

2025

Corporate Sustainability Report

矽瑪科技企業永續報告



Table of contents

Message from the Chairman	3	Appendix I. GRI Content Index	96
Message from the General Manager	4	Appendix II. SASB Standards: Electrical and Electronic Equipment	102
Reporting Guidelines	5	Appendix III. Climate-Related Information of TWSE/TPEX Listed Company	105
Sustainability Performance	6	Appendix IV. Assurance Statement	108



1 Sustainable Development Policy

1.1	Sustainability Promotion Task Force	8
1.2	Identification of Stakeholders	9
1.3	Stakeholder communication channels and issues of concern	9
1.4	Identification of Material Topics	11

3 Corporate Governance

3.1	Governance Practices	27
3.2	Risk Management	35
3.3	Legal Compliance	41
3.4	Operational Performance	42
3.5	Products and Services	45
3.6	Innovation and R&D	49
3.7	Information Security	52

5 Social Care

5.1	Labor Relations	74
5.2	Employee Statistics	75
5.3	Remuneration and Benefits	77
5.4	Talent Cultivation	84
5.5	Occupational Health and Safety	86

2 About Simula Technology

2.1	Company Profile	17
2.2	Business Philosophy	20
2.3	Management System	23



4 Environmental Sustainability

4.1	Raw Material Management	57
4.2	Sustainable Supply Chain	58
4.3	Energy Management	61
4.4	Greenhouse Gas Management	65
4.5	Water Resources Management	67
4.6	Waste Management	70



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix



黄漫川

Looking back over the past year, global climate change has shifted from a warning to a normalized extreme heat challenge, impacting not only global ecology and food security but also profoundly affecting supply chain resilience. As a member of Qisda's "Grand Fleet", Simula Technology deeply recognizes that the ESG transition is no longer merely a compliance requirement, but a key strategy for ensuring that enterprises possess risk resilience and value innovation amid changing circumstances.

Since its establishment in 2003, Simula Technology has consistently upheld the philosophy of "creating shared value". Following the vigorous development of AI, high-speed data centers, new-energy vehicles, and smart manufacturing, market demand for "high-speed, high-frequency, high-power" connection technologies has been increasing rapidly. Through continued investment in research and development and the achievement of multiple international certifications, including ISO 13485, IATF 16949, ISO 9001, and ISO 14001, Simula Technology is committed to providing customers with high-quality products and services. We have successfully transformed into a professional supplier focused on high-end connector and cable integrated solutions, continuously enhancing corporate competitiveness and customer satisfaction.

In terms of environmental sustainability, we implement a source reduction and waste minimization policy to reduce the amount of disposed waste. At the same time, we reduce greenhouse gas emissions by improving energy efficiency and optimizing processes. We are following the Group's lead by aligning with the Group's target of achieving 100% renewable energy usage by 2040 and setting the goal of net-zero emissions by 2050 as our long-term vision, demonstrating our commitment to the planet's ecological environment.

In terms of social responsibility, we firmly believe that people are the foundation of sustainability. Simula Technology is committed to creating a people-centered workplace environment and, through collaboration with the Group, participates in community activities and invests in digital care for remote areas and assistance for middle-aged and older populations, expanding the Company's influence to every corner of society and putting social responsibility into practice.

Looking ahead, we will continue to drive comprehensive progress in the environmental, social, and corporate governance dimensions. We will keep innovating and optimizing products to meet customer needs and achieve sustainable development objectives, in hopes of becoming a leader and promoter of sustainable development.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix



胡若尧

In the face of rapid changes in the global industry and the uncertainty of the market environment, Simula understands that a company may only move steadily forward in a highly competitive industrial environment through continuous innovation and the execution of sustainable development principles. Simula Technology has long engaged in the design and manufacture of electronic connectors, cables, and electronic modules, and has gradually adjusted its product portfolio in line with industry development trends, transforming from a market that had previously focused on consumer electronics and information products to applications with high added value and a high degree of customization, such as automotive, medical, industrial, and wearable devices. As an important component supply partner, the key components we provide have a critical impact on overall product performance and quality, and also play a crucial role in promoting sustainable development in the industry.

Simula Technology upholds a philosophy centered on customer needs, continually investing in R&D and technological innovation in order to provide more competitive products and solutions, help customers enhance product value, and address market changes, thereby promoting the long-term growth of both the company and the industry on the basis of cooperation and innovation.

While expanding its operations, Simula Technology has also actively integrated sustainability into its corporate strategy and daily management. We continue to promote the introduction of green manufacturing and automation technologies, and work closely with supply chain partners to encourage the adoption of more environmentally friendly materials and processes in order to increase production efficiency and reduce environmental impact. The strengthening of supply chain management and partner collaboration enables the Company to not only effectively enhance its overall operational efficiency, but also fulfill its commitment to environmental protection and social responsibility. Furthermore, we value talent development and the establishment of sustainability awareness. Through education and training and internal promotion, we cultivate talent equipped with professional capabilities and ESG thinking, laying a long-term foundation for the Company's future development.

In the future, Simula Technology will continue to expand its ESG management by integrating innovative technologies with sustainable strategy to build a resilient operating system. In an era of both challenges and opportunities, we will uphold the philosophy of "creating shared value" and actively promote sustainable initiatives, striving toward a shared prosperity for enterprises and society.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Simula Technology Inc. (hereinafter referred to as “Simula Technology” or “the Company”) publishes its Sustainability Report (hereinafter referred to as “ESG Report” or “this Report”) to systematically disclose the Company’s management approach, implementation results, and related performance information in terms of corporate governance, environment, and society, in response to stakeholders’ concerns and expectations regarding sustainability information.

Reporting Period

This is the second Sustainability Report issued by Simula Technology, and reports will be published annually in the future. To enhance the transparency and accessibility of the information disclosed in the Report, the electronic file of the complete report may be downloaded from Simula Technology’s official website.

- Date of publication: August 2026.
- Next publication date: August 2027.

The disclosure period for this Report was from January 1, 2025, to December 31, 2025. If any portion of the content involved cross-year data or events, an explanatory note was provided separately in the body of the text to facilitate reader understanding of the relevant time period and differences.

Reporting Scope and Boundary

Financial Information	The financial information contained in this 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 in the Company’s financial statements.
Environment and Society	In this report, the disclosure scope for environmental and social information focuses on entities and sites with actual operating activities, including the following: • Simula Technology Inc. (Taoyuan Head Office) • Action Star Technology Co., Ltd. (Yilan Plant) • Simula Technology (ShenZhen) Co., Ltd. (Shenzhen Plant) The following 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 scope of compilation and disclosure of non-financial data in this Report. If the scope of disclosure differed from the aforementioned, a note was added in that paragraph.
Data Collection and Internal Review Mechanism	The environmental and social data in this Report were collected and consolidated by the Company’s internal responsible departments according to their respective business duties, and were included in the disclosure after being reviewed and confirmed by the supervisors of each unit, in order to enhance the consistency and reliability of the information.
Restatements of information	1. The definition of senior management has been revised from managerial officer level to head of division or above, and corrections have been made for three years of data. 2. The definition of supervisory positions has been changed from manager level to assistant manager or above, and corrections have been made for three years of data. 3. The gasoline consumption and total electricity usage for 2024 have been corrected, affecting the total energy consumption figures. 4. There was an error in the calculation of energy intensity in the Energy section regarding consolidated revenue; corrections have been made for three years of data. 5. In the calculation of direct economic value generated and distributed by the organization, payments to providers of capital should include interest payments. Accordingly, the data for the past three years have been restated.

Basis of Preparation and Assurance

- This Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and complies with the requirements for Appendices 1 and 2 outlined in the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies." For stakeholder convenience, a GRI Content Index, details on the Sustainability Accounting Standards Board sustainability information disclosure standards, and climate-related information for OTC companies is provided in the Appendix for cross-reference.
- The financial data disclosed in this Report has been audited and certified by Ernst & Young in accordance with International Financial Reporting Standards (IFRS), calculated in units of NT\$thousands. Data related to environmental protection, employees, and occupational safety have been compiled by responsible departments and confirmed by departmental supervisors, presented using internationally accepted metrics.
- Simula Technology has established "Procedures for the Preparation and Assurance of the Sustainability Report," where internal responsible departments first review the accuracy of the ESG report disclosure. This is followed by confirmation from the Sustainability Promotion Task Force that the report comprehensively covers all material topics, and internal staff conduct internal audits to enhance the accuracy of the sustainability report.
- To ensure the quality of disclosures in this ESG Report, Simula Technology engaged, through management, the 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

Responsible Unit	Corporate Governance Officer
Contact Phone Number	03-301-0008 #1201
Email	jasminejianglin@simulatechnology.com
Company Website	www.simulatechnology.com

Publication Frequency

Report release frequency	Annually
Report release date	August 2026
Next report release date	August 2027

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Aspect	2025 Sustainability Actions
Governance/ Economic Aspect	- Female directors accounted for 14% of all directors, and independent directors accounted for 43%. - Directors participated in a total of 21 hours of ESG training, which accounted for 41% of the total training hours; the Corporate Governance Officer completed 6 hours of training. - No reports of personnel violations of integrity were received; there were no records of violations of corporate governance regulations; and no material deficiencies were found in internal control operations. - The Company's consolidated revenue amounted to NT\$1,752,255 thousand. - In 2025, the Company placed in the 21%-35% tier in the Corporate Governance Evaluation. - The Customer Satisfaction Survey score reached 8.77 points, and we continued to strengthen product safety, quality management, and information security to safeguard user safety and data protection. - New products (services) accounted for 10.1% of the Company's sales revenue. - Maintained IECQ QC080000:2017, ISO 13485:2016, and ISO 9001:2015 certifications.
Environmental Aspect	- Received ISO 14001:2015 Environmental Management Systems certification. - Water intensity decreased by 0.1584 million liters per NT\$10 million compared with the previous year. - Waste intensity decreased by 0.0884 metric tons per NT\$10 million compared with the previous year. - Implemented the ISO 14064-1:2018 greenhouse gas inventory standard and joined the parent company's third-party verification system. - Liquefied petroleum gas (LPG) usage decreased by approximately 11.8% compared with the previous year. - Category 1 greenhouse gas emissions produced 230.6957 metric tons of CO2e and category 2 greenhouse gas emissions produced 2,758.4622 metric tons, for a total of 2,989.1579 metric tons of CO2e. - Water consumption decreased by 29.2005 million liters compared with the previous year; wastewater generation decreased by 23.3782 million liters compared with the previous year. - Total waste generated decreased by 19.9 metric tons compared with the previous year. (10.4%) - Complied with the RoHS and REACH hazardous substances management regulations and customers' hazardous substances management requirements, and also required suppliers to sign a commitment letter to ensure that hazardous substances are not used. - No complaints related to hazardous substances management were received; no conflict minerals were procured. - Accepted customer RBA audit with no material deficiencies. - No violations of environmental protection laws were recorded. - There were no supplier-related supply chain disruptions caused by material violations of laws and regulations related to social responsibility, including environment, human rights, and occupational safety. - Received the 2025 "Green Enterprise" environmental protection certification awarded by the Organic Life Environmental Education Promotion Association of R.O.C. - Applied to the Large-to-Small Manufacturing Industry Low Carbon and Intelligent Upgrade and Transformation subsidy program from the Ministry of Economic Affairs, improved consolidated air conditioning and electricity usage for production line processes on the 3rd and 4th floors, and enhanced electricity usage for the waste heat recovery process.
People Aspect (including human rights)	- The overall proportion of female employees reached 56.8%; the proportion of female managers reached 24.5%. 85.2% of employees were under the age of 50 years. - We maintained a record of zero accidents throughout the year. No employee suffered a death due to occupational injury, severe occupational injury, or recordable occupational injury, and no death or recordable occupational disease occurred due to an occupational disease. - No violations of labor laws were recorded. - No labor-management dispute incidents occurred.

1

Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

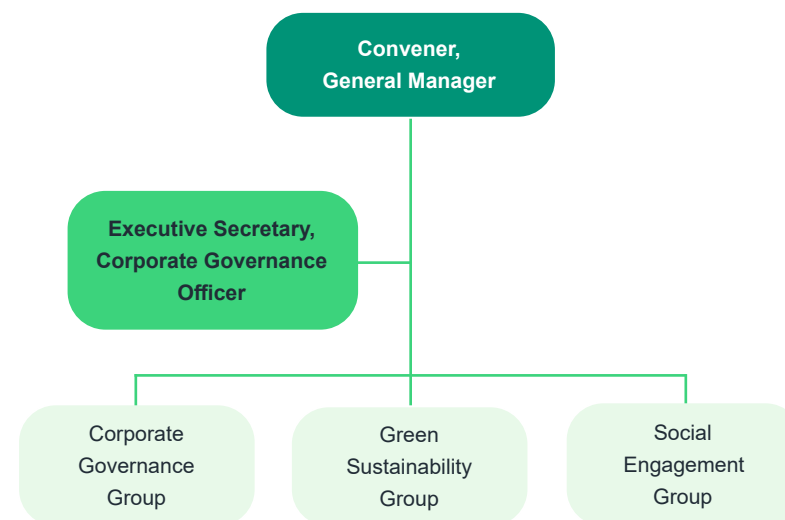
1.1 Sustainability Promotion Task Force

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, reporting sustainable development-related plans to the Board of Directors at least once a year.

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.

Sustainability Promotion Task Force



ESG Issues Reported to the Board of Directors in 2025

- Report on the Implementation of Sustainable Development
- Report on the Status of Greenhouse Gas Inventory Implementation
- Report on Risk Management Operations
- Proposal for the 2024 Sustainability Report

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

1.1 Sustainability Promotion Task Force

1.2 Identification of Stakeholders

1.3 Stakeholder communication channels and issues of concern

1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

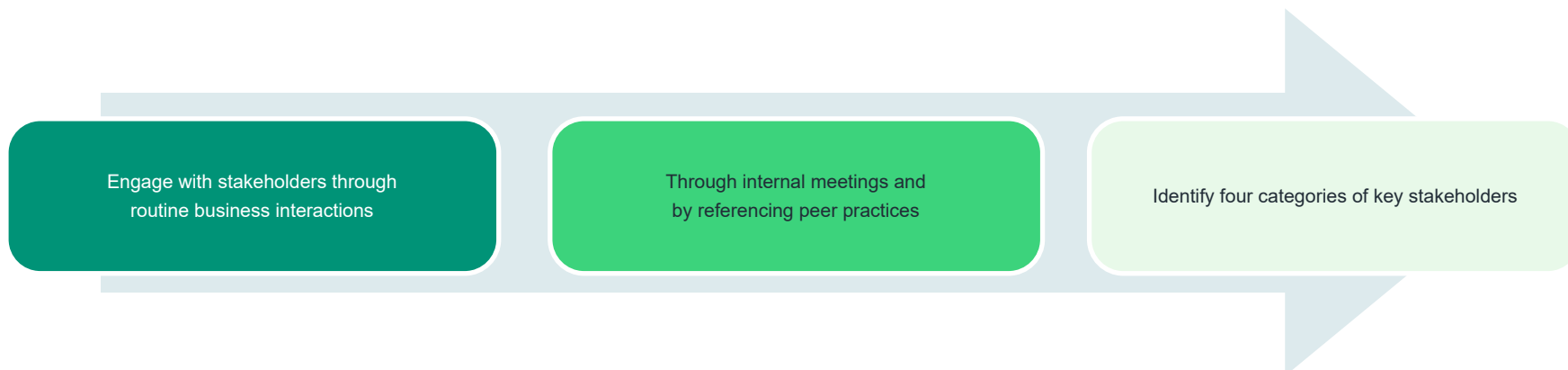
5 Social Care

Appendix

1.2 Identification of 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.

Identification of Key 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 Task Force, summarizing 22 sustainability topics covering the environmental, people (including human rights), and economic dimensions to ensure the completeness and diversity of sustainability disclosures.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Key Stakeholders	Importance to the Company	Topics of Concern	Communication Channels	Actual Communication Statistics	Corresponding Chapter
Shareholders	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.	Occupational Safety and Health Information Security and Privacy Business and Human Rights Risk Management	Contact: Spokesperson, Chief Financial Officer Jianglin Telephone: 03-3010008#1201 jasminejianglin@simulatechnology.com Regular • Annual General Meeting (annually) • Investor Conference (annually) • Annual Report and Financial Statements (annually/quarterly) • Monthly revenue announcements (monthly) Irregular • Market Observation Post System (MOPS) • Official website	- Held 1 Shareholders' Meeting. - Held 1 Investor Conference. - Completed publishing of the financial statements for the year ended 2024 and for 2025 Q1 through Q3. - Completed announcement of revenue for the twelve months of 2025 in accordance with applicable regulations.	3.1 Governance Practices 3.2 Risk Management 3.4 Operational Performance 3.7 Information Security 5.1 Labor Relations 5.5 Occupational Health and Safety
Suppliers	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 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.	Integrity Management Information Security and Privacy Sustainable Supply Chain Management Risk Management Operational and Financial Performance	Contact Person: Procurement Manager Peng Telephone: 03-3010008#1606 tinapeng@simulatechnology.com Regular • Factory audits (annually) • Supplier meetings (annually) Irregular • Phone, e-mail	- Conducted factory audits of 23 suppliers. - Held 18 meetings with suppliers.	3.1.4 Ethics and Integrity 3.7 Information Security 4.2 Sustainable Supply Chain 3.2 Risk Management 3.4 Operational Performance
Customers	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.	Customer Relationship Management Integrity Management Operational and Financial Performance Risk Management Sustainable Supply Chain Management	Contact Person: Mr. Li, Assistant Vice President of Sales Telephone: 03-3010008#1805 benlee@simulatechnology.com Regular • Customer satisfaction surveys • ESG Material Topic Questionnaire Irregular • Customer meetings • Sales visits • Phone, e-mail	- More than 50 client visit reports were completed. - A total of 30 satisfaction surveys were distributed, and 27 valid responses were collected. - A total of 15 ESG material topic questionnaires were collected	3.5 Products and Services 3.1.4 Ethics and Integrity 3.4 Operational Performance 3.2 Risk Management 4.2 Sustainable Supply Chain
Employees	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.	Talent Policy Employee Training and Development Integrity Management Operational and Financial Performance Business and Human Rights	Contact Person: Human Resources Department, Section Manager Hung Telephone: 03-3010008#1204 HR@Simulatechnology.com Regular • Performance appraisals (annually) • Labor-management meetings (quarterly) • Employee welfare meetings (quarterly) Irregular • Internal grievance e-mail box • Training and education • Company intranet • Employee trips • Employee gatherings	- Conducted 1 performance review. - Held 4 labor-management meetings. - Held 4 employee welfare meetings. - Held 3 employee gatherings.	5.3 Remuneration and Benefits 5.4 Talent Cultivation 3.1.4 Ethics and Integrity 3.4 Operational Performance 5.1 Labor Relations

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

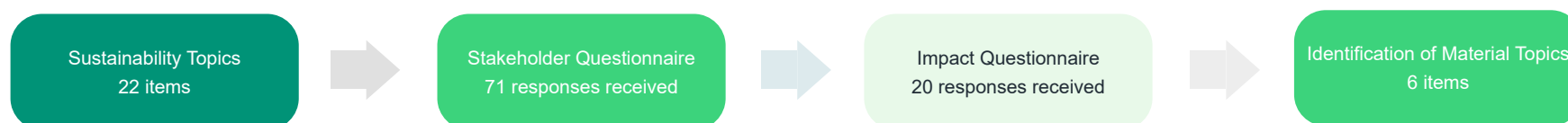
4 Environmental Sustainability

5 Social Care

Appendix

1.4 Identification of Material Topics

Material Topic Identification Process



The Company's Sustainability Promotion Task Force defined 22 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 71 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 20 manager responses. The two sets of scores were consolidated to produce a materiality matrix. Finally, after discussion by the Sustainability Promotion Task Force, the top two issues from each of the three aspects—environmental, people (including human rights), and economic—were identified as material topics: talent policies, employee training and development, information security and privacy, operational and financial performance, sustainable supply chain management, and energy management.

Based on the six material topics, the Company identified the main themes of this year's ESG Report. In response to changes in the external environment and market, the Company has continued to refine its operating fundamentals and enhance financial and operating performance. We also emphasize talent retention and development, information protection, supply chain cooperation and management, and energy usage efficiency, in order to implement sustainable operation and strengthen our overall competitive advantage.

