公正地展現其衝擊。矽瑪科技已建立監督、量測、評估及管理衝擊之流程, 有助於組織內實現更有效之決策與成果管理。就我們的專業意見而言, 本報告書涵蓋了矽瑪科技的衝擊性議題。

**GRI 永續性報導準則**

矽瑪科技提供有關依循 GRI 永續性報導準則之自我宣告與相關資料, 基於審查的結果, 我們確認報告書參照 GRI 永續性報導準則的社會責任與永續發展的相關揭露項目已被揭露、部分揭露或省略。以我們的專業意見而言, 此自我宣告涵蓋了矽瑪科技的社會責任與永續性主題。

**保證等級**

依據 AA1000 保證標準 v3 及其 2018 年附錄, 我們的查證與本聲明書為中度保證等級, 如同本聲明書中所描述的範圍與方法。

**責任**

本聲明書的意見聲明供矽瑪科技使用。我們的責任僅基於所描述的範圍與方法, 提供專業意見並提供利害關係人一個獨立的聲明書。

**能力與獨立性**

格瑞驗證由各管理系統領域的專家組成。本查證團隊係由其專業背景, 且接受過如 AA1000AS v3、ISO 9001、ISO 14001 與 ISO 45001 之一系列永續發展、環境及社會等管理標準的訓練, 具有主導稽核員資格之成員組成。

基於保證團隊之查證行為, 並由格瑞國際驗證有限公司(中華民國, 台灣)於 2025 年 07 月 04 日簽署發行

 AA1000  
Licensed Report  
000-250/V3-3PV9C

  
發證 陳文俊 總經理

第二頁(共二頁)

# GREAT International Certification Co., Ltd. [English Version]



## Independent Assurance Statement Based on 2024 Sustainability Report of Simula Technology Inc.

Statement No.: 2506017

Simula Technology Inc. (hereinafter referred to as Simula) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2024 sustainability report, GREAT has no financial relationship with Simula.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant Simula's Sustainability Report, and not for other purposes. Except for the Statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this Statement.

This Statement is based on the conclusions made by the relevant information verification provided by Simula to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this Statement or related matters will be answered by Simula.

### The Scope of Assurance

The verification scope of Simula and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of Simula from January 1, 2024 to December 31, 2024;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of Simula's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report.
- This Statement is made in Chinese and translated into English for reference.

### Verification Opinion

We summarize the content of Simula's sustainability report, and provide a fair standpoint of Simula's related operations and performance. We believe that the specific performance indicators of Simula in 2024, such as environment, society and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate Simula's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by Simula is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

### Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to Simula's corporate policies to confirm the appropriateness of the statement in this report;
- To discuss with the managers of Simula about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of Simula on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

### Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- **Inclusivity**  
Simula has established a process of cooperation with major stakeholders, including shareholders, employees, customers and suppliers, etc., and will launch a series of stakeholder activities in 2024, involving environment, people (include human



right) and economy, a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of Simula.

### - Materiality

The report has stated that Simula focuses on environment, people (include human right) and economy topics, and identified 6 major topics including sustainable supply chain, raw material management, salary and benefits, product responsibilities/product safety, operational performance and innovation R&D, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of Simula.

### - Responsiveness

Simula responds to requests and opinions from stakeholders. Implementation methods include shareholders' meeting, corporate briefing session, annual report and financial report, official website, public information observatory, supplier factory audit /meetings, customer satisfaction survey/meetings/business visits, employee performance appraisal/ labor-management meeting/welfare committee meetings/internal complaint email/education and training, phone calls and email, etc., those numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of Simula.

### - Impact

Simula has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. Simula has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of Simula.

### -GRI Guidelines

Simula provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers Simula's social responsibility and sustainability themes.

### Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

### Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of Simula. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide a Statement for the stakeholders.

### Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team JULY 04, 2025

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager W. J. Chen