Aspect	Sustainability Topics
Environmental Aspect	Sustainable supply chain management, energy management, climate strategy, green products, waste management, water resource management, air and noise pollution prevention, ecological conservation and biodiversity
People (including human rights) Aspect	Talent Policies, Employee training and development, business and human rights, occupational safety and health, diversity and inclusion, social engagement and influence
Economic Aspect	Operational and financial performance, risk management, R&D and innovation, customer relationship management, information security and privacy, integrity management, corporate governance, and taxation

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

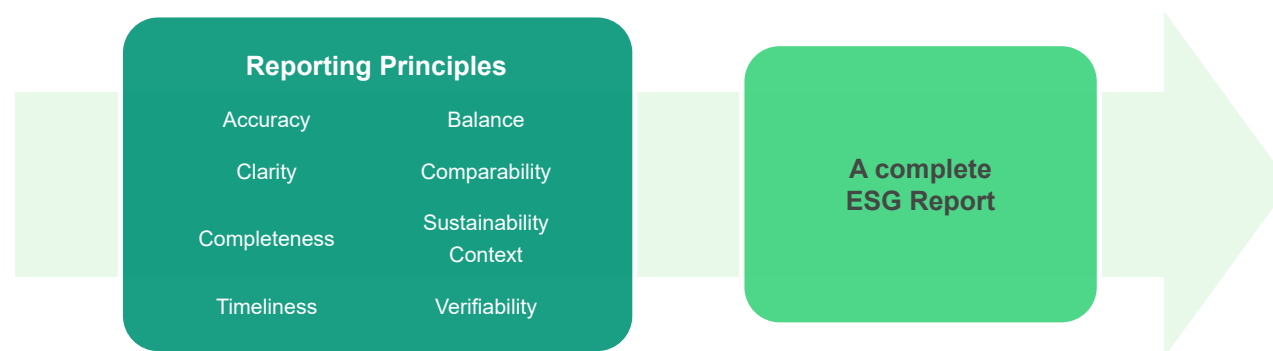
3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Determining Material Topics and Boundaries

Aspect	Material Topics	Importance to Simula Technology	Impact Aspects	Impact Description	Internal Boundary	External Boundary			Corresponding GRI Standards	Report Disclosures
					Company	Shareholders	Suppliers	Customers		
Environmental Aspect	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.	Positive, potential	Starting in 2025, ESG supplier questionnaires were conducted and compiled, ESG Supplier Commitments signed, and on-site ESG management audits were carried out for new suppliers. The ESG supplier questionnaire covered three major aspects: society, environmental, and corporate governance.	●		●		GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	4.2 Sustainable Supply Chain
Environmental Aspect	Energy Management	Following the international shift to net-zero emissions, customers are increasingly demanding carbon reduction within the supply chain and stakeholders are placing greater emphasis on corporate sustainability performance. For Simula Technology, energy management is thus not only a crucial foundation for maintaining stable daily operations and production, but also a key issue for improving operational efficiency, reducing operating costs, and enhancing sustainable competitiveness.	Positive, actual	We plan to implement the ISO 50001 Energy Management System to enhance energy efficiency through a systematic management mechanism. Additionally, in recent years, our subsidiary's greenhouse gas emissions data has shown a yearly decreasing trend, indicating that our energy management and carbon reduction efforts are already yielding preliminary results.	●		●		GRI 302 Energy	4.3 Energy Management
People Aspect	Talent Policy	Talent policy is a critical foundation for the Company's operational development and sustainable operation. A robust talent management system enhances employees' professional capabilities and organizational stability, ensuring that the Company is able to maintain operational efficiency and service quality amid industry competition and a changing market environment. By continuously optimizing talent recruitment, development, and retention measures, we strengthen the quality of our talent, thereby exerting a positive and tangible impact on the Company's operating performance and long-term development.	Positive, actual	Through the planning and implementation of relevant talent policies, including measures such as a personnel development mechanism, a remuneration and benefit system, and workplace environment optimization, we boost employee engagement and professional capabilities, reduce the risk of staff turnover, and promote the accumulation of organizational knowledge and experience.	●				GRI 401 Employment	5.3 Remuneration and Benefits

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Aspect	Material Topics	Importance to Simula Technology	Impact Aspects	Impact Description	Internal Boundary	External Boundary			Corresponding GRI Standards	Report Disclosures
					Company	Shareholders	Suppliers	Customers		
People Aspect	Employee Training and Development	Employee training and development are crucial to an organization's professional capabilities and operational quality. Insufficient planning of relevant systems or limited execution effectiveness may negatively impact employees' skill enhancement and work efficiency, which may, in turn, adversely affect the Company's operational stability and competitiveness. Therefore, establishing appropriate education, training, and development mechanisms is of significant importance for reducing human capital risks and supporting the Company's long-term growth.	Negative, potential	If training content and resource allocation are not appropriately planned according to the organization's development needs, the result may be a failure to effectively enhance employees' professional abilities, increasing the risk of operational errors or impacting work quality, and potentially reducing employee engagement and retention willingness. Although these scenarios are potential in nature, they may still negatively impact the Company's operational efficiency and overall development. Therefore, we will continue to monitor the appropriateness of the training system and resource allocation to mitigate related potential risks.	●		●	●	GRI 404 Training and Education	5.4 Talent Cultivation
Economic Aspect	Information Security and Privacy	As the Company's operations and internal management become increasingly reliant on information systems, information security and privacy protection have become critical issues affecting operational stability and sustainable development. In daily operations, we handle substantial amounts of business data and personal information related to customers, suppliers, and internal stakeholders. If an information security incident occurs, it could lead to operational disruptions, leakage of trade secrets, a decline in customer trust, and even result in regulatory compliance and legal risks, significantly impacting the Company's financial performance and corporate reputation.	Positive, actual	The Group's parent company requires Simula Technology to submit an annual information security assessment report, with a minimum score of 95 points. In the future, the subsidiary Action Star Technology is expected to implement ISO 27001. In 2025, the Group's second edition of the information security measures assessment consisted of 52 items. Simula Technology achieved a score of 97 points, Simula Technology (ShenZhen) reached 96 points, and Action Star reached 86 points.	●	●	●		Simula-defined topic	3.7 Information Security
Economic Aspect	Operational and Financial Performance	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.	Positive, potential	The positive potential impact for operating performance stems primarily from enhanced profitability brought about by stronger revenue momentum, an optimized product mix, and an improved cost structure. At the same time, through increased operating efficiency and a stronger financial position, the Company may further consolidate its competitive advantages and foundation for long-term growth.	●	●		●	GRI 201 Economic Performance	3.4 Operational Performance

1 Sustainable Development Policy

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

- 1.1 Sustainability Promotion Task Force
- 1.2 Identification of Stakeholders
- 1.3 Stakeholder communication channels and issues of concern
- 1.4 Identification of Material Topics

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

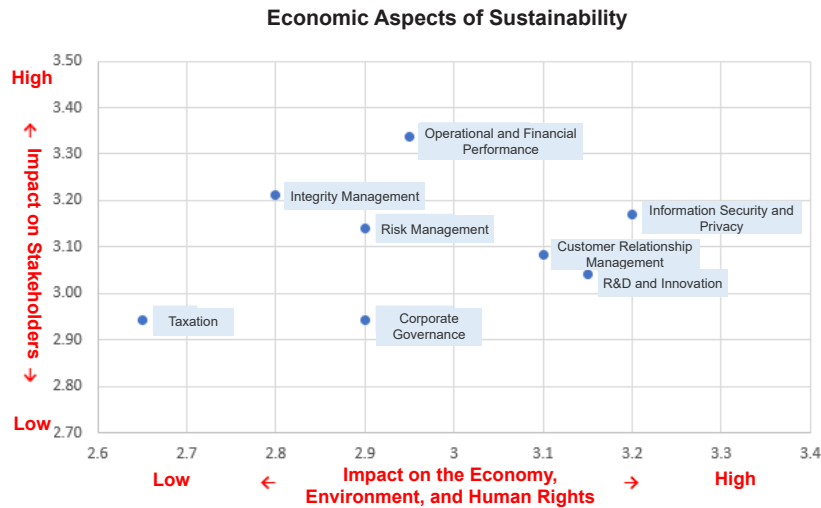
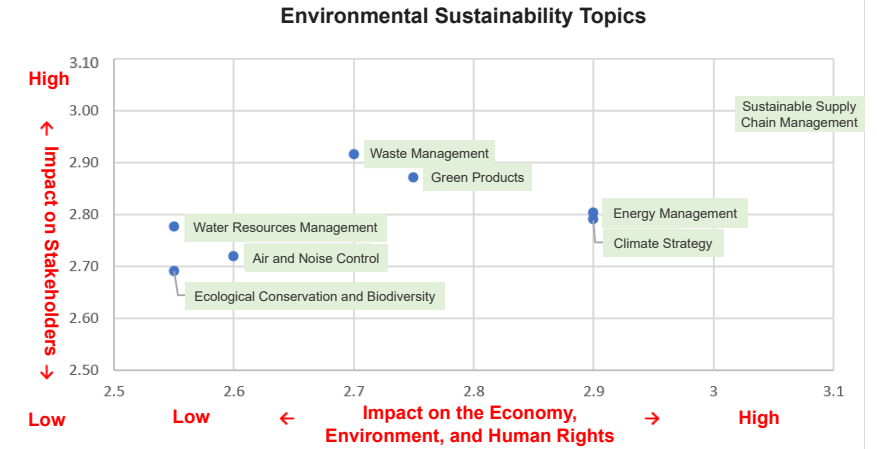
5 Social Care

Appendix

List of Material Topics

2024	2025	Difference
Operational Performance	Information Security and Privacy	Added
Product Responsibility/Product Safety	Operational and Financial Performance	↓ 1
Innovation and R&D	Sustainable Supply Chain Management	↑ 2
Remuneration and Benefits	Talent Policy	-
Sustainable Supply Chain	Employee Training and Development	Added
Raw Material Management	Energy Management	Added

Material Topics Matrix



2

About Simula Technology

- 2.1 Company Profile
- 2.2 Business Philosophy
- 2.3 Management System



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

- 2.1 Company Profile
- 2.2 Business Philosophy
- 2.3 Management System

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

2.1 Company Profile

Simula Technology was founded in 2003 with its headquarters in Taiwan. Leveraging its strong R&D capabilities, precision manufacturing technology, and highly customized service capabilities, Simula Technology has developed into a professional supplier of high-end connectors and cable integrated solutions, and has obtained international quality certifications such as ISO 13485, IATF 16949, ISO 9001, and ISO 14001, ensuring the quality and safety standards of its products in the medical, automotive, and high-reliability application sectors.

Following the rapid development of industries such as AI, AI servers, high-speed data centers, robotics, unmanned aerial vehicles, new energy vehicles, and smart manufacturing, market demand for high-speed, high-frequency, high-power, and high-reliability connection technologies has continued to increase. Simula Technology is actively positioning itself in high-speed transmission interfaces, high-density connection designs, miniaturized module integration, and customized wiring solutions. Its product applications have expanded into key areas such as AI computing devices, edge computing systems, smart automotive electronics, industrial automation equipment, and medical electronics.

Currently, Simula Technology's global service locations cover the Americas, Europe, and Asia. Its product line extends from consumer electronic connectors to automotive electronics, medical equipment, industrial control, marine electronics, and emerging smart application markets. Through cross-departmental integrated design capabilities and comprehensive manufacturing resources, Simula Technology can collaborate with customers in co-design during the early stages of product development, providing one-stop services that range from structural design, signal integrity optimization, high-speed simulation validation to mass production introduction, helping customers shorten development timelines and enhance market competitiveness.

In response to the era of intelligent industries and high-performance computing, Simula Technology will continue to strengthen high-speed, high-power, and high-reliability connection technologies, becoming a trusted strategic partner in the global electronics industry.

Company Name	Simula Technology Inc.
Headquarters Location	14F., No. 1351, Zhongzheng Rd., Taoyuan Dist., Taoyuan City, Taiwan
Industry	TPEX-listed Electronics Components Industry
Capital Amount	NT\$799,729 thousand
Shareholding Structure	Domestic institutions: 51.43% Domestic individuals: 43.11% Foreign institutions and foreign individuals: 5.46%

Note: Data are compiled up to the end of 2025.

Consolidated Revenue for 2025	NT\$1,752,255 thousand
Number of Employees	Taiwan: 388; Overseas: 242
Operational Site	Taiwan (Taoyuan headquarters; Action Star Yilan plant) Overseas locations: Shenzhen, China; United States (sales office).
Production of Main Products	Consumer (including wearables): 25,369 KPCS Automotive use: 3,497 KPCS Medical: 828 KPCS Industrial: 7,229 KPCS Others: 250 KPCS
Primary Product Sales Mix	Wearable products: 7.85% Consumer products: 9.5% Automotive, medical, and industrial products: 82.5% Others: 0.15%
Revenue by Region	Taiwan (14.12%), China (6.15%), United States (39.92%), Vietnam (5.06%), Thailand (11.74%), Hong Kong (5.85%) Other (17.16%)

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

2.1 Company Profile

2.2 Business Philosophy

2.3 Management System

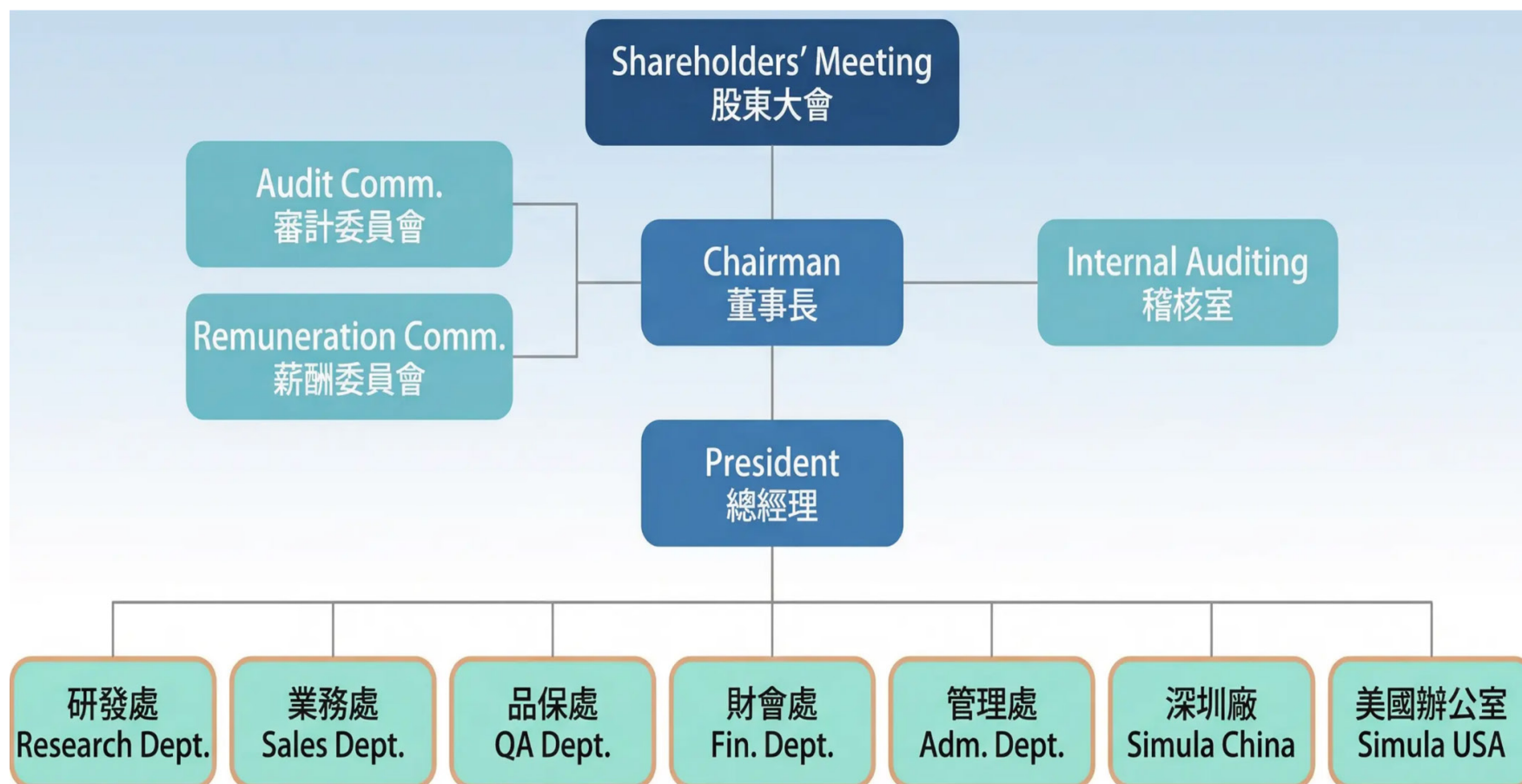
3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Simula Technology Organization Chart



[Message from the Chairman](#)[Message from the General Manager](#)[Reporting Guidelines](#)[Sustainability Performance](#)[1 Sustainable Development Policy](#)[2 About Simula Technology](#)[2.1 Company Profile](#)[2.2 Business Philosophy](#)[2.3 Management System](#)[3 Corporate Governance](#)[4 Environmental Sustainability](#)[5 Social Care](#)[Appendix](#)

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

Upstream**Metal Materials | Electroplating Materials****Plastic Materials | Other Materials**
(e.g., zinc alloy, ceramics, glass)**Midstream****Connector Design | Assembly and Manufacturing****Downstream****Various Electronic Products**

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

2.1 Company Profile

2.2 Business Philosophy

2.3 Management System

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

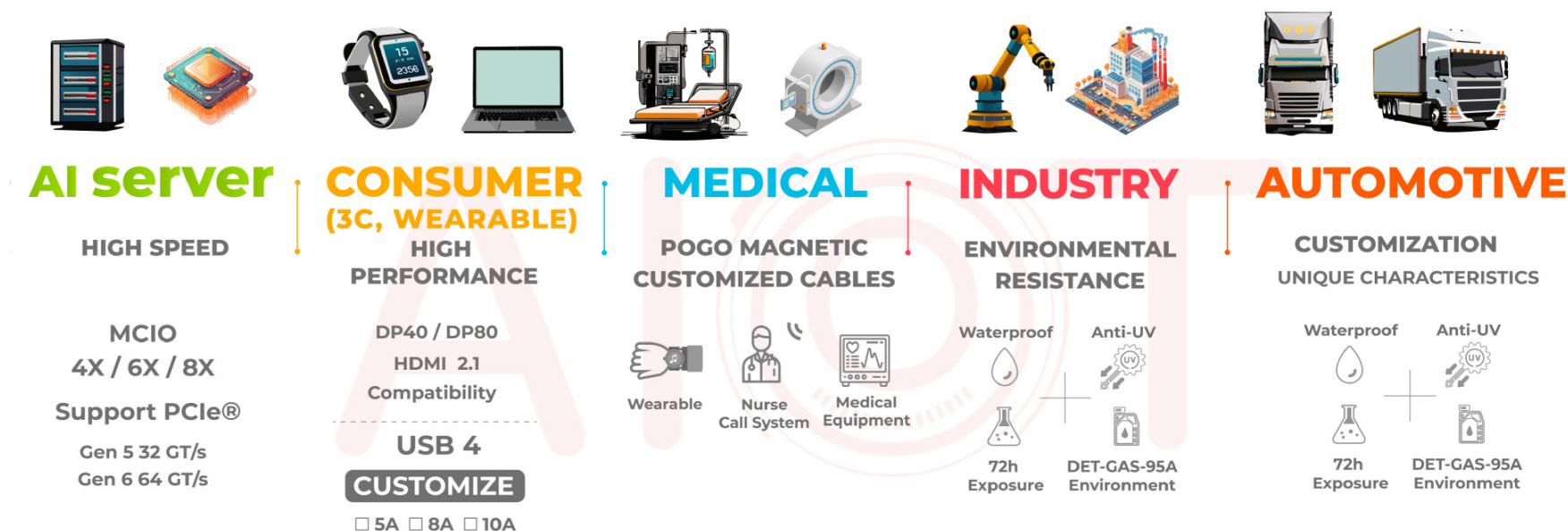
Appendix

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.”

• Company Products

Our products are applied in diverse settings such as consumer electronics, communication equipment, industrial/outdoor equipment, automotive systems, medical equipment, and wearable devices, and provide integrated connection and cable solutions.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

- 2.1 Company Profile
- 2.2 Business Philosophy
- 2.3 Management System

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Awards

Simula Technology was awarded the "2025 Green Enterprise" certification

Simula Technology adheres to the core principle of "sustainable innovation and environmental friendliness", establishing and continuously optimizing its environmental management system and incorporating environmental protection and climate issues into the decision-making processes of its operations and R&D activities. Through institutionalized management and cross-departmental collaboration, the Company systematically identifies the environmental impacts of its operational activities and plans corresponding mitigation and improvement measures to reduce environmental risks and enhance operational resilience.

In the execution of its environmental management, in 2025 Simula Technology conducted a comprehensive review of internal operating processes and resource use through participation in environmental education and practical-oriented courses, continuing to improve its environmental management practices accordingly and achieving the "Green Enterprise" certification. In the future, the Company will continue to strengthen its environmental management system, deepen its assessment of climate-related risks and opportunities, and gradually enhance its overall performance in environmental sustainability and climate governance.



Participation in External Organizations

Name of External Association	Participation Status
Digital Content Protection LLC	Member
HDMI Licensing Administrator, Inc	Member
PCI-SIG	Member
USB Implementers Forum, Inc.	Member
Video Electronics Standards Association	Member
Taiwan Electronic Connection Association	Member
UL GmbH, Taiwan Branch (Switzerland)	Member
Taipei Exchange	Member
EcoVadis SAS	Member

Participation in External Advocacy

Supporting Qisda's RE100 Initiative

As a partner of Qisda, Simula responded to Qisda's long-term 2040 RE100 target by planning to progressively increase its purchase ratio of green electricity certificates. The target for the first phase is to achieve RE60 by 2030, aiming for a long-term target of 100% green electricity usage by 2040.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

2.1 Company Profile

2.2 Business Philosophy

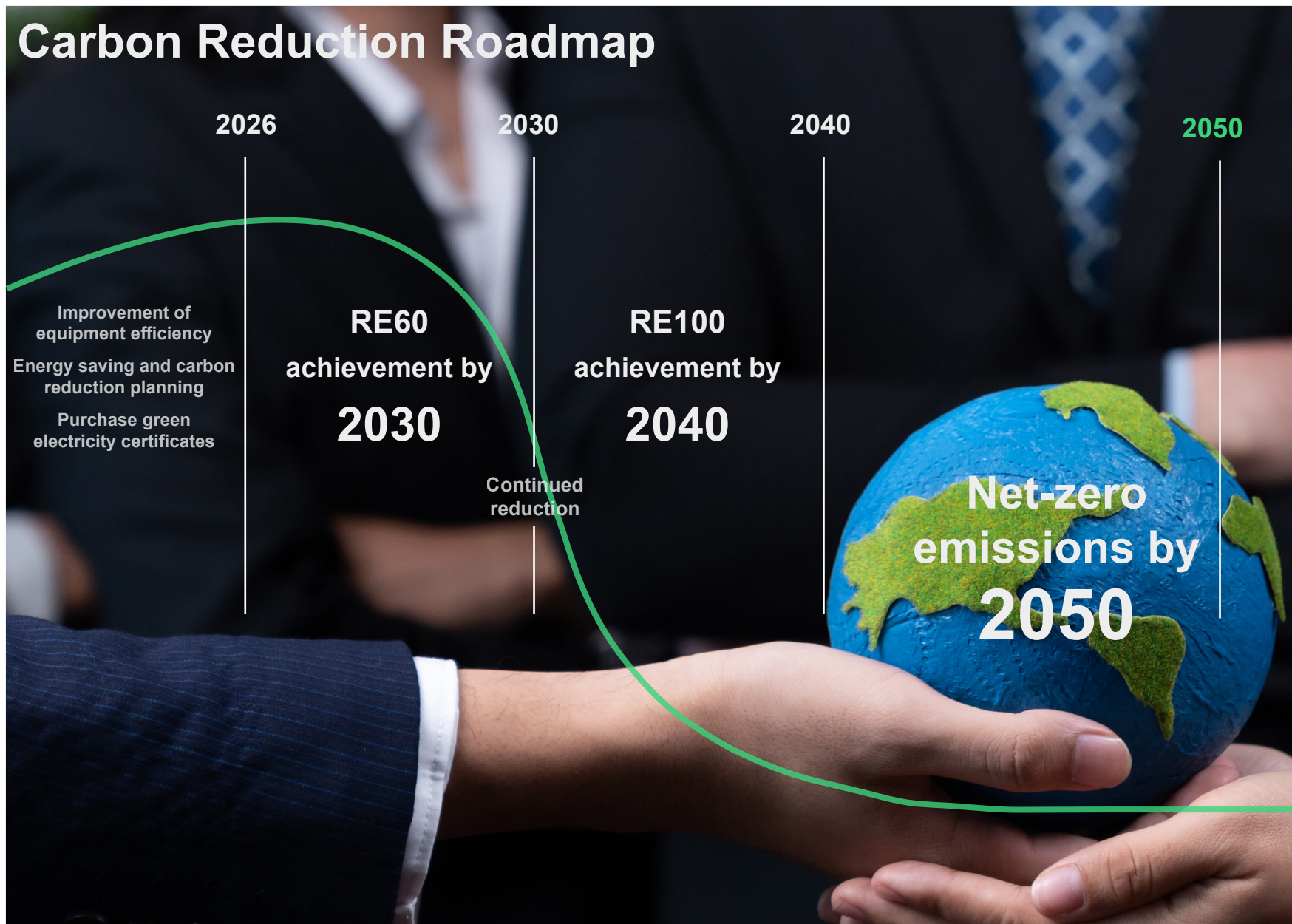
2.3 Management System

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix



IN Certificate

医疗器械质量管理体系认证证书

证书编号: 1A52M00292

被证明

威康科技(深圳)有限公司

统一社会信用代码: 9144030065129051L

注册地址: 中国广东省深圳市龙岗区宝龙街道同乐社区宝龙一路宝龙工业区201号4栋
审核地址: 中国广东省深圳市龙岗区宝龙街道同乐社区宝龙一路宝龙工业区201号4栋

其医疗器械质量管理体系已通过本机构的评审, 符合下列标准的要求

ISO13485:2016

伟康康迈医疗

用于医疗的通讯产品连接器的设计与制造; 用于医疗器械的电线电缆的制造

技术领域: A. 1.7



首次发证日期: 2022年05月20日
证书颁发日期: 2025年05月19日
证书有效期至: 2025年05月19日

Zhang Wanyan

董事长



获证组织必须按照被认证质量管理体系标准中认证条件, 此证书方能有效。
获证组织须接受本机构的监督审核并符合认证条件 (OASIRI) (www.oasiri.com) 要求

广州英诺威国际认证有限公司

地址: 180-025-8250-514 邮箱: lae@innocert.com
地址: 中国广东省广州市天河区科丰路23号7-12楼

Appendix

Simula Technology Certifications

ISO 9001:2015
Quality Management Systems



3

Corporate Governance

- 3.1 Governance Practices
- 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



3 Corporate Governance

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

- 3.1 Governance Practices
- 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

4 Environmental Sustainability

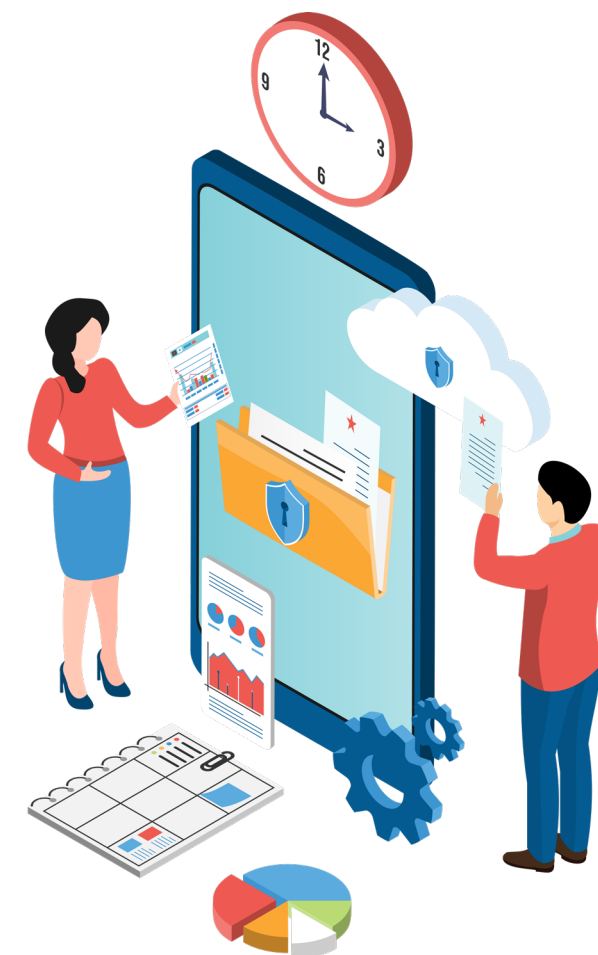
5 Social Care

Appendix

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.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

3.1 Governance Practices

Corporate Governance Achievements

- In July 2025, 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 2025, 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 Company's Shareholders' Meeting is composed of all shareholders and serves as an important decision-making mechanism for the Company. It is responsible for deliberating significant operational matters and important governance issues, and it ensures that management decisions consider legality, transparency, and shareholder rights through a regular meeting mechanism to hear reports from the Board of Directors. The Board of Directors, as the highest governance unit of the Company, fulfills its supervisory responsibilities with the duty of care of a prudent manager, diligently overseeing the management team in the implementation of business strategies, risk management, and sustainability goals. The General Manager assists the Chairman in promoting the overall operational plan and the execution of sustainability strategies. The Board of Directors regularly reviews financial performance, operational results, and significant business issues to ensure that the corporate governance mechanism operates effectively, enhancing the Company's capacity for long-term and stable development.

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 July 2025 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 2025, the Corporate Governance Officer completed a total of 6 hours of education and training related to corporate governance. 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 2025, four Board meetings were held, and the average attendance rate of directors reached 100%, demonstrating strong director engagement in corporate governance and decision-making.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Diversity Statistics/Year			2023		2024		2025	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Director	Gender	Male	6	85.71%	6	85.71%	6	85.71%
		Female	1	14.29%	1	14.29%	1	14.29%
	Age	Under 50	1	14.29%	1	14.29%	0	0.00%
		Aged 51 to under 60	6	85.71%	6	85.71%	4	57.00%
		Aged 61 to under 70	0	0.00%	0	0.00%	3	42.00%
	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%.

Conflict-of-Interest Avoidance

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.

Due Diligence

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 2025, the Company experienced no potential material adverse events.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Job Title	Name	Gender	Actual Attendance Rate (%)	Number of Other Companies Where Concurrently Serving as Director	Professional Competencies and Industry Experience						
					Business Administration	Industry Knowledge	Financial Accounting	Sustainable Development	Venture Capital	Information Technology	Academic Research
Chairman	Huang Han-Chou	Male	100	10	V	V		V	V	V	
Director	Lin Yu-Chin	Male	100	0	V	V	V	V			
Director	Cheng Yin-Shiang	Male	100	1	V	V		V			
Director	Hu Jo-Yao	Male	100	4	V	V		V	V		
Independent Director	Yeh Hui-Hsin	Female	100	3			V	V			
Independent Director	Tan Tang-O	Male	100	0	V	V					
Independent Director	Chen Jin-Ji	Male	100	3					V		V

Director Performance Evaluation

In order to further enhance the Board of Directors' overall quality of decision-making and operational effectiveness, Simula Technology established the "Board Performance Evaluation Guidelines." The Company's Board of Directors approved the "Board Performance Evaluation Guidelines" on December 28, 2021, and amended them on October 29, 2020. The Board of Directors shall conduct at least one performance evaluation of the Board of Directors and its Directors each year; at least once every three years, a Board Performance Evaluation shall be conducted by an external independent institution or a team of external experts and scholars.

In July 2023, the Company appointed the external independent evaluation institution, the Taiwan Corporate Governance Association, to assess the effectiveness of the Board of Directors. The assessment covered eight major aspects of the Board of Directors, including composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management, and other matters (such as Board of Directors meetings and support systems). The assessment methods included online self-assessment and written review of relevant documents, and an on-site visit was conducted in September 2023. The subjects included the Chairman, the General Manager, three Independent Directors, the Corporate Governance Officer, and the Chief Audit Officer. The results of the assessment were reported to the Board of Directors at the meeting held in October 2023.

Board Performance Evaluation Mechanism

- Annual internal self-assessment by the Board of Directors
- Assessment by an external organization every three years



2025 Board of Directors Self-Assessment Results

- Board of Directors and individual directors average: 99 points
- Audit Committee average: 98 points
- Remuneration Committee average: 98 points



Enhancement Measures

- Arrange professional continuing education courses
- Enhancing Directors' Participation in Company Operations

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Board of Directors Continuing Education and Collective Knowledge

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	51
Total hours of ESG-related courses	21
Directors' ESG-related course ratio	41%

ESG Course Title	Hour/Person	Participating Directors
Labor and Human Rights Trends in the Global Supply Chain and Corporate Practices Sharing	3	Lin Yu-Chin, Huang Han-Chou, Cheng Yin-Shiang
Corporate Governance Forum	3	Hu Jo-Yao, Huang Han-Chou
Future Trends and Opportunities in Sustainability	3	Chen Jin-Ji
Legal liability for greenwashing in sustainability reports	3	Yeh Hui-Hsin

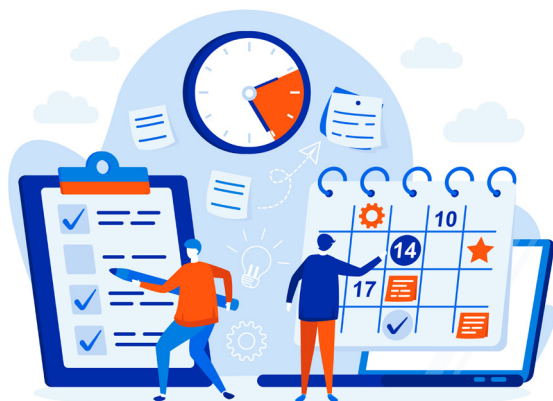
3.1.2 | Functional Committees

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 2025, four meetings were held, with a 100% attendance rate, demonstrating the independent directors' strong emphasis on financial governance and supervisory duties.

Audit Committee			
Audit Committee Member	Number of Actual Attendances	Number of Authorized Proxy Attendances	Actual Attendance Rate (%)
Yeh Hui-Hsin	4	—	100
Tan Tang-O	4	—	100
Chen Jin-Ji	4	—	100



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

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 2025, 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.

Remuneration Committee			
Remuneration Committee Member	Number of Actual Attendances	Number of Authorized Proxy Attendances	Actual Attendance Rate (%)
Yeh Hui-Hsin	2	—	100
Tan Tang-O	2	—	100
Chen Jin-Ji	2	—	100

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 in order to balance 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 non-managerial 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 Incorporation, 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 Remuneration Committee, is submitted to the Board of Directors for approval. The fixed remuneration is distributed periodically and does not vary with the Company's profits.

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.

Annual Total Compensation Ratio

Ratio of the highest-paid individual's annual total compensation (numerator) to the median annual total compensation (denominator)	4.87
Ratio of the percentage increase in the annual total compensation of the highest-paid individual to the median of the percentage increase in the average annual total compensation of the organization's other employees	0

3 Corporate Governance

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

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.

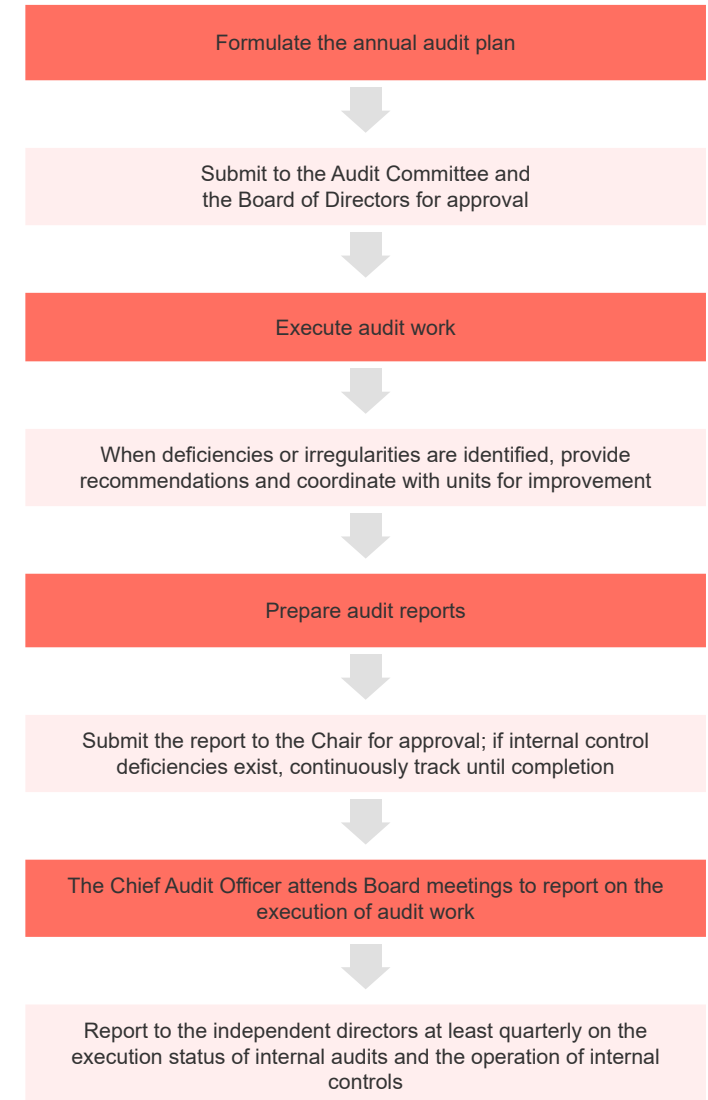
Based on the results of the annual risk assessment, the internal audit unit prepares the audit plan, which is executed upon Board approval. Audit reports are prepared based on the results and submitted to the Chair and independent directors for review. For deficiencies and irregularities identified during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

Furthermore, when an annual audit plan is formulated, the internal audit unit includes sustainable development-related management systems and operating procedures within the scope of the audit, including sustainable information management operations, the ESG Report preparation process, and the design and implementation of relevant internal controls. The audit focus is on the soundness and operational effectiveness of the governance structure, division of responsibilities, operating procedures, and internal control mechanisms for sustainability information, in order to ensure the reliability, consistency, and traceability of sustainability information.

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 reports to 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 2025, the Company completed 47 audits in accordance with the audit plan. Although two 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



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

3.1.4 | Ethics and Integrity

Specific Achievements

- Percentage of directors who signed the Declaration of No Violation of Integrity Principles: 100%.
- Integrity Manual training for on-the-job personnel: 184 participants, 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.

In business interactions, Simula Technology requires suppliers to sign a Supplier Sustainability 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 and the circumstances are material. 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.

Grievance System

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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Anti-Corruption Commitment Statement

Category	Name of Commitment Statement	Region	Number of Signatories Required to Sign (Persons/ Entities)	Number of Actual Signatories (Persons/Entities)	Signing Rate (%)
Director	Declaration of No Violation of Integrity Principles	Taiwan	7	7	100%
		Mainland China	1	0	0%
Direct personnel	Employment contract	Taiwan	176	176	100%
		Mainland China	112	112	100%
Indirect personnel		Taiwan	212	212	100%
		Mainland China	130	130	100%
Suppliers	Supplier Sustainability Commitment	Taiwan	185	132	71%
		Mainland China	145	136	94%

Employee Training and Education

Category	Region	Number of Participants in Anti-corruption Training (persons)	Participation Rate (Note 1)
Direct personnel	Taiwan	0	0%
	Mainland China	112	100%
Indirect personnel	Taiwan	59	27.8% (Note 2)
	Mainland China	125	96.2% (Note 3)

Note 1: Participation Rate = Number of participants in training/Number of current employees.

Note 2: In 2025, anti-corruption training was only conducted at the Taiwan headquarters of Simula Technology and at Simula Technology (ShenZhen); training is scheduled to begin at Action Star in 2026.

Note 3: The participation rate did not reach 100% because some employees were hired after the training session; they are scheduled to undergo training in 2026.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

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.

The risk management at Simula Technology focuses on the risk management system and risk transfer planning related to corporate governance, including strategic, financial, operational, and hazard risks, which are overseen by the Risk Management Committee (RMC). The Company's risk management policies and procedures are explicitly defined to effectively manage risks that exceed the Company's risk tolerance and to optimize the total cost of risk management through the use of risk management tools.

Risk Management Policy and Governance Structure

Risk Management Policy:

1. To ensure the Company's sustainable operation, the Risk Management Committee conducts annual identification, assessment, handling, reporting, and monitoring of risks that may negatively affect the Company's operating objectives.
2. Prior to the occurrence of an incident, risks should be identified and controlled; during an incident, losses should be mitigated; and after an incident, products and services should be promptly restored. For material risk scenarios identified by the Risk Management Committee, operational continuity plans and emergency response manuals are established and updated regularly.
3. For risks that do not exceed the risk tolerance, risk management costs may be considered, and different management tools can be used to address them. However, the following conditions are exceptions to this consideration.
 - Negative impacts on employee safety and life
 - Violations of laws and regulations
 - Negative impacts on the Company's reputation



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

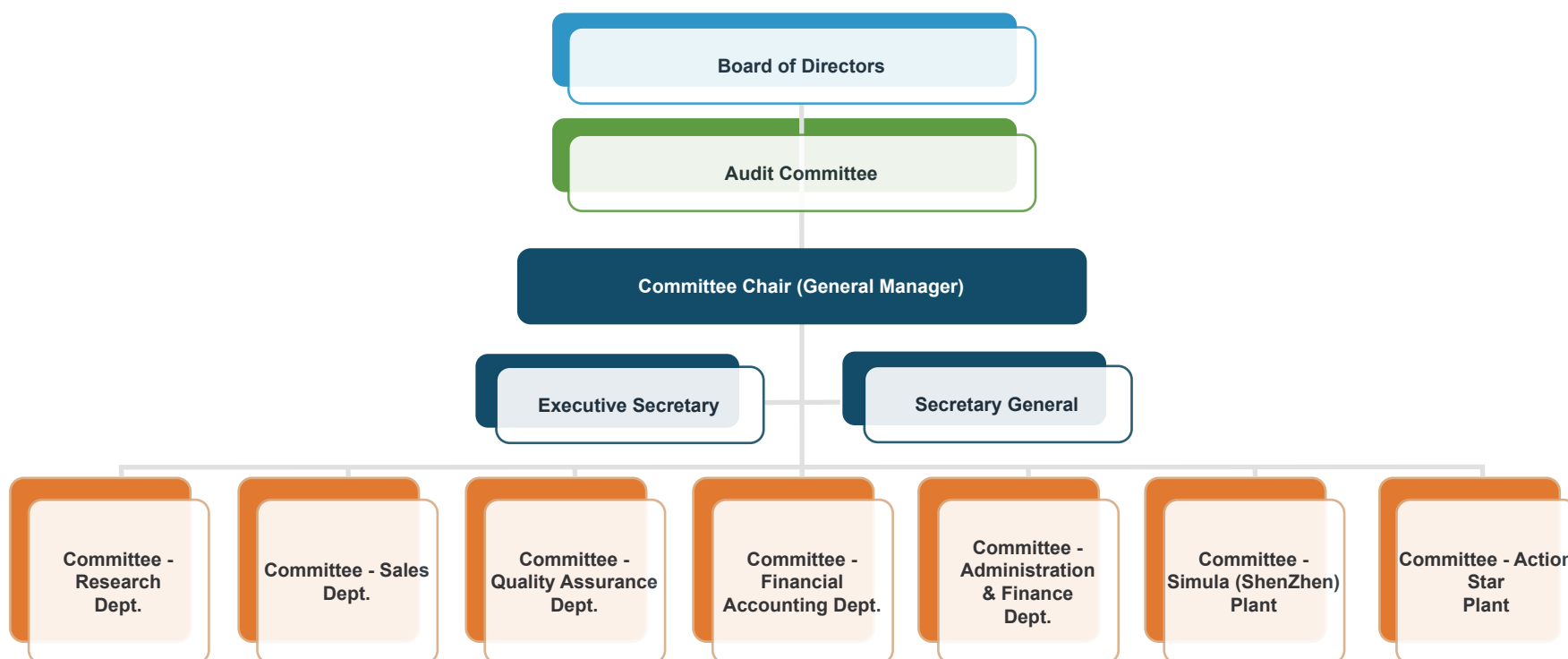
4 Environmental Sustainability

5 Social Care

Appendix

Organizational Structure of the Risk Management Committee:

The Board of Directors approves the Risk Management Policy and Procedure to ensure that operating strategy direction is aligned with the Risk Management Policy, and supervises and allocates appropriate resources for the effective operation of risk management. The Audit Committee approves the priority and risk levels of risk control, reviews the Risk Management Policy and Procedure, and periodically review its applicability and implementation effectiveness. The Risk Management Committee executes policies and resolutions regarding risk management, analyzes and identifies the Company's sources and categories of risk, and reviews them regularly.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Risk Management Procedures

1. The Risk Management Committee (RMC) was established, and its operating procedures formulated, according to the Company's Risk Management Policy. RMC meetings are held every quarter. In the event of a material circumstance, an extraordinary meeting may be convened.
2. A risk radar chart was compiled based on the four major risk categories of strategy, finance, operations, and hazards and by following the steps of risk identification, risk analysis, and risk assessment.
3. Each RMC member formulates response measures for material risks within their respective departments, and reports and discusses them at RMC meetings to monitor and review risk management effectiveness.
4. The risk management department should regularly compile risk information provided by each department and report this to the Risk Management Committee (RMC) to facilitate dynamic responses and adjustments in risk management.
5. An annual report on the execution status of risk operations should be presented to the Audit Committee and the Board of Directors.
6. The information gathered from various departments should be utilized through a dynamic management mechanism to forecast, monitor, understand, and respond to changes in the internal and external business environments in a timely manner.

Risk Management Committee Operating Procedures

Simula Technology's Risk Management Committee (RMC) is chaired by Hu Jo-Yao, a member of the Board of Directors and General Manager, who is responsible for approving the RMC operating procedures and establishing the three major company-level risks for the year.

The Head of the Administration Division serves as Secretary-General. After reviewing major internal and external incidents and external professional reports, the Secretary-General compiles them according to the major risk categories of strategy, finance, operations, and hazards to produce a new risk radar chart for the year, which is submitted to the RMC Chairman.

Committee members are composed of the heads of the Company's first-level departments. Referring to the annual top three company-level risks, the risk radar chart, and the risk checklist, the members identify annual strategy, finance, operations, and hazard risk items within the scope of each function that may render a department's KPI unattainable, then calculate each item's frequency of occurrence, impact severity, and level of control in order to review the risk exposure situation.

RMC meetings are convened by the Chairman and are held once each quarter. The RMC Chairperson may call an extraordinary meeting depending on changes in the risk situation (such as organizational changes, changes in significant operational activities, the addition of unacceptable risks, material risk incidents, and significant events).

Operational Status of the Risk Management Committee

In 2025, Simula Technology continued to promote the Company's overall risk management mechanism in accordance with the Risk Management Policy and Procedure. The RMC was responsible for coordinating the Company's risk management matters and regularly convened meetings to review the Company's overall risk management status.

The main operating activities of the RMC for the current year were as follows:

1. Operations of the Risk Management Committee

The Company's Risk Management Committee (RMC) holds meetings on a quarterly basis and, when necessary, holds ad hoc meetings to review the material risks that the Company may face in the course of operations and to discuss related risk management strategies and improvement measures.

2. Establishment of material risks for the current year

Based on the Company's operating environment and industry trends, the RMC compiles company-level material risks each year and classifies and evaluates them according to such categories as "strategy risk," "operational risk," and "financial and hazard risk."

3. Risk identification and management measures

Each department, based on the Company's annual material risks and risk radar chart, identifies potential risks that may affect the achievement of the department's KPIs, analyzes the possible scenarios in which risk events might occur, their degree of impact, and the probability of occurrence, and proposes corresponding management measures.

4. Climate and Operational Risk Management

In response to climate change and the potential operational impacts of extreme climate, the Company has continued to strengthen related risk management mechanisms, including disaster response plans and business continuity plans (BCP), and enhanced the enterprise's capability to respond to unexpected incidents through scenario drills and emergency notification mechanisms.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

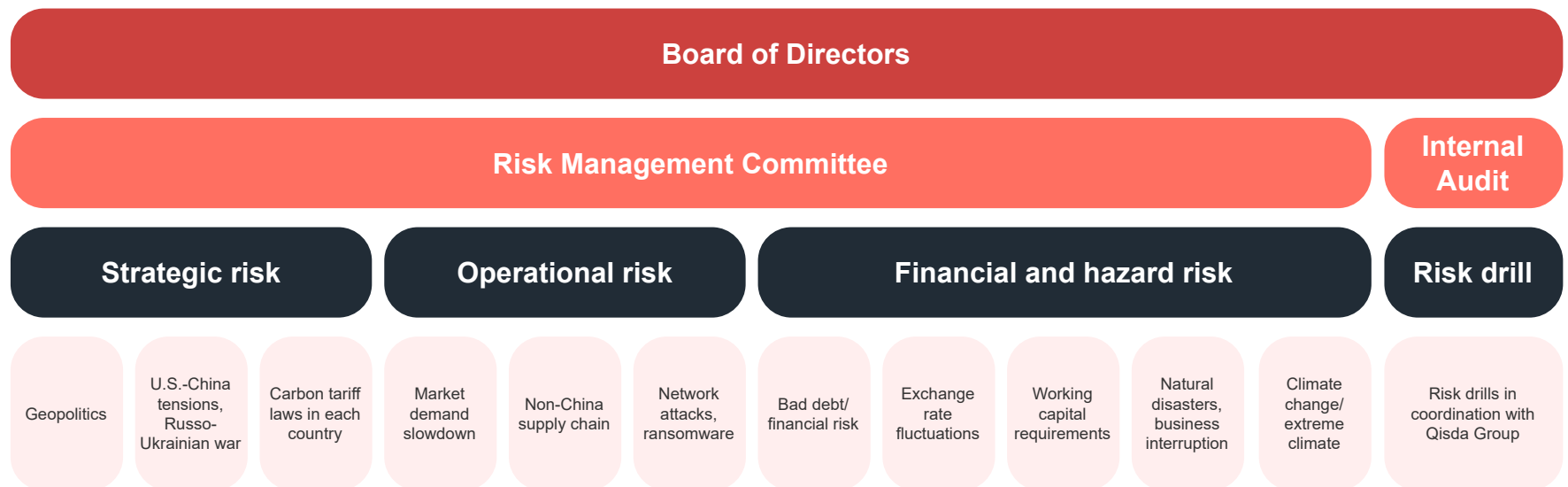
5 Social Care

Appendix

Risk Identification and Evaluation

Simula Technology conducts its annual risk identification based on the Company's operational strategy, changes in the industry environment, and the potential impacts of the material topics in this Report. Each department identifies potential risks that may affect the Company's operational objectives based on its scope of business, and evaluates the likelihood and impact degree of such risks, which serves as an important basis for the Company's risk management.

Following risk evaluation, the Company classifies the relevant risks into three major categories: strategy risk, operating risk, and financial and hazard risk. The responsible departments continue to track changes in the risks and implement relevant management measures to reduce their impact on the Company's operations.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Risk Category	Risk Item	Risk Management Strategy
Environmental Sustainability	Pollution from wastewater discharge	1. Store laboratory grinding wastewater separately and have it handled by professional waste processors to avoid groundwater contamination. 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.
	In-plant waste disposal/air pollution	1. Install waste treatment equipment for exhaust gas treatment to meet environmental emission standards. 2. Sort waste by category and consign it to qualified professional contractors for conversion into reusable resources to avoid environmental pollution.
	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.
	Changes in climate regulations	Monitor domestic and international developments in carbon fees, carbon tariffs, and climate change-related policies, and adjust the Company's carbon reduction strategy in a timely manner to reduce the impact of policy changes on operations.
	Stakeholder requirements for energy management, GHG inventory, and emissions reduction	Continue to promote energy saving and carbon reduction measures, regularly reviewing energy usage conditions and increasing energy efficiency to reduce energy consumption and greenhouse gas emissions.
	Impact of climate change	Continue to monitor the potential impact of extreme climate events on operations, and enhance the Company's response capabilities through business continuity planning (BCP) and risk drills.
Society	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. 3. Employee care: (1) Listen to employees: Hold quarterly labor-management meetings to hear employee opinions and improve the work environment. (2) Employee care: Maintain robust labor/health insurance and retirement systems; purchase group insurance to protect employee rights. (3) Medical care and consultation: Provide free annual employee health checkups; arrange monthly visits by contracted medical staff for employee health consultations. (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.
	Insufficient employee competencies	The Company has developed a tiered training program based on different job levels and personnel characteristics (such as management, non-management, professionals, and new employees). Through internal and external training, on-the-job mentoring, and knowledge transfer, we continuously strengthen our employees' professional and management skills.
	Difficulty retaining and recruiting talent	Continue to monitor market remuneration levels and industry trends, and periodically review the reasonableness and fairness of remuneration and benefit measures with reference to the Company's operating conditions. At the same time, we enhance employee satisfaction and organizational commitment through diverse benefit programs, a positive work environment, and effective communication mechanisms. In the future, we will gradually optimize relevant human resource systems based on the Company's development needs and changes in the external environment, with the aim of strengthening talent stability and the foundation for organizational sustainability.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

- 3.1 Governance Practices
- 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

4 Environmental Sustainability

5 Social Care

Appendix

Risk Category	Risk Item	Risk Management Strategy
Corporate Governance	Decline in revenue and insufficient R&D innovation capacity	1. Declining product competitiveness: increase opportunities for direct co-design with customers, demonstrate new product technologies and R&D capabilities; integrate upstream and downstream supply chains; proactively introduce automated production to improve efficiency and reduce costs. 2. Insufficient innovation/R&D capacity: bring in new technologies and R&D personnel to raise overall R&D levels, deepen and broaden product offerings, and enhance product competitiveness.
	Supply chain disruptions	1. Establish safety stock backup mechanisms. 2. Actively develop and qualify top-performing suppliers; establish second-source mechanisms to reduce the risk of disruptions. 3. Conduct unscheduled annual evaluations of qualified suppliers and replace unqualified suppliers.
	Information security incidents	1. Implement the Company's information security management standards to ensure the security and stability of computer data, systems, equipment, and network environments. 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. 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. 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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

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 2025, a total of 59 colleagues at Simula Technology Taiwan participated in courses, each receiving one hour of training, for a total of 59 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 (including proxies) to relevant programs, totaling 42 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. A major violation incident is defined as follows: (1) where a single incident results in a fine of NT\$2 million or more, or (2) the incident results in restrictions imposed by the government, regulatory agencies, or public institutions on the organization's activities or operations.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

3.4 Operational Performance

Material Topics		Operational and Financial 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		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. Commitments: 1. Efficiency first: Optimize processes, reduce waste, and increase productivity and operating efficiency. 2. Data-driven: Monitor operating conditions to ensure decisions are scientific and effective. 3. Financial soundness: Rigorously manage costs and resource allocation to secure long-term profitability and sustainable development. 4. Customer-oriented: Provide high-quality products and services to ensure customer satisfaction and market competitiveness. 5. Continuous improvement: Regularly evaluate performance and elevate overall operating results through innovation and technological upgrades.
Objectives	Short-term (1–2 years: Enhance earnings quality and operational efficiency)	• Stabilize revenue growth and increase order visibility. • Optimize product portfolio and increase proportion of high-margin products. • Strengthen cost control and expense efficiency, and increase the gross profit ratio. • Increase inventory turnover rate and efficiency of accounts receivable management. • Maintain stable cash flow and a sound financial structure. • Reach an annual target achievement rate of over 90% for new Request for Quotation (RFQ) cases. • Reach an annual target achievement rate of over 80% for Product Development Request (PDR) cases.
	Mid- to long-term (3–5 years: Structural optimization and scale growth)	• Expand core market share and develop new application areas. • Enhance technical barriers and differentiated competitive advantages. • Establish stable, long-term customer partnerships. • Continue to improve operating profit margin and ROE performance. • Strengthen supply chain resilience and diversify deployment.
	Long-term (5+ years: Sustainable growth and long-term competitiveness)	• Establish a leading technological and brand position in the industry. • Form a stable and resilient global operational framework. • Maintain long-term double-digit growth momentum. • Enhance overall corporate value and shareholder returns. • Establish a sustainable business model.
Resources invested in 2025		In 2025, a total of NT\$69,371 thousand was invested in equipment. 1. Simula: NT\$15,914 thousand 2. Action Star: NT\$44,451 thousand 3. Simula (ShenZhen): NT\$9,006 thousand
Responsible Department/Complaint Mechanism		Sales Department (web_sales@simulatechnology.com)

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Material Topics	Operational and Financial Performance
Evaluation Mechanism/Results	1. Number of new Request for Quotation (RFQ) cases: 647; Target achievement rate: 108% 2. Number of Product Development Request (PDR) cases: 184; Target achievement rate: 88% 3. Gross profit increased by NT\$12,106 thousand, exhibiting growth of approximately 5.85%. 4. Revenue fluctuations for 2024 and 2025 remained below 1%.

Simula Technology primarily engages in the R&D, manufacturing, and sales of electronic connectors, wire and cable assemblies, and electronic modules. The primary functions are to provide stable transmission of power, audio-visual signals, and high-speed electronic signals. The products are widely used in consumer electronics, automotive electronics, network communications, and industrial and medical equipment, and are actively being expanded into emerging sectors such as AI servers, data centers, high-performance computing equipment, unmanned aerial vehicles, and smart robots. As terminal devices have become smaller, faster, and more powerful, and as applications in AI, smart manufacturing, self-driving vehicles, IoT, and automation have grown rapidly, market demand for high-frequency, high-speed, low-loss, and highly reliable connectivity solutions has continued to increase, driving connector technology toward high-density integration and higher performance, and creating new growth momentum for the industry. Operating performance is a key indicator of a company's market competitiveness. The Company continues to optimize its product portfolio and process efficiency, strengthen cost control and supply chain management, and enhance operational effectiveness and decision-making accuracy through data-driven management. Based on a solid financial foundation, we actively position ourselves in the AI, high-performance computing, and smart automation markets, increasing the proportion of high value-added products, strengthening long-term growth momentum and market competitiveness, and steadily progress toward sustainable operation.

Direct Economic Value Generated and Distributed

Item/Unit: NT\$ thousands	2022	2023	2024	2025
Revenue (A)	4,231,024	2,039,055	1,768,710	1,752,255
Operating Costs (B)	3,317,423	1,754,673	1,561,615	1,533,054
Employee Compensation and Benefits (C)	269,625	196,275	186,980	188,923
Payment to Investors (D)	117,379	301,646	13,204	2,027
Payment to Government (E)	54,034	107,439	4,878	2,395
Community Investment (F)	0	0	0	0
Retained Economic Value (A-B-C-D-E-F)	472,563	-320,978	2,033	25,856

Source: Company consolidated financial statements

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

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

Item	2023	2024	2025	Description
Tax Reductions and Credits	5,038	4,386	1,353	2025 1. Simula - Undistributed earnings substantial investment credit for 2020: NT\$810 thousand 2. Action Star - Undistributed earnings substantial investment tax refund for 2024: NT\$543 thousand
				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 Action Star - Undistributed earnings substantial investment tax refund for 2021: NT\$629 thousand
Subsidies	22	839	-	2025 0
				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 3. Exchange rate applied: 2024 average RMB to NTD rate of 4.4868.
				2023 1. Simula Technology (ShenZhen) - Longgang District employment subsidy: CNY 5 thousand. 2. Exchange rate applied: 2023 average RMB to NTD rate of 4.4147.
Investment subsidies, R&D subsidies, and other related types of assistance	-	1,537	4,253	2025 1. Simula Technology – Government subsidy reimbursed based on actual expenses – on-site health service subsidy of NT\$48,000 2. Action Star – “Large guiding small” project subsidy: NT\$4,205 thousand
				2024 Action Star – “Large guiding small” project subsidy (equipment): NT\$1,537 thousand

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

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.

Quality Policy

Quality First, Service First

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.

In response to the requirements of high-risk industries for product reliability and safety, the Company not only maintains various quality management systems, but also establishes pre-shipment inspection and process quality control mechanisms, conducting inspection and release management for critical characteristics and feeding inspection results back into process improvement and supply chain control, in order to reduce the outflow of defective products and increase product consistency while reducing rework, scrap, and resource waste, thereby implementing product responsibility and sustainable operation.

During the new product development phase in 2025, the Company conducted relevant certifications and tests in accordance with international standards for high-bandwidth, high-power products such as DisplayPort 2.1 (DP80 Enhanced Full-Size DP Cable, 2M), DisplayPort 2.1 Female Connector, and USB4 80Gbps 240W USB Type-C Cable (1M) to ensure that, under high-speed data transmission and high-power supply conditions, the products maintained stable electrical performance, temperature was controlled within a safe range, and that usage safety requirements were met. Through design verification and testing mechanisms, it is possible to effectively reduce equipment damage, overheating and burns, and even potential fire risks caused by abnormalities in cables or connectors, thereby further safeguarding the safety and health of end-users.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

- 3.1 Governance Practices
- 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

4 Environmental Sustainability

5 Social Care

Appendix

Management Approach		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	- Continue to maintain and strengthen the effective operation of management systems under ISO 9001, ISO 13485, IATF 16949, ISO 14001, ISO 45001, and QC080000, thereby ensuring product quality, safety, and regulatory compliance. - Strengthen pre-shipment testing (internal testing) and in-process quality control mechanisms to improve product consistency and reliability, and reduce the risk of functional or structural defects caused by process fluctuations. - Strengthen customer complaint handling and after-sales tracking mechanisms, conduct root cause analysis of product use and failure modes, and establish traceable corrective and preventive actions (CAPA) to prevent the recurrence of problems.
	Mid- to long-term	- Continue to optimize the risk management process for product safety and quality in accordance with ISO and other international standards and external audit requirements, and enhance cross-departmental problem analysis and improvement efficiency. - For product design, raw material selection, and production processes, introduce an early-stage risk assessment and verification mechanism (such as design review and process risk assessment) to reduce the potential impact of a product on its users and the environment. - Establish a data-based quality performance management mechanism, continue to improve the first-pass acceptance rate and process stability, and reduce resource waste caused by rework and scrap.
Resources invested in 2025		Resources were primarily invested in standardizing pre-shipment inspection processes and optimizing quality risk control mechanisms, as well as strengthening inspection consistency, traceability, and quality release management to improve product safety and reduce quality risks.
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		- All Company products comply with relevant legal and regulatory requirements of the operating location as well as customer requirements. Raw material and product compliance are managed in accordance with international requirements such as RoHS and REACH. In 2025, there were no instances in which the Company was penalized by the competent authorities due to product safety or quality issues. - The Company has established a pre-shipment inspection mechanism to conduct functional, appearance, structural, and specification compliance inspections of critical product characteristics. Nonconforming products are immediately isolated and prohibited from shipment, in order to reduce the risk of product defects reaching the market and being used. - The Company has obtained multiple quality management system certifications, including ISO 9001, ISO 13485, and IATF 16949. Each management system undergoes annual audits by third-party professional institutions, with continual successful approvals to ensure the validity of certifications and the effectiveness of management. - The Company has established a customer complaint acceptance and handling process, with the Quality Assurance Center coordinating problem analysis and improvement and working together with the Product Development Center and production department to implement corrective and preventive actions (CAPA) in order to ensure that issues are traceable, closable, and continuously improved.

3 Corporate Governance

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

3.2 Risk Management

3.3 Legal Compliance

3.4 Operational Performance

3.5 Products and Services

3.6 Innovation and R&D

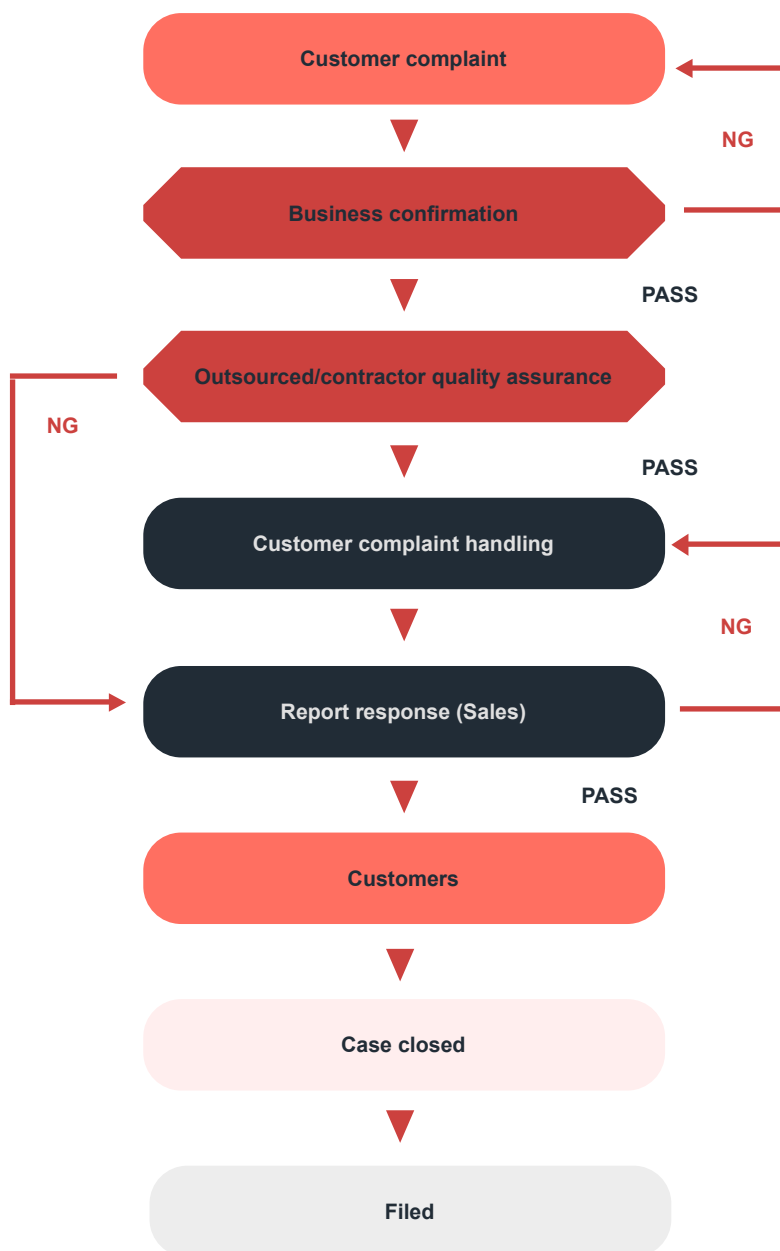
3.7 Information Security

4 Environmental Sustainability

5 Social Care

Appendix

Investigation process of customer complaints



Customer Relations

Simula Technology values its long-term partnership with customers and regards customer needs, product quality, and service efficiency as key foundations for the Company's sustainable operation. In alignment with the management principles of ISO 9001, ISO 13485, and IATF 16949, the Company has established a comprehensive customer communication and service mechanism. Through institutionalized complaint handling, satisfaction surveys, and continued improvement processes, we ensure that customer needs can be promptly identified and effectively addressed.

Simula Technology has established clear customer complaint handling procedures. The business department serves as the primary communication channel between customers and the Company. Upon receiving customer feedback, details of the issue are first confirmed, followed by a root cause analysis, responsibility determination, and follow-up tracking executed by the business-FAE and factory-side quality assurance personnel. When necessary, the relevant responsible units also provide technical support, improvement measures, and preventive actions to reduce the risk of recurrence of abnormalities. In response to customer-requested 8D or CAR reports, the Company has also established response timelines. Initial countermeasures must be provided within the period requested by the customer, with a CAR report completed within three working days, in order to demonstrate promptness and a responsible attitude toward customer issues.

Simula Technology also emphasizes the verification of improvement effectiveness after customer complaints are closed. For corrective and preventive measures that have already been proposed, the relevant units shall continue to monitor their implementation and, in conjunction with confirming the delivery status of three consecutive batches as well as customer satisfaction, thereby confirm that the problem has truly been improved before closing the case. This mechanism enables the Company to accumulate experience from individual customer complaint incidents and continue to optimize product quality and service processes.

In customer satisfaction management, Simula conducts at least one Customer Satisfaction Survey at the end of each year for key customers ranked among the top 30 in annual revenue, in order to systematically monitor customers' evaluations of the service attitude of sales personnel, order delivery lead times, product quality satisfaction, and technical support and complaint response performance. Each dimension was weighted at 25%, and each survey item utilized a 5-point scale, ranging from 5 points for "very satisfied" to 1 point for "very dissatisfied," with the final scores subsequently converted to a 10-point scale. The Company also set a target survey response rate of 90% to improve the representativeness of the survey results and management efficiency. If, during the survey, a single item receives an unsatisfactory score, the total score falls below 8 points, the product is non-conforming, or the customer proposes specific improvement suggestions, the business department will immediately work with the relevant units to convene a meeting, develop corrective measures, and provide feedback to the customer. If necessary, such matters shall be included in the management review for discussion, in order to ensure that customer voices can be substantively translated into improvement actions.

Year	2023	2024	2025
Customer Satisfaction Score	9.58	9.3	8.77

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

2025 Measures for Customer Satisfaction Improvement

In response to a declining trend in customer satisfaction, the Company has reviewed the results of its 2025 Customer Satisfaction Survey. Although the overall average score remains above the internal improvement-trigger threshold of 8 points, the Company takes customer feedback seriously and has conducted a review addressing concerns raised by some customers, including delayed response times from the Taiwan site failing to meet demand in a timely manner, and slower-than-expected progress on quality complaint resolution at the Shenzhen Plant.

The Company convened a review meeting with department heads from Sales, Engineering, Quality Assurance, and Procurement, and formulated improvement measures. Regarding delivery management, the assembly and processing plant has been required to increase recruitment of production staff in order to enhance capacity and scheduling flexibility, and a weekly tracking mechanism has been established to monitor new hire headcount and production schedules, thereby strengthening production progress oversight and delivery management. Regarding quality improvement, the Shenzhen Plant has developed a quality improvement plan addressing customer complaints and submitted it to customers for confirmation, with the aim of accelerating improvement progress and rebuilding customer confidence.

Going forward, the Company will continue to monitor improvement outcomes, optimize cross-departmental communication and customer response efficiency, and maintain strong customer relationships while enhancing overall customer satisfaction.

Complaint Channels

Customers may submit comments or grievances using the following methods:

1. Contact each business contact window
2. Customer service hotline: 886-3-301-0008#1805
3. E-mail addresses: web_sales@simulatechnology.com/
benlee@simulatechnology.com



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

3.6 Innovation and R&D

Management Approach		Innovation and R&D
Significance to the Company		The Company remains committed to innovation in process technologies and product development and strengthening its integration of products across domains through expanding application fields and upgrading manufacturing technologies. During the R&D and manufacturing processes, we are committed to enhancing product value-added and user experience while also taking into account production efficiency and quality stability, gradually shifting toward the development of more resilient and sustainable products and manufacturing systems.
Policy/Commitments		Policy: - Enhance high-speed communication technologies and testing capabilities - Develop technological capabilities for automotive electronics - Increase modular design technologies - Improve automation design capabilities Commitments: 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.
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 2025		- Participate in association Workshops or Plug Tests - Upgrade high-frequency testing equipment (MS46524B, with operating frequency up to 43.5 GHz) - Develop automated welding equipment and fixtures (5-axis automatic dispensing, automatic wire stripping and terminal crimping machine) Total investment in the above R&D equipment: NT\$7.81 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		- Cumulative number of patents in 2025: 65 - Number of customer-side design-ins: 240

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

- 3.1 Governance Practices
- 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

4 Environmental Sustainability

5 Social Care

Appendix

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 five technological dimensions:

1. Enhancing high-speed communication technologies and testing capabilities to meet the surging trend in data transmission;
2. Developing automotive electronics capabilities to strengthen the technological foundation for future smart mobility applications;
3. Increasing modular design technologies to improve product flexibility and development efficiency;
4. Strengthening automation design capabilities to shorten design cycles and improve precision.
5. We are focused on the development of trend-oriented products such as internal wiring for AI robots and unmanned aerial vehicles (UAVs), strengthening our high-reliability and customization capabilities, and continuing to enhance product competitiveness and market deployment.

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
Product Development	(a) Customized internal and external cable and wire harness development (Cable & Wire Harness of Automotive/Industrial/Medical/Drone/Robot)
	(b) Next-generation standard active cable development (USB4.0 Active/DP2.1 Active Cable)
	(c) Industrial standard connector development (IEC Standard M5/M8/M12/M32 Series)
	(d) Customized automotive connector development (D-Sub/OBD/DT Series/Waterproof)
	(e) Customized Pogo Pin connector development (Consumer/Medical/High Frequency)
	(f) Customized magnetic connector development (Consumer/Medical)
	(g) Customized wearable cable development (Consumer/Medical)

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

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

4 Environmental Sustainability

5 Social Care

Appendix

Recently Developed Products and Technologies	
Item	Brief Description
Technical Development	(a) DP2.1 Re-Driver Active PCBA Module Solution
	(b) DP2.1 Re-Timer Active PCBA Module Solution
	(c) USB4.0 Cable Twist Structure Solution
	(d) LPM PCBA Molding Solution
	(e) Development of vision-recognition automated cable arrangement equipment
	(f) Development of automated test-history upload system

R&D Capacity in the Past Three Years (Unit: NT\$ thousands)				
Item/Year	2022	2023	2024	2025
R&D expenses ^{Note 1}	37,031	29,989	31,214	24,883
R&D-to-revenue ratio ^{Note 2}	3.30%	4.30%	3.48%	2.92%
R&D headcount (Unit: persons) ^{Note 3}	21	18	20	17
Graduate-degree/R&D headcount ratio ^{Note 4}	33.33%	33.33%	40.00%	35.29%

Source:

- R&D expense figures are cited from Simula Technology Inc.'s annual **parent company only financial statements**.
- The R&D/revenue ratio is calculated by dividing R&D expenses by revenue in the same year.
- 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.
- The graduate-degree/R&D headcount ratio is calculated by the HR data based on educational attainment.

Patent Count in the Past Three Years				
Statistics/Year	2022	2023	2024	2025
Number of patents granted	0	1	1	0
Cumulative number of valid patents	71	72	73	65

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

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

- 3.1 Governance Practices
- 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

4 Environmental Sustainability

5 Social Care

Appendix

3.7 Information Security

Material Topics		Information Security and Privacy
Significance to the Company		Reduce downtime and delivery risks caused by ransomware, system interruptions, and data corruption.
Policy/Commitments		Ensure compliance in accordance with applicable laws and regulations and stakeholder requirements.
Objectives	Short-term	1. Fully implement MFA and multi-factor authentication for core systems and remote access; enforce the principles of least privilege and regular permission reviews. 2. Establish asset inventory, vulnerability scanning cycles, patching SLAs (e.g., Critical within 30 days, High within 15 days), and tracking reports. 3. Deploy EDR/AV, encryption, USB control, or device control for servers and endpoints. 4. Adopt SPF/DKIM/DMARC, phishing drills, and retraining to reduce the success rate of social engineering attacks. (annually) 5. Establish an incident classification, reporting, forensics, and recovery process; complete at least 26 tabletop exercises and/or live drills for the 2025 Business Continuity Plan (BCP) exercise.
	Mid- to long-term	1. Plan the implementation of ISO/IEC 27001 (or an equivalent standard) and complete external certification. 2. Introduce SIEM/SOC (self-built or outsourced) to establish centralized key log collection, alert rules, and threat hunting. 3. Gradually implement identity-based access control. 4. Establish supplier tiering, information security clauses, periodic evaluations/audits, and third-party risk management. 5. Enhance backup immutability, offsite backup, achievement of Recovery Time Objective (RTO) and Recovery Point Objective (RPO) rates, and the effectiveness of disaster recovery drills.
Resources invested in 2025		• Annual information security budget: NT\$216,938 in 2025 • Dedicated information security personnel: 1 person • All-personnel cybersecurity training, role-specific training • Incident response drills, BCP/DR drills, backup and restoration drills
Responsible Department/Complaint Mechanism		Information Security Department
Evaluation Mechanism/Results		1. Training for all employees reached a total of 198 hours. 2. In 2025, 26 Business Continuity Plan (BCP) drills were conducted. 3. No cybersecurity anomalies occurred.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

- 3.1 Governance Practices
- 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

4 Environmental Sustainability

5 Social Care

Appendix

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 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 2025, a total of 66 colleagues completed the training courses, each receiving 3 hours of instruction, for a total of 198 training hours and a 100% course completion rate. Information security personnel received 12 hours of training. 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. There were no Level 4 incidents in 2025. The total investment cost in 2025 was NT\$216,938.

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)

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

3.1 Governance Practices

3.2 Risk Management

3.3 Legal Compliance

3.4 Operational Performance

3.5 Products and Services

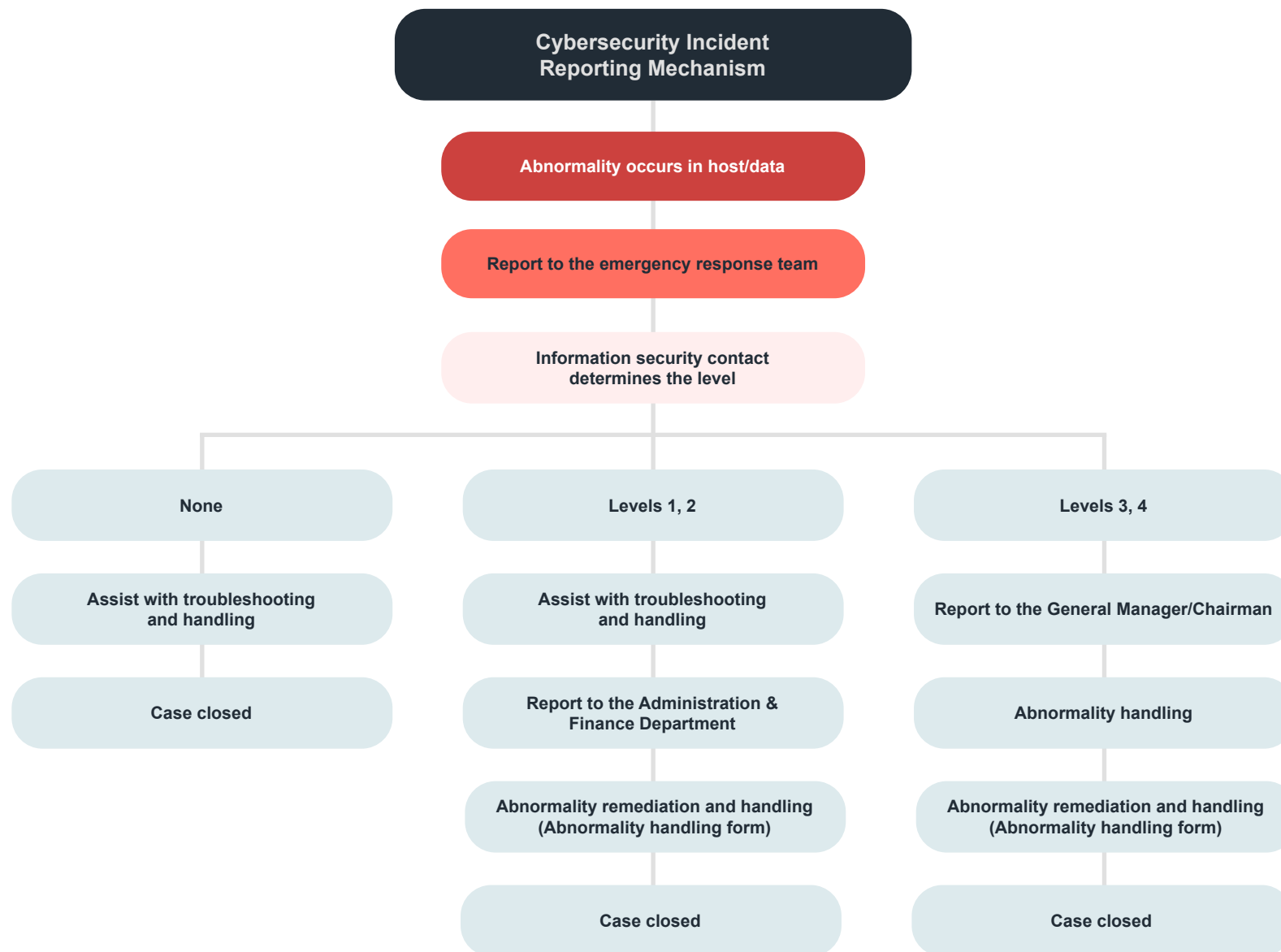
3.6 Innovation and R&D

3.7 Information Security

4 Environmental Sustainability

5 Social Care

Appendix



4

Environmental Sustainability

- 4.1 Raw Material Management
- 4.2 Sustainable Supply Chain
- 4.3 Energy Management
- 4.4 Greenhouse Gas Management
- 4.5 Water Resources Management
- 4.6 Waste Management



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability —

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

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. 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 Policy

Full employee participation; Comply with laws and regulations

Reduce environmental impacts; Conserve energy consumption

Focus on health and safety; Prevent occupational injuries

Uphold continual improvement; Ensure customer satisfaction



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

4.1 Raw Material Management

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, and plastic resins.

Statistics of Raw Materials				
Year	2022	2023	2024	2025
Plastics (metric tons)	385.356	276.874	545.596	839.886
Metals (metric tons)	98.193	82.977	82.237	184.631
Total quantity of non-renewable materials used (metric tons)	483.549	359.851	627.833	1024.517
Cardboard boxes (metric tons)	49.148	24.55	47.681	36.988
Pallets (metric tons)	28.392	20.664	33.600	33.118
Total amount of renewable materials used (metric tons)	77.540	45.214	81.281	70.106

Simula Technology and its subsidiaries are committed to reducing waste generation to lessen environmental impacts. For the recycling and reuse of materials, Action Star Technology adopted a practice of uniformly collecting and weighing the waste tin dross generated after feeding tin bars into the DIP furnace for processing. After the accumulated quantity reaches a certain amount, it is handed over to licensed recyclers for processing and exchanged proportionally for tin bars. Furthermore, the Company collects regrind materials from plastic production, which are then outsourced to suppliers for processing. Upon completion, they are delivered and stored, then finally issued and withdrawn according to demand, thereby ensuring the effective circular utilization of resources. 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.

Statistics on Materials Recycling and Reuse				
Year	2022	2023	2024	2025
Recycled and reused plastics (metric tons)	33.204	8.702	8.136	21.846
Percentage of recycled/reused plastics used (%)	8.616	3.143	1.491	2.601
Recycled and reused metals (metric tons)	0.156	0.173	0.424	0.357
Percentage of recycled/reused metals (%)	0.159	0.208	0.515	0.193
Total quantity of recycled input materials used (metric tons)	33.360	8.875	8.560	22.203

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability —

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

4.2 Sustainable Supply Chain

Material Topics	Sustainable Supply Chain Management
Importance to the Company	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.
Policy/Commitments	Sustainable supply chain strategy serves as the highest guiding principle of Simula Technology's sustainability initiatives. Our strategy encompasses not only quality, rapid service, technological innovation capabilities, delivery time, and cost, but also incorporates corporate sustainability (ESG). We continue to work diligently to enhance the overall sustainable value of the supply chain. Conduct regular evaluations of suppliers' ESG sustainability management performance in the areas of environmental and social responsibility; prioritize collaboration with well-performing suppliers; provide improvement recommendations to underperforming suppliers, and consider replacement if no improvement is made.
Short-term Goals	1. The Company conducts routine annual supplier audit operations. Suppliers must complete and return the "Supplier Quality Management Evaluation Form", "Supplier Process Capability Evaluation Form", and "ESG Questionnaire." 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. 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. 3. The Company undergoes periodic and ad hoc relevant internal and external audits and reviews and optimizes internal procedures based on valuable recommendations received.
Medium- to Long-term Goals	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 sustainability management for supply chain partners, seeking to work together to achieve sustainable development goals. 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%. 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 20 suppliers are evaluated each time, and truthful responses are required. The results will be incorporated into 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.
Resources Invested and Specific Achievements in the Current Year	1. A total of 23 on-site Supplier Audit evaluations were conducted, and no instances of material actual or potential negative impact on the environment or society and human rights were identified. 2. Supplier Integrity Agreement signing rate: 81%. 3. Supplier Corporate Social Responsibility Commitment signing rate: 93%.
Evaluation Mechanism	1. No major deficiencies were identified in either internal audits or customer audits. 2. For key production materials, 23 supplier sites were audited on-site, with a 100% completion rate.
Responsible Department/Complaint Mechanism	Responsible Department: Administration and Finance Dept. Complaint Mechanism: tinapeng@simulatechnology.com

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability —

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

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, with supply chain evaluations covering “human rights, environment, safety, health, and management systems” (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	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. 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.
New Supplier Screening	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. 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. 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.

4.2.2 | Supplier Screening and Audit Implementation

Year	2022	2023	2024	2025
Number of new suppliers	14	28	46	115
Number of new suppliers that signed Sustainability Commitment	-	-	-	107
Signing rate %	-	-	-	93.04%
Number of existing suppliers	264	309	338	215
Number of existing suppliers that signed Sustainability Commitment	-	-	-	161
Signing rate %	-	-	-	74.88%

Note: The screening criterion for existing suppliers was an annual transaction amount of more than NT\$200,000.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability —

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

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.

4.2.4 | Local Procurement

Year	2022	2023	2024	2025
Total procurement amount (NT\$)	2,894,133,202	1,244,413,143	1,389,252,502	1,247,301,626
Import amount (NT\$)	794,959,788	319,159,421	242,009,318	245,437,667
Non-import amount (NT\$)	2,099,173,414	925,253,722	1,147,243,184	1,001,863,959
Proportion of procurement budget spent on local suppliers (%)	73%	74%	83%	80%

Note:

- 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.
- Only raw material and equipment suppliers are counted.
- Service-based suppliers (such as banking or photocopier maintenance) are excluded.
- Local procurement ratio = Amount purchased from local suppliers ÷ Total procurement amount × 100%.
- Definition of "non-import" (this disclosure uses "non-import" as the indicator for local procurement) — refers to suppliers whose registered business location is in the same country as the Company.

Definition of "import" (this disclosure uses "import" as the indicator for non-local procurement) — refers to suppliers whose registered business location is in a different country from the Company.

4.2.5 | Supplier Engagement

To effectively monitor and supervise supplier operations, Simula Technology communicates with suppliers through a variety of channels.

- A public complaint mailbox is provided as a channel for suppliers to voice their opinions and concerns.
- We gather supplier statuses on a monthly basis, and communicate with suppliers as needed.
- Supplier technical exchange meetings are held irregularly.
- We collaborate with suppliers to execute cooperative projects aimed at improving both parties' operational efficiency.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

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 future reasonable energy planning, the Company proposes more efficient energy-use practices while reducing energy dependence. In 2025, we obtained 540,000 kWh of green power certificates (wind power), accounting for approximately 8.6% of total energy consumption, thereby actively implementing the low-carbon transition target.

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



Material Topics	Energy Management
Importance to the Company	The promotion of energy management and energy-saving measures facilitates the reduction of operating costs while increasing energy usage efficiency, thereby strengthening the Company's overall operating effectiveness. As global environmental protection and carbon reduction awareness continue to rise, implementing energy management not only helps to reduce resource waste and operational carbon emissions, but also strengthens the Company's sustainable operation capabilities, supporting the Company in moving toward its target of long-term stability and sustainable development.
Policy/Commitments	The Company is committed to promoting the energy management system and, in alignment with the Group's sustainability strategy and energy management policy, periodically reviews energy consumption data and continues to promote energy-saving measures and improvements in energy efficiency. Through the monitoring and management of energy consumption, we have gradually promoted energy reduction and other substitution measures, as well as established phased energy-saving targets. All operating sites jointly implement energy management to continue to increase energy usage efficiency and promote environmental sustainability.
Short-term Goals	Accurately identify hotspots for energy reduction through a comprehensive energy inventory and diagnostic assessment, and continue to promote energy-saving measures and improvements in energy efficiency, gradually reducing energy intensity and moving toward a 30% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030.
Medium- to Long-term Goals	Continue to advance energy management and low-carbon operational strategies, aiming for a 30% carbon emissions reduction by 2030 and gradually introducing renewable energy use by 2040, in order to reduce operational carbon emissions and enhance energy consumption efficiency.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

Material Topics	Energy Management
Resources Invested and Specific Achievements in the Current Year	The Company continues to increase energy efficiency and promote energy saving and carbon reduction through measures such as process optimization, equipment energy management, and fuel consumption controls for company vehicles. 2025 Results of Energy Management and Energy Saving and Carbon Reduction: - Liquefied petroleum gas (LPG) usage decreased by approximately 11.8% compared with the previous year. - Applied to the Large-to-Small Manufacturing Industry Low Carbon and Intelligent Upgrade and Transformation subsidy program from the Ministry of Economic Affairs, improved consolidated air conditioning and electricity usage for production line processes on the 3rd and 4th floors, and enhanced electricity usage for the waste heat recovery process. - Prioritize energy-saving fixtures for new lighting purchases. - Utilize air compressor equipment to supply hot water to dormitories, thereby reducing energy consumption. - Reduce equipment standby energy consumption and increase equipment operational efficiency.
Evaluation Mechanism	- Prioritize the assessment of energy efficiency when procuring new equipment: (1) 90% of equipment is energy label-certified or high-efficiency (2) Prioritize procurement of products with Level 2 energy efficiency or above - Greenhouse Gas Management: Based on the greenhouse gas inventory results, we continued to track changes in Scope 1 and Scope 2 emissions as a basis for evaluating energy management and carbon reduction strategies.
Responsible Department/Complaint Mechanism	Responsible Department:/Sustainability Management Unit Complaint and Feedback Contact: ESG@simulatechnology.com

4.3.1 | Energy Usage

Simula Technology's energy usage structure is primarily divided into four 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 liquefied petroleum gas usage, followed by diesel usage as the third, and gasoline used for company vehicles as the fourth category. 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.

Activity Data for Energy

Year	Electricity consumption (kWh)	Diesel (L)	Automotive gasoline (L)	Liquefied petroleum gas (L)
2022	7,875,641.6300	0.0000	998.3400	18,201.8160
2023	6,292,002.5800	5,282.0500	3,209.7900	16,025.6700
2024	5,978,324.8000	5,865.1900	2,847.3000	16,151.1120
2025	6,096,072.1800	5,936.2860	3,494.8983	14,244.0300

Note: The 2025 energy activity data is a compilation of data from Simula Technology Taiwan, Simula Technology (ShenZhen), Action Star Technology, and Simula Technology Corp.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

Statistics of Energy Usage

Year/Unit (MJ)	Electricity	Diesel	Automotive gasoline	Liquefied petroleum gas	Total energy consumption
2022	28,358,767.8941	0.0000	32,604.3867	505,660.0088	28,897,032.2897
2023	22,656,368.7301	185,773.9241	104,827.2477	445,205.0517	23,392,174.9537
2024	21,526,871.5063	212,226.3517	90,711.7976	448,689.9239	22,278,499.5795
2025	21,950,858.6272	214,649.7618	111,006.9938	357,421.0434	22,633,936.4262

Note: The calorific value was referenced from data published by the Climate Change Administration, Ministry of Environment.

Energy Intensity

Year	Total energy consumption (MJ)	Operating revenue (NT\$10 million)	(MJ/NT\$10 million)
2022	28,897,032.2897	423.1000	68,298.3510
2023	23,392,174.9537	203.9100	114,718.1352
2024	22,278,499.5795	176.8700	125,959.7421
2025	22,633,936.4262	172.5993	131,135.7371

Note 1: Operating revenue for 2022-2024 is consolidated revenue

Note 2: The 2025 operating revenue includes the revenues of Simula Technology and Simula Technology (ShenZhen), as well as the output value of Action Star. The basis for calculations aligns with the parent group's definitions of data collection.

Note 3: Energy intensity = total energy consumption (MJ)/NT\$10 million.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

- 1 Sustainable Development Policy
- 2 About Simula Technology
- 3 Corporate Governance

4 Environmental Sustainability —

- 4.1 Raw Material Management
- 4.2 Sustainable Supply Chain
- 4.3 Energy Management
- 4.4 Greenhouse Gas Management
- 4.5 Water Resources Management
- 4.6 Waste Management

5 Social Care

Appendix

4.3.2 | Energy Conservation

Simula Technology actively promotes sustainable management and established energy saving and carbon reduction measures to reduce our energy consumption and carbon footprint. We are committed to energy conservation and carbon reduction in response to environmental challenges and climate change. 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. The following outlines specific implementation plans, demonstrating our commitment and actions toward environmental protection. In 2025, the Company participated in its parent group Qisda's "Large guiding small" project, promoting energy-saving measures including manufacturing process electricity improvements and waste heat recovery. Energy savings are estimated based on the difference in equipment energy consumption before and after improvement, along with operating hours. It is projected that by 2026, electricity consumption will be reduced by 335,836 kWh per year, equivalent to an estimated reduction in energy consumption of 1,209 GJ per year.

Energy Conservation and Carbon Reduction Plan:

1. Install additional energy-saving LED lighting to reduce water and electricity consumption.
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.

Administrative Control Section:

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

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability —

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

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 2025, the Company participated in its parent group Qisda's "Large guiding small" project. Through manufacturing process electricity improvements and waste heat recovery initiatives, it is projected that by 2026 direct greenhouse gas emissions will be reduced by 166 metric tons CO₂e per year. In addition, 540,000 kWh of renewable energy certificates obtained during the year (applying the China grid emission factor of 0.5306 kg CO₂e/kWh) successfully offset 286.524 metric tons CO₂e of Scope 2 emissions.

Scope 1 Direct GHG emissions	Emission sources owned or controlled by the Company; direct emission sources primarily consist of gasoline used in company vehicles, diesel used in trucks and company vehicles, liquefied petroleum gas, refrigerants, and fugitive emissions from septic tanks.
Scope 2 Energy indirect GHG emissions	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.
Scope 3 Other indirect GHG emissions	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: a. Outsourced waste removal and incineration treatment, including emissions from contractors' transportation vehicles and incineration equipment. b. Outsourcing of wastewater treatment. c. Employee business travel and business trips. d. Employee commuting. e. Upstream and downstream transportation.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

- 4.1 Raw Material Management
- 4.2 Sustainable Supply Chain
- 4.3 Energy Management
- 4.4 Greenhouse Gas Management
- 4.5 Water Resources Management
- 4.6 Waste Management

5 Social Care

Appendix

2025 Plant-Wide Greenhouse Gas Emissions Statistics by Category (1-6)

Item category	Scope 1	Scope 2	Scope 3				Total
	Category 1 Direct emissions and removals	Category 2 Indirect emissions from imported energy	Category 3 Indirect emissions from transportation	Category 4 Indirect emissions from products used by the organization	Category 5 Indirect emissions associated with the use of products from the organization	Category 6 Indirect emissions from other sources	
Emissions equivalent (metric tons of CO ₂ e/year)	230.6957	2758.4622	0	0	0	0	2989.1579
Proportion of gas by type (%)	7.7177%	92.2823%	0%	0%	0%	0%	100%

Note:

- The Company's greenhouse gas inventory applies the operational control approach to define organizational boundaries, encompassing major operating locations over which the Company has operational control. The inventory scope includes Scope 1 direct GHG emissions and Scope 2 energy indirect GHG emissions.
- The emission coefficient method was employed for calculations, where the emission factor for purchased electricity followed the electricity carbon emissions coefficient of 0.474 (kgCO₂e/kWh) announced by the Energy Administration, Ministry of Economic Affairs. For operations in China, the national average grid emission factor of 0.5306 (kg CO₂e/kWh) is applied.
- The base year is 2025, for which complete inventory data is available and which has been verified by a third party in alignment with the parent group's requirements.
- GHG types included in the inventory are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
- This report applies the Global Warming Potential (GWP) values listed in the IPCC Sixth Assessment Report (AR6).
- The Company did not use biofuels in 2025 and generated no biogenic carbon dioxide emissions; therefore, biogenic CO₂ emissions are reported as zero.
- Emission factors are sourced from the parent group's MetaGuru carbon inventory platform.

2025 Plant-Wide Greenhouse Gas Emissions Statistics by Category (1-7)

Item	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total annual emissions equivalent of seven types of greenhouse gases
Emissions equivalent (metric tons of CO ₂ e/year)	2812.9416	32.7938	0.4360	142.9865	0	0	0	2989.1579
Proportion of gas by type (%)	94.1048%	1.0971%	0.0146%	4.7835%	0%	0%	0%	100%

2025 Emissions Intensity

Annual total emissions equivalent (metric tons of CO ₂ e)	Operating revenue (NT\$10 million)	(metric tons of CO ₂ e/NT\$10 million)
2989.1579	172.5993	17.3185

Note:

- The 2025 operating revenue includes the revenues of Simula Technology and Simula Technology (ShenZhen), as well as the output value of Action Star. The basis for calculations aligns with the parent group's definitions of data collection.
- Action Star production value = Units received into inventory × Product selling price.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

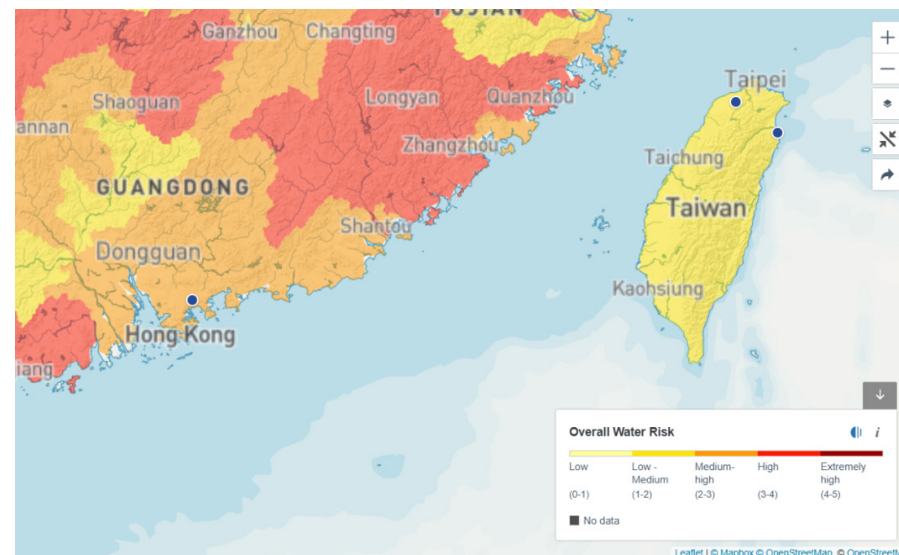
Appendix

4.5 Water Resources Management

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 2025 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.

Water Resources Management Policy

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



330台灣桃園市桃園區中正路1351號14樓

Input address: 330台灣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: -

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台灣宜蘭縣五結鄉利工一路二四八號

Input address: 268台灣宜蘭縣五結鄉利工一路二四八號

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](#)

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

4.5.1 | Water Withdrawal and Discharge

All Simula Technology operating sites obtain tap water supplied by local water utilities (third-party freshwater with total dissolved solids ≤ 1,000 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.

4.5.2 | 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.

Year	SS	COD
Statutory Standard Value	<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	11.2mg/L	136mg/L
First half of 2025	9.3mg/L	173mg/L
Second half of 2025	7.7mg/L	48.9mg/L

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

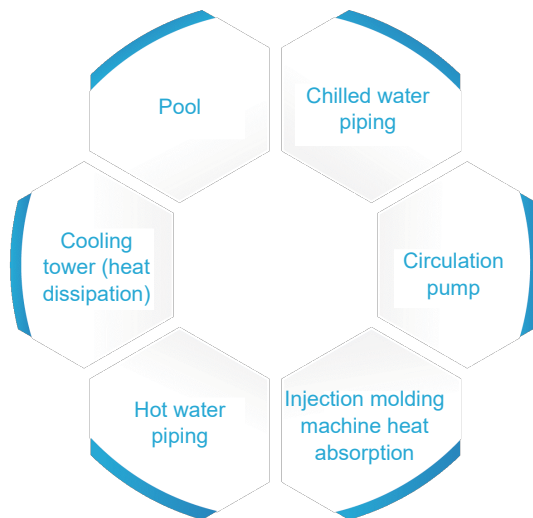
4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

Cooling Water Circulation



Water Resource Management Measures

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.

Water Resource Usage

Year	Total water withdrawal (million liters)	Total water discharge (million liters)	Total water consumption (million liters)
2022	79.0026	63.1914	15.8112
2023	75.0900	60.0605	15.0294
2024	76.9948	61.6099	15.3849
2025	47.7943	38.2317	9.5626

Note: Except for Action Star Technology, which used actual measured values in accordance with the industrial park drainage regulations, the water discharge and water consumption of all other sites were estimated at 80% and 20%, respectively, of total water withdrawal.

Water Intensity

Year	Total water withdrawal (million liters)	Operating revenue (NT\$10 million)	(million liters/NT\$10 million)
2022	79.0026	423.1000	0.1867
2023	75.0900	203.9100	0.3683
2024	76.9948	176.8700	0.4353
2025	47.7943	172.5993	0.2769

Note 1: Operating revenue for 2022-2024 is consolidated revenue.

Note 2: The 2025 operating revenue includes the revenues of Simula Technology and Simula Technology (ShenZhen), as well as the output value of Action Star. The basis for calculations aligns with the parent group's definitions of data collection.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

4.6 Waste Management

Major waste materials at Simula Technology's operational sites are handled off-site. The primary waste sources and implementation measures are as follows:

Simula Technology Taiwan	
Primary sources of waste	Implementation measures
- Scrap primarily consists of inventory materials and products that are expired, damaged, or unusable. - 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.	- Inventory and classification: A scrap inventory and classification are conducted according to item categories, distinguishing between reusable and non-reusable materials. - 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. - 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. - Document filing and tracking: A complete record of the waste disposal and transportation process is maintained to facilitate future audits and inspections.

Action Star Technology	
Primary sources of waste	Implementation measures
- The waste generated primarily from surface mounting, component assembly, and packaging are all classified as general industrial waste. - There are also employee household waste and non-process-generated waste materials such as scrap wood (pallets) and waste plastics. - Waste lubricating oil. - Waste solvent (D-1504).	- All general industrial waste is entrusted to qualified waste disposal contractors for handling. - Waste lubricating oil is collected and processed by the contractor during maintenance. - 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. - 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.

Simula Technology (ShenZhen)	
Primary sources of waste	Implementation measures
- 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. - 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. - Special waste items such as: discarded fire extinguishers. - 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.	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: - 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. - 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. - 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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

4.6 Waste Management

5 Social Care

Appendix

Waste Output

Year	2022	2023	2024	2025
Other recycling operations (metric tons)	109.2812	88.1844	79.6334	79.3226
Total weight of diverted disposal (metric tons)	109.2812	88.1844	79.6334	79.3226
Incineration (including energy recovery, metric tons)	68.2995	37.8256	28.4112	34.5868
Incineration (excluding energy recovery, metric tons)	0.7300	0.6977	0.4142	0.1300
Other disposal operations (metric tons)	15.6118	84.9939	83.4634	57.9849
Total weight of directly disposed waste (metric tons)	84.6413	123.5172	112.2888	92.7017
Total (metric tons)	193.9225	211.7016	191.9222	172.0243

Waste intensity

Year	Waste production (metric tons)	Operating revenue (NT\$10 million)	(metric tons/NT\$10 million)
2022	193.9225	423.1000	0.4583
2023	211.7016	203.9100	1.0382
2024	191.9222	176.8700	1.0851
2025	172.0243	172.5993	0.9967

Note 1: The 2025 operating revenue includes the revenues of Simula Technology and Simula Technology (ShenZhen), as well as the output value of Action Star. The basis for calculations aligns with the parent group's definitions of data collection.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

4.1 Raw Material Management

4.2 Sustainable Supply Chain

4.3 Energy Management

4.4 Greenhouse Gas Management

4.5 Water Resources Management

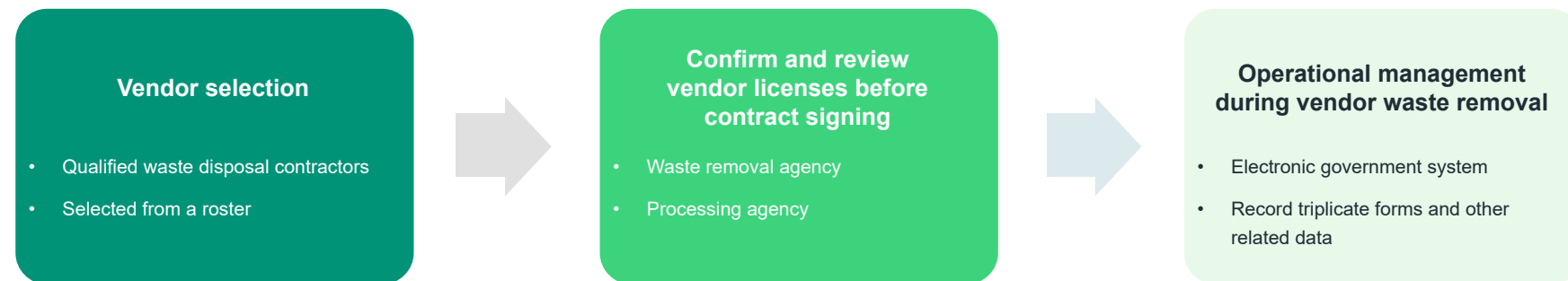
4.6 Waste Management

5 Social Care

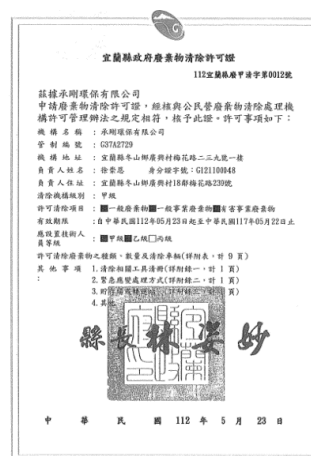
Appendix

4.6.1 | Treatment Process of Hazardous Waste

Taking the Taiwan operational site as an example:



Clearance Permit and Roadmap for Action Star Technology:



5

Social Care

- 5.1 Labor Relations
- 5.2 Employee Statistics
- 5.3 Remuneration and Benefits
- 5.4 Talent Cultivation
- 5.5 Occupational Health and Safety



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

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 comprehensive safety and health management plan. The Company regularly conducts operational environment monitoring as well as safety and health inspections and audits, and continues to promote safety and health training and fire safety training to ensure overall workplace safety. In addition to striving to provide a safe working environment, employee health is also a critical 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 an Employee Welfare Committee and, through labor-management meetings, oversee and implement employee welfare measures. At present, although the Company has not established an enterprise labor union, nor has it signed a collective agreement, the labor-management meeting serves as a primary platform for communication between labor and management. The Company holds regular labor-management meetings in accordance with the law, providing employees with a channel to sufficiently express their opinions, and responds proactively with good faith and goodwill, striving to promote labor-management consensus and maintain a sound labor-management relationship. In the event of material operational changes, employees will be notified in advance and consulted through appropriate channels in accordance with the laws and regulations of each operating location and internal procedures. The minimum notice period for significant operational changes is governed by the regulations of the applicable jurisdiction. In 2025, the Company did not experience any material changes in operations that required prior notice, nor did it encounter any material labor disputes or controversies. Overall organizational operations remained stable, and employee morale was high.

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:

- Diversity, inclusion, and equal opportunity
- Oppose discrimination, bullying, and harassment
- Comply with minimum wages and reasonable working hours
- Prohibit forced labor and child labor
- Healthy and safe workplace environment
- Implement information security
- Promote labor-management harmony
- Report complaints

To ensure that all employees understand the Company's human rights policy, compliance promotion sessions are conducted annually for all employees and new hires. 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

- E-mail: ethics@simulatechnology.com
- Telephone: 03-3010008
- Website: <https://simulatechnology.com>

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

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. We hire employees based solely on merit and do not discriminate on the basis of gender. 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, 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. Simula Technology has focused on cultivating local talent. Over the past 4 years, 100% of senior management positions at our Taiwan headquarters have been held by residents of the local community, with all positions led by local talent. Currently, the operating site in mainland China is staffed by professional managers dispatched from the Taiwan headquarters. Going forward, the Company will continue to assess overseas operational needs on an ongoing basis and optimize talent allocation accordingly. There were 118 non-employee workers in the current year.

- Number of Employees

Year	2022				2023				2024				2025			
By age group (persons)	Under 30 years	30 to 50 years	Above 50 years	Total	Under 30 years	30 to 50 years	Above 50 years	Total	Under 30 years	30 to 50 years	Above 50 years	Total	Under 30 years	30 to 50 years	Above 50 years	Total
Management	0	21	25	46	0	32	13	45	0	21	25	46	0	23	26	49
Non-management	140	538	61	739	96	251	258	605	82	410	62	554	92	422	67	581

Year	2022			2023			2024			2025		
Total number of employees by gender (persons)	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Full-time employee	476	309	785	374	276	650	340	260	600	358	272	630
Temporary employee	0	0	0	0	0	0	0	0	0	0	0	0
Full-time employee	476	309	785	374	276	650	340	260	600	358	272	630
Part-time employee	0	0	0	0	0	0	0	0	0	0	0	0
Management	11	35	46	11	34	45	11	35	46	12	37	49
Non-management	465	274	739	363	242	605	329	225	554	346	235	581
Direct personnel	334	107	441	230	79	309	201	71	272	210	78	288

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Year	2022			2023			2024			2025		
Total number of employees by gender (persons)	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Indirect personnel	142	202	344	144	197	341	139	189	328	148	194	342

Year	2022			2023			2024			2025		
Total number of employees by region (persons)	Taiwan	China	Total	Taiwan	China	Total	Taiwan	China	Total	Taiwan	China	Total
Full-time employee	476	309	785	369	281	650	342	258	600	388	242	630
Temporary employee	0	0	0	0	0	0	0	0	0	0	0	0
Full-time employee	476	309	785	369	281	650	342	258	600	388	242	630
Part-time employee	0	0	0	0	0	0	0	0	0	0	0	0
Management	33	13	46	32	13	45	35	11	46	38	11	49
Non-management	443	296	739	337	268	605	307	247	554	350	231	581
Direct personnel	282	159	441	176	133	309	156	116	272	176	112	288
Indirect personnel	194	150	344	193	148	341	186	142	328	212	130	342

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

Note 2: Full-time employees are defined as non-fixed term contract employees, equivalent to the permanent employees defined under the GRI Standards.

Note 3: Temporary employees are defined as fixed-term contract employees.

Note 4: Management refers to personnel who hold supervisory positions at the Assistant Manager level or above.

Note 5: Non-managemet refers to personnel excluding the persons described in Note 4.

Note 6: Direct personnel refers to employees directly engaged in the production and processing of products, and whose labor costs can be directly attributed to specific products.

Note 7: Indirect personnel refers to employees who did not directly participate in product manufacturing (including those in management positions, such as plant managers).

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

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		Talent Policy
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		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. 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.
Objectives	Short-term	Strengthen talent recruitment and new employee onboarding mechanisms to assist new hires in becoming familiar with business operations and internal procedures. Furthermore, plan training arrangements tailored to different roles to enhance the professional capabilities of existing personnel.
	Mid- to long-term	Continue to monitor workforce structure and key position allocation, making timely adjustments based on operational needs and organizational development. Maintain employee stability and sense of belonging through effective communication and improvements to the work environment, while also supporting the Company's long-term operations and sustainability goals.
Resources Invested and Specific Achievements in the Current Year		- 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. In 2025, the vacancy replacement rate was 84%. - Salary policy: Adjustments are made annually based on employee performance and the Company's operating conditions, while also taking into account employee roles and market conditions to ensure reasonable remuneration and maintain employees' sense of identification with and stability in the organization. - Employee benefits: A health examination program superior to legal requirements is provided, along with employee group insurance and regular events to enhance employees' sense of identification and belonging with the organization, while maintaining workforce stability to reduce the impact of personnel turnover on operations. The employee retention rate in 2025 was 80%.
Responsible Department/Complaint Mechanism		Human Resources Department.
Evaluation Mechanism		- Employee retention rate. - Vacancy replacement rate.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

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.

The Company conducts annual employee performance evaluations. 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. Information on non-managerial full-time employees for the current year is available by searching for employee benefit and remuneration statistics on the Market Observation Post System (MOPS).

• Ratio of Basic Salary and Remuneration of Women to Men

Ratio of basic salary and remuneration of women to men			2025	
Key operational sites	Employee type	Item	Male	Female
Taiwan/Simula Technology	Direct	Basic salary	-	-
		Remuneration	-	-
	Indirect	Basic salary	1.32	1
		Remuneration	1.36	1
Taiwan/Action Star	Direct	Basic salary	1.05	1
		Remuneration	1.04	1
	Indirect	Basic salary	1.31	1
		Remuneration	1.31	1
China/Simula Technology (ShenZhen)	Direct	Basic salary	1.10	1
		Remuneration	1.03	1
	Indirect	Basic salary	1.66	1
		Remuneration	1.67	1

Note:

1. Basic salary refers to the minimum fixed amount paid to employees in exchange for the performance of their duties, excluding any additional compensation such as overtime pay, bonuses, or allowances.
2. Remuneration refers to basic salary plus additional amounts paid to workers. "Additional amounts paid to workers" include seniority allowances, bonuses (including cash and equity), benefits, overtime pay, compensatory time off, and any other supplements such as transportation allowances, cost-of-living allowances, and childcare allowances.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

• Median Salary of Non-Managerial Employees

Non-managerial full-time employees	Number of Employees	Average annual salary	Median annual salary
2024	55	1,001	859
2025	52	956	824
Difference	-5.45%	-4.5%	-4.07%

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

Year	2022			2023			2024			2025		
Gender (persons)	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of managerial personnel subject to regular performance and career development evaluations	35.0	11.0	46.0	34.0	11.0	45.0	35.0	11.0	46.0	37.0	12.0	49.0
Number of non-managerial personnel subject to regular performance and career development evaluations	274.0	465.0	739.0	224.0	359.0	583.0	223.0	320.0	543.0	235.0	335.0	570.0

Note: Personnel on extended sick leave were excluded from the calculation.

• New Hires and Departing Employees

The Company’s overall turnover rate decreased from 41.0% in 2024 to 29.5% in 2025. Based on data disclosed by category in 2024 (31.7% under 30 years of age, 61.8% aged 30-50 years, 6.5% aged above 50 years; and 30.9% male, 69.1% female) and 2025 (28.5% under 30 years of age, 66.7% aged 30-50 years, 4.8% aged above 50 years; and 40.9% male, 59.1% female), following review, staff turnover was mainly affected by the overall employment market environment and organizational human resource adjustments. Under the continued optimization of human resource management measures, the turnover rate in 2025 showed a downward trend, indicating the gradual stabilization of staff turnover.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Year	2022				2023				2024				2025			
By age (persons)	Under 30 years	30 to 50 years	Above 50 years	Total	Under 30 years	30 to 50 years	Above 50 years	Total	Under 30 years	30 to 50 years	Above 50 years	Total	Under 30 years	30 to 50 years	Above 50 years	Total
Number of new employees	69	95	6	170	33	42	13	88	32	62	18	112	54	93	21	168
Number of voluntary terminations	115	189	17	321	87	136	6	229	77	132	13	222	52	118	9	179
Number of involuntary terminations	0	3	2	5	8	45	13	66	1	20	3	24	1	6	0	7
Number of voluntary and involuntary terminations	115	192	19	326	95	181	19	295	78	152	16	246	53	124	9	186

Year	2022			2023			2024			2025		
By gender (persons)	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of new employees	59	111	170	37	51	88	42	70	112	69	99	168
Number of voluntary terminations	122	199	321	90	139	229	65	157	222	71	108	179
Number of involuntary terminations	4	1	5	16	50	66	11	13	24	5	2	7
Number of voluntary and involuntary terminations	126	200	326	106	189	295	76	170	246	76	110	186

Year	2022			2023			2024			2025		
By region (persons)	Taiwan	China	Total	Taiwan	China	Total	Taiwan	China	Total	Taiwan	China	Total
Number of new employees	127	43	170	21	67	88	77	35	112	126	42	168
Number of voluntary terminations	119	202	321	67	162	229	82	140	222	89	90	179
Number of involuntary terminations	5	0	5	66	0	66	24	0	24	7	0	7
Number of voluntary and involuntary terminations	124	202	326	133	162	295	106	140	246	96	90	186

Note:

- 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.
 New hire rate = (total number of new employees of a specific type for the current year/total number of employees for the year) × 100%.
 Departing rate = (total number of new employees of a specific type for the current year/total number of employees for the year) × 100%.
- 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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

- 1 Sustainable Development Policy
- 2 About Simula Technology
- 3 Corporate Governance
- 4 Environmental Sustainability

5 Social Care

- 5.1 Labor Relations
- 5.2 Employee Statistics
- 5.3 Remuneration and Benefits
- 5.4 Talent Cultivation
- 5.5 Occupational Health and Safety

Appendix

Employee Welfare System

The Company continues to implement policies that support marriage, childbirth, and family, and is committed to creating a workplace environment that enables employees to balance their work and family. With respect to employee benefits, in addition to providing maternity allowances, the Company also grants a child-rearing allowance of NT\$2,500 per month for each child born during an employee's period of service, payable until the child reaches six years of age, in order to substantially reduce the economic burden of employees.

To support employee participation in their children's important developmental milestones, this year the Company introduced the "First-Grade New Student Leave," which provides flexible leave to employees whose children are entering elementary school for the first time. The policy enables parents to welcome an important life milestone together with their children and reduces the pressure of employees having to divide time between their work and family roles. Through diverse and specific family-support measures, the Company actively fosters a workplace atmosphere that is friendly to childrearing, strengthening employees' sense of belonging and their willingness to remain with the Company, and fulfilling the Company's commitment to employee well-being as well as diversity and inclusion.

In 2025, a total of 10 employees benefited from the aforementioned marriage, childbearing, and family care-friendly measures, and NT\$112 thousand was invested in related benefits, demonstrating the Company's determination to continue investing resources in supporting employees' family lives and sustainable development.



 **Department Gatherings**
(Twice a Year)



Care and Support for Foreign Employees 



 **Physical Fitness Assessments**



Group Sports Day 



Group Singing Competition 



Group Family Day 



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Employee Welfare Items:

Region	Legally Mandated Benefits	General Benefits	Above-Statutory Benefits
Taiwan	1. Health insurance, labor insurance 2. Retirement fund contributions 3. Wage arrears repayment fund contributions 4. Occupational accident insurance contributions 5. Contracted occupational nurses and physicians 6. Annual leave, half-pay sick leave, and other statutory leave 7. Parental leave, maternity leave, prenatal checkup accompaniment leave, and paternity leave	1. 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. 2. Monetary gifts for major holidays (Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year) 3. Birthday bonus 4. Subsidized departmental team dinners twice per year 5. Employee travel subsidies 6. Employee travel (subject to the company's earnings situation) 7. Other benefit activities (e.g., family days, arts and cultural events)	1. Group insurance for employees 2. Optional group insurance for employees' dependents (employee-funded) 3. Subsidies for employee marriage, funeral, and celebration 4. Flexible attendance policy 5. Annual health checkups for employees 6. Employee education and training
Mainland China	1. Social insurance (pension, medical, unemployment, work-related injury, and maternity) 2. Housing provident fund contributions 3. Paid annual leave 4. Parental leave, prenatal checkup accompaniment leave, and paternity leave	1. Sports center (gym, billiards room, and basketball court) 2. Employee dormitories and uniforms 3. Annual events such as barbecues and year-end banquets	1. Festival and birthday gifts 2. Two employee appreciation meals per month 3. Employee education and training 4. Annual health checkups for employees

Employee award ceremony at the 20th anniversary year-end banquet



Employee barbecue event



Employee birthday activity



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Parental Leave for Childcare

Year	2022						2023						2024						2025					
Region	Taiwan			China			Taiwan			China			Taiwan			China			Taiwan			China		
Gender (persons)	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees with parental leave	3	9	12	4	3	7	4	7	11	3	6	9	5	7	12	3	6	9	3	3	6	8	11	19
Number of employees who took parental leave	0	9	9	4	3	7	1	6	7	3	6	9	0	7	7	3	6	9	0	0	0	8	11	19
Number of employees expected to return from parental leave in the current year (A)	1	2	3	4	3	7	1	11	12	3	6	9	1	7	8	3	6	9	0	3	3	8	11	19
Number of employees who returned to work during the reporting period after parental leave (B)	0	1	1	4	1	5	1	9	10	3	5	8	0	4	4	3	5	8	0	2	2	7	10	17
Return-to-work rate (B/A)	0%	50%	33%	100%	33%	71%	100%	82%	83%	100%	83%	89%	0%	57%	50%	100%	83%	89%	0%	67%	67%	88%	91%	89%
Number of employees who remained employed for 12 months after returning from parental leave (C)	0	4	4	3	1	4	0	1	1	4	0	4	1	6	7	3	4	7	0	4	4	3	3	6
Retention rate (C/B of the previous year)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	80%	100%	67%	70%	100%	80%	88%	0%	100%	100%	100%	60%	75%

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. Overseas subsidiaries are located primarily in mainland China. In accordance with local government regulations, the Company arranges various social insurance programs for employees, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund contributions. All related contributions and payments are made in accordance with the base amounts and ratios published by local government authorities, ensuring employees' statutory rights and benefits are upheld.

Retirement System	Old System	New System
Applicable legal sources	Labor Standards Act.	Labor Pension Act.
How to withdraw	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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

5.4 Talent Cultivation

Material Topics		Employee Training and Development
Significance to the Company		Employees are a core asset for the Company's continued operations and sustainable development. Training and development not only enhances the professional competence and work efficiency of employees, but also strengthens the organization's overall execution capability and innovation capability and improves our adaptability to new technologies and processes, thereby further enhancing overall organizational performance and value creation capability.
Policy/Commitments		Policy: Provide educational training courses that meet the needs of different job categories and positions to assist employees in their continued learning and professional growth. Commitment: Regularly review training effectiveness and employee needs, and adjust course content and resource allocation in a timely manner based on the Company's operations and market environment, thereby ensuring that education and training continue to support the Company's long term operations and sustainable development.
Objectives	Short-term	Provide new employee orientation and on-the-job training, develop annual training plans tailored to job categories, and offer relevant internal and external courses to strengthen employees' professional capabilities and operational execution.
	Mid- to long-term	Continue to monitor workforce structure and skill requirements for key positions, making timely adjustments to training programs based on company operations and organizational development. This approach will gradually enhance overall employee capabilities and organizational stability, supporting the Company's long-term operations and sustainability.
Resources Invested and Specific Achievements in the Current Year		1. New employees participated in new employee training with guidance from senior colleagues to help them quickly become familiar with business processes. The completion rate for the new employee training was 100%. 2. A total of 6 mandatory policy courses were offered on topics such as information security, code of conduct, and occupational health and safety, with a completion rate of 100%. 3. Specialized and external training courses were arranged for personnel in key positions to enhance their professional skills and decision-making abilities. In 2025, a total of 41 external training courses were conducted, with a completion rate of 100%.
Responsible Department/Complaint Mechanism		Human Resources Department
Evaluation Mechanism		1. Course offering rate 2. Average training hours per employee 3. Course completion rate

SimulaTechnology 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 around 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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Employee Training Hours Statistics

Year	2022			2023			2024			2025		
Gender (persons)	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Average training hours per employee	8.2	8.1	8.1	7.1	8.7	8.0	9.5	9.9	9.7	20.6	11.4	15.3
Management	6.0	21.5	9.5	5.7	14.9	7.9	7.8	20.9	10.9	24.1	14.4	21.7
Non-management	10.6	7.0	8.3	8.4	8.5	8.5	11.3	8.7	9.8	19.3	11.8	14.9
Direct personnel	13.1	10.2	10.9	12.6	10.3	10.9	16.5	11.8	13.0	32.2	18.8	22.5
Indirect personnel	7.6	3.7	6.0	5.9	5.1	5.6	6.7	4.9	5.9	8.4	6.4	7.5

Employee Training Program

Assistance type	Description of the implemented plan and type and scope of assistance provided
Employee competency training program	- Participation in the Group's leadership training program - 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. - Conduct training according to the curriculum schedule. After each training session, arrange assignments and practical tasks, with instructors providing follow-up guidance. - Organize skills assessments and performance demonstrations, and conduct targeted reinforcement training to address weaknesses identified in the assessments. - Collect employee feedback, evaluate training effectiveness, and summarize experiences to serve as a reference for subsequent training.
Continued Employment Assistance (Retirement or Termination of Employment Relationship)	In accordance with local regulations and internal company procedures, the Company provides relevant assistance measures, including guidance on severance pay or retirement benefit entitlements, consultation on social insurance and pension claims, explanation of departure rights and benefits, issuance of employment certificates, and provision of information on job transition or employment opportunities. Where necessary, the Human Resources department offers individual consultations to help employees understand their entitlements and plan their next career steps. For employees approaching retirement age, the Company provides, as needed, pre-retirement communication, work handover arrangements, and explanations of retirement benefits, in order to help employees transition smoothly into retirement.

Training Program Title	Six Sigma Training
Region	Simula Technology (ShenZhen) Training Room
Audience	Quality assurance engineers and managers at the department level and higher from the Office of the President/Product Development Center/Quality Assurance Center
Training hours/Number of participants	Total training hours: 48 hours/person Number of participants: 18 people
Program description	To strengthen manufacturing and quality management effectiveness and enhance supervisors' capabilities in problem analysis and process optimization, a Six Sigma training course was planned for supervisors at the section chief level and above in the Product Center and Quality Assurance Center. Course content covers core methodologies such as the PDCA cycle and the DMAIC improvement process, integrating theory with practical case studies to develop supervisors' systematic thinking, data-driven decision-making, and cross-departmental improvement implementation capabilities, thereby continuing to enhance product quality and operational efficiency while achieving sustainable operation for the enterprise.
Invested costs	RMB 49,500.00

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

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.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

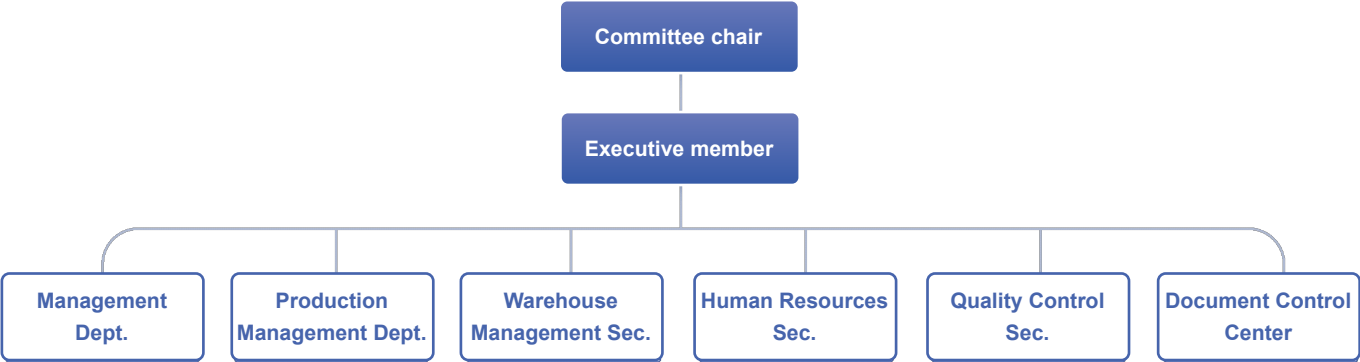
4 Environmental Sustainability

5 Social Care

- 5.1 Labor Relations
- 5.2 Employee Statistics
- 5.3 Remuneration and Benefits
- 5.4 Talent Cultivation
- 5.5 Occupational Health and Safety

Appendix

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 people	Ratio
Occupational health and safety	Internal Audit	All employees	100%
	Labor inspection	All employees	100%

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

Management system/Regulations	Inspection type	Number of people	Ratio
ISO 45001:2018	Internal Audit	Yilan Plant All employees	100%
	External verification	Yilan Plant All employees	100%

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

- 5.1 Labor Relations
- 5.2 Employee Statistics
- 5.3 Remuneration and Benefits
- 5.4 Talent Cultivation
- 5.5 Occupational Health and Safety

Appendix

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

Management system/Regulations	Inspection type	Number of people	Ratio
ISO 45001:2018	Internal Audit	All employees	100%
	External verification	All employees	100%

5.5.2 | Worker Participation, Consultation, and Communication

Action Star Technology	Establishment of the Occupational Safety and Health Committee: The Committee convenes on a regular basis, with labor representatives accounting for at least one-third of total membership, to discuss matters including workplace environment improvements and occupational accident investigations. Regular Labor-Management Meetings: Labor-management meetings are held quarterly or semi-annually to communicate on matters such as business policies, compensation, benefits, and changes to working conditions. Employee Satisfaction Survey: Anonymous employee surveys are conducted to gather feedback on the workplace environment, work-related stress, and company policies, with results incorporated into internal management improvement reports. Grievance Channels: A policy on sexual harassment prevention, complaint procedures, and disciplinary measures has been established, providing both named and anonymous communication channels including a dedicated email address and hotline.
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 2025, 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 evacuation drills are personally led by the General Manager and the Chief Financial Officer, who guide all employees through practical exercises on-site. The training courses are provided for current employees to complete their learning within the company's system. 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 fact that no occupational disease cases were identified through occupational health examinations.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

5.5.4 | Hazard Identification, Risk Assessment, and Incident Investigation

Specific measures for each site are listed separately:

Simula Technology Taiwan	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. ※Explanation of the classification and reporting mechanism 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: Level A Incident 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. 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. Level B Incident Moderate to major incidents affecting certain operations or personnel, including serious injury incidents and emergency response handling. The internal Chairman/Deputy Chairman, Chief Financial Officer, Secretary-General, and authorized committee members of Simula Technology must be notified. Level C Incident 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. The responsible committee members and the Secretary-General are notified.
Action Star Technology	- Hazard identification on operational content or its facilities is conducted, verifying existing risk control methods, and performing risk assessment using the formula $S(\text{severity}) * F(\text{frequency of hazard occurrence}) * C(\text{effectiveness of risk control}) = R(\text{risk})$ 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. - 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. - 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.
Simula Technology (ShenZhen)	- 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. - 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. - 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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

- 5.1 Labor Relations
- 5.2 Employee Statistics
- 5.3 Remuneration and Benefits
- 5.4 Talent Cultivation
- 5.5 Occupational Health and Safety

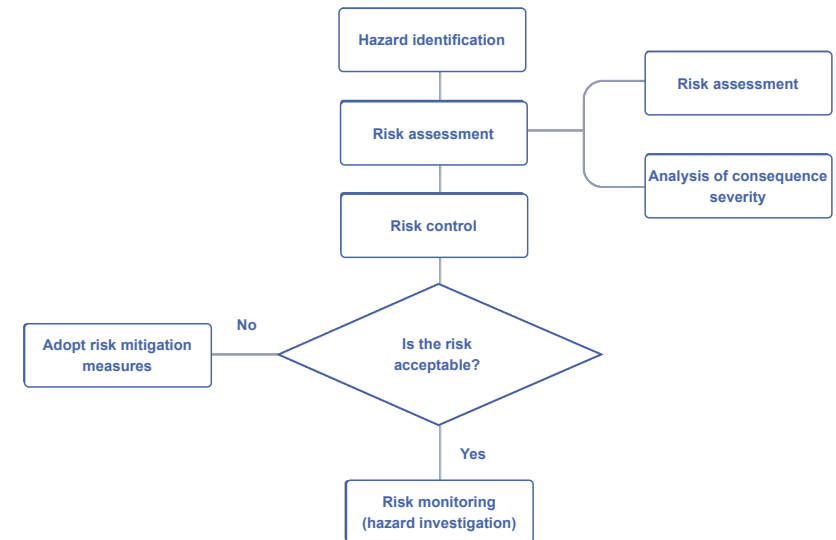
Appendix

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

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 2025, 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.

Risk Control Process



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. The 2025 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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Additional Measures for Promoting Worker Health:

Simula Technology Taiwan	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. 2. The monitoring of operating environments is conducted semiannually, including the measurement of carbon dioxide levels, illumination, and compounds.
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)	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. 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.

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:

Simula Technology Taiwan	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.
Action Star Technology	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.
Simula Technology (ShenZhen)	1. Soundproofing devices have been installed on plastic workshop shredders and stamping workshop machines to reduce noise. 2. The Supplier Quality Engineering (SQE) Department regularly conducts investigations on suppliers to ensure that conflict minerals are not used. 3. When external companies visit the Company for operations, they are required to provide safety equipment and conduct occupational safety briefings before commencing work.



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

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 2025, 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.

Year	2022						2023					
Worker type	Employees		Other workers (e.g., contractors)		Total		Employees		Other workers (e.g., contractors)		Total	
Gender	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of deaths caused by occupational injuries	0	0	0	0	0	0	0	0	0	0	0	0
Number of severe occupational injuries (excluding fatalities)	0	0	0	0	0	0	0	0	0	0	0	0
Main types of occupational injuries	Back injury, fall	Back injury	-	-	-	-	Two falls	-	-	-	-	-
Number of cases of recordable occupational injuries	2	1	0	0	2	1	2	0	0	0	2	0
Number of deaths caused by occupational disease	0	0	0	0	0	0	0	0	0	0	0	0
Number of cases of recordable occupational diseases	0	0	0	0	0	0	0	0	0	0	0	0
Main types of occupational diseases	0	0	0	0	0	0	0	0	0	0	0	0
Number of near-miss incidents	0	0	0	0	0	0	0	0	0	0	0	0
Total work hours	1095736.3	716427.8	284111.3	106011.7	1379847.6	822439.5	831891.6	591368.6	206501.7	157744.4	1038393.4	749112.9
Number of lost workdays	9	6	0	0	9	6	9	0	0	0	9	0

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

5.1 Labor Relations

5.2 Employee Statistics

5.3 Remuneration and Benefits

5.4 Talent Cultivation

5.5 Occupational Health and Safety

Appendix

Year	2024						2025					
Worker type	Employees		Other workers (e.g., contractors)		Total		Employees		Other workers (e.g., contractors)		Total	
Gender	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of deaths caused by occupational injuries	0	0	0	0	0	0	0	0	0	0	0	0
Number of severe occupational injuries (excluding fatalities)	0	0	0	0	0	0	0	0	0	0	0	0
Main types of occupational injuries	Two pinching or crushing injuries, fall, and head injury	Collision, two pinching or crushing injuries, fall	-	-	-	-	-	-	-	-	-	-
Number of cases of recordable occupational injuries	4	4	0	0	4	4	0	0	0	0	0	0
Number of deaths caused by occupational disease	0	0	0	0	0	0	0	0	0	0	0	0
Number of cases of recordable occupational diseases	0	0	0	0	0	0	0	0	0	0	0	0
Main types of occupational diseases	0	0	0	0	0	0	0	0	0	0	0	0
Number of near-miss incidents	0	0	0	0	0	0	0	0	0	0	0	0
Total work hours	713078.6	522717	207943.03	224917.97	921022	747635	776472	583376	129431	166097	905903	749473
Number of lost workdays	7	25	0	0	7	25	0	0	0	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).

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

- 5.1 Labor Relations
- 5.2 Employee Statistics
- 5.3 Remuneration and Benefits
- 5.4 Talent Cultivation
- 5.5 Occupational Health and Safety

Appendix

Main Types/Year		2022	2023	2024	Description of Hazards and Improvements
Work-related injuries	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

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and
Electronic Equipment

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

Appendix IV. Assurance Statement



Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Declaration of Use	Simula Technology Inc. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2025.				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standards	N/A				
Topic	Disclosure	Description	Chapter	Page number	Reason for omission/ Necessary explanation
GRI 2: General Disclosures 2021					
The organization and its reporting practices	2-1	Organizational details	2.1 Company Profile	17	
	2-2	Entities included in the organization's sustainability reporting	Reporting Guidelines	5	
	2-3	Reporting period, frequency and contact point	Reporting Guidelines	5	
	2-4	Restatements of information	Reporting Guidelines	5	
	2-5	External assurance	Reporting Guidelines	5	
Activities and workers	2-6	Activities, value chain and other business relationships	2.1 Company Profile	17	
	2-7	Employees	5.2 Employee Statistics	75	
	2-8	Workers who are not employees	5.2 Employee Statistics	75	
Governance	2-9	Governance structure and composition	1.1 Sustainability Promotion Task Force 3.1.1 Board of Directors	8 27	
	2-10	Nomination and selection of the highest governance body	3.1.1 Board of Directors	27	
	2-11	Chair of the highest governance body	3.1.1 Board of Directors	27	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainability Promotion Task Force 3.1.1 Board of Directors	8 27	
	2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Promotion Task Force	8	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainability Promotion Task Force	8	
	2-15	Conflicts of interest	3.1.1 Board of Directors	27	
	2-16	Communication of critical concerns	3.1.1 Board of Directors	27	

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Topic	Disclosure	Description	Chapter	Page number	Reason for omission/ Necessary explanation
	2-17	Collective knowledge of the highest governance body	3.1.1 Board of Directors	27	
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Board of Directors	27	
	2-19	Remuneration policies	3.1.2 Functional Committees	30	
	2-20	Process to determine remuneration	3.1.2 Functional Committees	30	
	2-21	Annual total compensation ratio	3.1.2 Functional Committees	30	
Strategy, policy, and practice	2-22	Statement on sustainable development strategy	Message from the Chairman	3	
			Message from the General Manager	4	
	2-23	Policy commitments	3.1.4 Ethics and Integrity	33	
			4.2 Sustainable Supply Chain	58	
			5.1.1 Human Rights Protection	74	
	2-24	Embedding policy commitments	3.1.4 Ethics and Integrity	33	
			5.1.1 Human Rights Protection	74	
	2-25	Processes to remediate negative impacts	3.1.4 Ethics and Integrity	33	
			5.1.1 Human Rights Protection	74	
	2-26	Mechanisms for seeking advice and raising concerns	1.3 Stakeholder communication channels and issues of concern	9	
			3.1.4 Ethics and Integrity	33	
			5.1.1 Human Rights Protection	74	
	2-27	Legal Compliance	3.3 Legal Compliance	41	
	2-28	Membership associations	2.1 Company Profile	17	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3 Stakeholder communication channels and issues of concern	9	
	2-30	Collective bargaining agreements	5.1 Labor Relations	74	Not applicable/No labor union has yet been established and no collective agreement has been signed; however, labor-management meetings are held regularly in accordance with applicable laws and regulations.
GRI 3: Material Topics 2021					

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Topic	Disclosure	Description	Chapter	Page number	Reason for omission/ Necessary explanation
Material Topics	3-1	Process to determine material topics	1.4 Identification of Material Topics	11	
	3-2	List of Material Topics	1.4 Identification of Material Topics	11	
Economic Aspect					
Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.4 Operational Performance	42	
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	3.4 Operational Performance	42	
	201-2	Financial implications and other risks and opportunities due to climate change	Appendix III. Climate-Related Information of TWSE/TPEX Listed Company	105	
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Remuneration and Benefits	77	
	201-4	Financial assistance received from government	3.4 Operational Performance	42	
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4.2.4 Local Procurement	60	
Information Security and Privacy					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.7 Information Security	52	
Customized Topic	-	-	3.7 Information Security	52	
Environmental Aspect					
Materials					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.1 Raw Material Management	57	
	301-2	Renewable materials used	4.1 Raw Material Management	57	
	301-3	Reclaimed products and their packaging materials	4.1 Raw Material Management	57	
Energy					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Identification of Material Topics	11	
			4.3 Energy Management	61	

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Topic	Disclosure	Description	Chapter	Page number	Reason for omission/ Necessary explanation
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3 Energy Management	61	
	302-2	Energy consumption outside of the organization	4.3 Energy Management	61	
	302-3	Energy intensity	4.3 Energy Management	61	
	302-4	Reduction of energy consumption	4.3 Energy Management	61	
	302-5	Reductions in energy requirements of products and services			Not applicable/No relevant matters.
Water and Effluents					
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	4.5 Water Resources Management	67	
	303-2	Management of water discharge-related impacts	4.5 Water Resources Management	67	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	4.5 Water Resources Management	67	
	303-4	Water discharge	4.5 Water Resources Management	67	
	303-5	Water consumption	4.5 Water Resources Management	67	
Emissions					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.4 Greenhouse Gas Management	65	
	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Greenhouse Gas Management	65	
	305-3	Other indirect (Scope 3) GHG emissions	4.4 Greenhouse Gas Management	65	
	305-4	GHG emissions intensity	4.4 Greenhouse Gas Management	65	
	305-5	Reduction of GHG emissions	4.4 Greenhouse Gas Management	65	
	305-6	Emissions of ozone-depleting substances (ODS)			Not applicable/No relevant matters.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other material air emissions			Not applicable/No relevant matters.
Waste					
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	4.6 Waste Management	70	
	306-2	Management of significant waste-related impacts	4.6 Waste Management	70	

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Topic	Disclosure	Description	Chapter	Page number	Reason for omission/ Necessary explanation
GRI 306: Waste 2020	306-3	Waste generated	4.6 Waste Management	70	
	306-4	Waste diverted from disposal	4.6 Waste Management	70	
	306-5	Waste directed to disposal	4.6 Waste Management	70	
Supplier Environmental Assessment					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Identification of Material Topics	11	
			4.2 Sustainable Supply Chain	58	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.2 Sustainable Supply Chain	58	
	308-2	Negative environmental impacts in the supply chain and actions taken	4.2 Sustainable Supply Chain	58	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.2 Sustainable Supply Chain	58	
	414-2	Negative social impacts in the supply chain and actions taken	4.2 Sustainable Supply Chain	58	
Social Aspect					
Employment					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Identification of Material Topics	11	
			5.3 Remuneration and Benefits	77	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.3 Remuneration and Benefits	77	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Remuneration and Benefits	77	
	401-3	Parental leave	5.3 Remuneration and Benefits	77	
	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	77	
Labor Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.1 Labor Relations	74	

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Topic	Disclosure	Description	Chapter	Page number	Reason for omission/ Necessary explanation
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational Health and Safety Management System	5.5 Occupational Health and Safety	86	
	403-2	Hazard identification, risk assessment, and incident investigation	5.5 Occupational Health and Safety	86	
	403-3	Occupational health services	5.5 Occupational Health and Safety	86	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Health and Safety	86	
	403-5	Worker training on occupational health and safety	5.5 Occupational Health and Safety	86	
	403-6	Promotion of worker health	5.5 Occupational Health and Safety	86	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Occupational Health and Safety	86	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.5 Occupational Health and Safety	86	
	403-9	Work-related injuries	5.5 Occupational Health and Safety	86	
	403-10	Work-related ill health	5.5 Occupational Health and Safety	86	
Training and Education					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Identification of Material Topics	11	
			5.4 Talent Cultivation	84	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.4 Talent Cultivation	84	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent Cultivation	84	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Remuneration and Benefits	77	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.1.1 Board of Directors	27	
			5.2 Employee Statistics	75	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	5.3 Remuneration and Benefits	77	
Customer Health and Safety					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.5 Products and Services	45	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.5 Products and Services	45	

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Electrical & Electronic Equipment SASB Standard Version 2023-12

Activity Metrics				
Code	Metric	Category	Unit	2025 Statistics
RT-EE-000.A	Number of units produced by product category	Quantitative	Quantity	26,991,495
RT-EE-000.B	Number of Employees	Quantitative	Quantity	630

Energy Management				
Metric	Value	Category	Unit	Code
(1) Total energy consumption	22,633.9364	Quantitative	Gigajoules (GJ)	RT-EE-130a.1
(2) Percentage grid electricity	100	Quantitative	Percentage (%)	RT-EE-130a.1
(3) Percentage renewable	0	Quantitative	Percentage (%)	RT-EE-130a.1

Hazardous Waste Management				
Metric	Value	Category	Unit	Code
(1) Amount of hazardous waste generated	2.2830	Quantitative	Metric tons (t)	RT-EE-150a.1
(2) Percentage recycled	35.0416	Quantitative	Percentage (%)	RT-EE-150a.1

Hazardous Waste Management (Spills)				
Metric	Value	Category	Unit	Code
(1) Number of reportable spills	0	Quantitative	Quantity	RT-EE-150a.2
(2) Aggregate quantity of reportable spills	0	Quantitative	kilograms (kg)	RT-EE-150a.2
(3) Quantity recovered	0	Quantitative	kilograms (kg)	RT-EE-150a.2

Product Safety				
Metric	Value	Category	Unit	Code
(1) Number of recalls issued	0	Quantitative	Quantity	RT-EE-250a.1
(2) Total units recalled	0	Quantitative	Quantity	RT-EE-250a.1

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

Product Safety (Litigation Losses)				
Metric	Value	Category	Unit	Code
Total amount of monetary losses as a result of legal proceedings associated with product safety	0	Quantitative	Presentation currency	RT-EE-250a.2

Product Lifecycle Management				
Metric	Value	Category	Unit	Code
Percentage of products by revenue that contain IEC 62474 declarable substances	0	Quantitative	Percentage (%) by revenue	RT-EE-410a.1

Energy Efficiency Certification				
Metric	Value	Category	Unit	Code
Percentage of revenue from eligible products with energy efficiency certification	0	Quantitative	Percentage (%) by revenue	RT-EE-410a.2

Revenue from renewable energy-related and energy efficiency-related products				
Metric	Value	Category	Unit	Code
Revenue from renewable energy-related and energy efficiency-related products	0	Quantitative	Presentation currency	RT-EE-410a.3

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

Appendix III. Climate-Related Information of TWSE/TPEx Listed Company

Appendix IV. Assurance Statement

Materials Sourcing—Description of the management of risks associated with the use of critical materials

Metric	Please provide the relevant explanation.	Category	Unit	Code
Identify critical materials that pose material risks to operations.	Copper alloys, precious metals, plastic raw materials, and ICs of active components	Discussion and Analysis	N/A	RT-EE-440a.1
Types of risks faced (e.g., price volatility, supply constraints, geopolitical risk, and reputational risk).	Copper alloy is affected by fluctuations in international copper prices, while active component ICs are influenced by supply restrictions and price fluctuations from designated manufacturers	Discussion and Analysis	N/A	RT-EE-440a.1
Mitigation strategies (such as supplier diversification, inventory stockpiling, alternative material research and development, and investment in recycling technology).	Diversification of copper alloy suppliers, preparation of six months of inventory based on customer forecast (inventory buildup), and R&D of substitute materials	Discussion and Analysis	N/A	RT-EE-440a.1

Business Ethics

Metric	Please provide the relevant explanation.	Category	Unit	Code
Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Investigation procedures for ethics violations, business ethics management procedures, and the Integrity, Honesty, and Confidentiality Commitment	Discussion and Analysis	N/A	RT-EE-510a.1
Scope of business partners: including customers, suppliers, contractors, and joint venture partners.	Suppliers and contractors signed the Integrity, Honesty, and Confidentiality Commitment	Discussion and Analysis	N/A	RT-EE-510a.1
Referenced standards: compliance with international standards such as the OECD, ICC, and United Nations Global Compact	Referenced the standards of the Qisda Group	Discussion and Analysis	N/A	RT-EE-510a.1

Litigation loss due to bribery and corruption

Metric	Value	Category	Unit	Code
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	Quantitative	Presentation currency	RT-EE-510a.2

Litigation loss due to anti-competitive behavior

Metric	Value	Category	Unit	Code
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	0	Quantitative	Presentation currency	RT-EE-510a.3

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

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

Item	Implementation
- Describe the Board's and management's oversight and governance of climate related risks and opportunities. - Describe how the identified climate risks and opportunities affect the business, strategy and finances of the organization (short, medium and long term). - Describe the financial impact of extreme weather events and transformative actions. - Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system. - 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. - 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. - If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. - 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. - Greenhouse gas Inventory and assurance status as well as reduction targets, strategies, and specific action plans (separately filled out in point 1-1 and 1-2).	- 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 2025 annual results were reported to the Board of Directors in February 2026. The General Manager serves as the committee chair, with level 1 department managers responsible for implementing risk identification, assessment, and handling. - Please refer to "Risks and Opportunities/Financial Impact and Response Mechanisms" below. - Please refer to "Risks and Opportunities/Financial Impact and Response Mechanisms" below. - The following actions were implemented in accordance with the risk management policy: - The sustainability task force conducted assessments of ESG risks while carrying out evaluations of climate risks. - 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. - Strategic objectives were set and implemented based on the approved ESG risks and climate risks. - The identification, assessment, and implementation of ESG risks and climate risks are reported annually to the Board of Directors, with the most recent report made in February 2026 (risk report for 2025). - The Company did not use scenario analysis (such as different warming scenarios) to assess financial impacts in 2025. However, we strengthened the identification of and response capability for climate-related risks through integrated disaster scenario drills and flood risk assessments. In the future, a scenario analysis mechanism will be progressively introduced to strengthen climate risk management. - 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, followed by a gradual introduction of energy-saving equipment that meets the government's level 1 energy efficiency standards, thereby increasing overall energy efficiency. The related replacements will be carried out through rolling planning and execution based on actual operational needs and resource allocation. - Internal carbon pricing has not yet been implemented. - The Company adopted its wholly owned subsidiary, Simula Technology (ShenZhen), as its energy management entity and promoted renewable energy use to reduce greenhouse gas emissions. The main focus is on the energy transition for electricity usage at operational sites (Scope 2). Starting in 2024, we plan to gradually increase the procurement of Renewable Energy Certificates (RECs) each year, aiming to achieve 70% green energy usage by 2030 and 100% green energy replacement by 2040. The annual progress will be reviewed and adjusted based on actual electricity demand and procurement plans, while continuously tracking increases in the proportion of renewable energy usage. Currently, the Company sources green energy through the procurement of RECs; the source and quantity of these certificates will be planned based on annual energy usage and market supply conditions. - According to the sustainable development roadmap, the Company, as a company with capital of less than NT\$5 billion, is required to complete the greenhouse gas inventory of the parent company and subsidiaries included in the 2026 consolidated financial statements by 2027. The Company completed the Scope 1 and Scope 2 self-conducted greenhouse gas inventory for the 2025 consolidated financial statements boundary in 2026. It has not yet undergone third-party verification and is expected to complete the external third-party verification for 2026 by the end of 2027.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

1-1 Greenhouse Gas Inventory and Assurance Status in the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the Company's GHG emissions (metric tons of CO₂e), emissions intensity (metric tons of CO₂e per NT\$ million), and the scope of data coverage for the most recent two years.

2024 Scope 1 + 2 GHG emissions from Simula (including Simula [Shenzhen] and Action Star): 3,922.22 (metric tons CO₂e); intensity: 2.218 (metric tons CO₂e/NT\$million)

2025 Scope 1 + 2 GHG emissions from Simula (including all subsidiaries): 2,989.16 (metric tons CO₂e); intensity: 1.706 (metric tons CO₂e/NT\$million)

Calculation of intensity: Scope 1 + 2 total GHG emissions (metric tons CO₂e)/consolidated revenue (NT\$million)

Note 1: Direct emissions (Scope 1, namely emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, namely indirect GHG emissions caused by purchased electricity, heat, or steam), and other indirect emissions (Scope 3, namely emissions generated by the Company's activities, which are not energy indirect emissions and instead arise from sources owned or controlled by other companies).

Note 2: The scope of information on direct emissions and energy indirect emissions shall be handled in accordance with the schedule prescribed by the order issued under Article 10, Paragraph 2 of these Standards, and other indirect emissions information may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standard: the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue; however, data calculated based on revenue (NT\$million) shall, at a minimum, be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years as of the date of publication of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.

The Company has not yet obtained third-party assurance for its greenhouse gas data. At present, in accordance with the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies," internal inventory procedures are being executed, and the assurance work for the individual company is expected to be completed no later than 2028.

Note 1: It shall be handled in accordance with the schedule prescribed in the order issued pursuant to paragraph 2 of Article 10 of these Standards. If the Company has not obtained the complete greenhouse gas assurance opinion by the annual report printing date, it shall state, "Complete assurance information will be disclosed in the ESG Report." If the Company has not prepared an ESG Report, it shall state, "Complete assurance information will be disclosed on the Market Observation Post System," and disclose the complete assurance information in the annual report for the following year.

Note 2: The assurance institution shall comply with the relevant regulations governing assurance institutions for ESG Reports established by Taiwan Stock Exchange Corp. and Taipei Exchange.

Note 3: Please refer to the best-practice example on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

State the base year for greenhouse gas reduction and its data, reduction target, strategy, specific action plan, and progress toward achieving the reduction target.	
As 2025 was the first year of the Company's complete inventory boundary, it was designated as the base year for the inventory. Greenhouse gas emissions for that year were 2,989.16 metric tons of CO ₂ e.	
Simula's long-term reduction target is to achieve net-zero emissions by 2050. To effectively promote energy saving and carbon reduction, multiple strategies and specific actions have been planned and implemented, including replacing office lighting with LED fixtures, regularly maintaining and servicing the air-conditioning system to improve energy efficiency, and introducing air compressor equipment to supply hot water to the dormitories, thereby reducing overall energy consumption.	
Our short-term target focuses on reducing electricity usage and improving energy efficiency; the medium to long-term plan, in coordination with the parent group, is to achieve 100% use of green electricity by 2040.	

Note 1: It shall be handled in accordance with the schedule prescribed by the order issued pursuant to Paragraph 2, Article 10 of these Standards.

Note 2: The base year should be the year in which the inventory was completed within the boundary of the consolidated financial statements. For example, pursuant to the order under Paragraph 2 of Article 10 of these Standards, a company with capital of NT\$10 billion or more shall complete the inventory of its 2024 consolidated financial statements in 2025; therefore, the base year is 2024. If a company has completed the inventory of its consolidated financial statements in advance, the earlier year may be used as the base year. In addition, the data for the base year may be calculated based on a single year or the average of multiple years.

Note 3: Please refer to the best-practice example on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure.

Risks and Opportunities/Financial Impact and Response Mechanisms

Risks and Opportunities	Financial Impacts and Response Mechanisms
Increased GHG emissions pricing	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.
Changes in rainfall patterns and extreme variations in climate patterns	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: - Regularly inspect office windows for airtightness and the exterior walls for waterproofing to prevent water leakage caused by heavy rain. - In coordination with the building property management, ensure the floor drainage system is unobstructed, and regularly clean balconies and drainage holes. - 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. - Plan employee emergency evacuation routes and notification mechanisms, and conduct regular reviews and drills.
Increase in average temperatures	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.

Message from the Chairman

Message from the General Manager

Reporting Guidelines

Sustainability Performance

1 Sustainable Development Policy

2 About Simula Technology

3 Corporate Governance

4 Environmental Sustainability

5 Social Care

Appendix

Appendix I. GRI Content Index

Appendix II. SASB Standards: Electrical and Electronic Equipment

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

Appendix IV. Assurance Statement



Independent Assurance Statement Based on 2025 Sustainability Report of SIMULA TECHNOLOGY INC.

Statement No.: 2605010

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 2025 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, 2025 to December 31, 2025;
- 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.
- According to the type 1 of AA1000 Assurance Standard v3, evaluate whether SIMULA has disclosed compliance with applicable SASB Standards.
- 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 2025, 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 and SASB Standards.

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).
- To review the management process of the topics and metrics described in the company report and its related SASB Standards.

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards and SASB 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 2025, involving economy, environment and people



(include human rights), 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 economy, environment and people (include human rights) topics, and identified 6 major topics including information security and privacy, operational and financial performance, sustainable supply chain, energy management, talent policy and employee training and development, 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' meetings, corporate briefing, annual reports and financial statements, public information monitoring station, official website, labor-management meetings, occupational welfare meetings, internal grievance email, training, customer satisfaction survey/meetings/business visits, supplier factory audits/meetings, 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.

- SASB Standards

SIMULA provides the self-declaration of compliance with the SASB Standards (Electrical & Electronic Equipment Sustainability Accounting Standard, RT-EE, 2023-12 version) and relevant information. Based on the results of the review, we confirm that the report refers to the sustainability topics, metrics, and accounting data of the SASB 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 sustainability topics and accounting metrics of the applicable SASB Standards.

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 MAY 28, 2026, GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager W. J. Chen

