

Appendix I : Report Quality Management Process





Appendix II : GRI Index

GRI 2: General Disclosures 2021

Topic	Disclosure	Page
The organization and its reporting practices		
2-1 Organizational details	1.1 Company Profile	13
2-2 Entities included in the organization's sustainability reporting	About the Report	4
2-3 Reporting period, frequency and contact point	About the Report	4
2-4 Restatements of information	no restatement of information	-
2-5 External assurance	About the Report	4
Activities and workers		
2-6 Activities, value chain and other business relationships	1.1 Company Profile	13
2-7 Employees	6.1 Employee Overview	65
2-8 Workers who are not employees	6.1 Employee Overview	68
Governance		
2-9 Governance structure and composition	2.1 Governance Operation	29
2-10 Nomination and selection of the highest governance body	2.1 Governance Operation	29
2-11 Chair of the highest governance body	2.1 Governance Operation	29
2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainability Strategy	29
2-13 Delegation of responsibility for managing impacts	1.2 Sustainability Strategy	34
2-14 Role of the highest governance body in sustainability reporting	1.2 Sustainability Strategy	19

Topic	Disclosure	Page
2-17 Collective knowledge of the highest governance body	2.1 Governance Operation	29
2-18 Evaluation of the performance of the highest governance body	2.1 Governance Operation	29
2-19 Remuneration policies	2.1 Governance Operation	31
2-20 Process to determine remuneration	2.1 Governance Operation	31
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	Message from the Chairman & Executive Vice President	6
		7
2-23 Policy commitments	2.2 Business Integrity	19
	3.1 Supply Chain Management	39
	6.2 Human Rights Management	70
2-24 Embedding policy commitments	2.2 Business Integrity	19
	3.1 Supply Chain Management	39
	6.2 Human Rights Management	70
2-26 Mechanisms for seeking advice and raising concerns	2.2 Business Integrity	32
2-27 Compliance with laws and regulations	2.2 Business Integrity	32
2-28 Membership associations	1.1 Company Profile	17
Stakeholder engagement		
2-29 Approach to stakeholder engagement	1.3 Communication with Stakeholders	21
2-30 Collective bargaining agreements	No external initiative was signed	-



GRI 3 : Material Topics 2021

Topic	GRI Standards	Disclosure		Page
Compliance	3-3 Management of material topics			23
	GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	32
	GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	32
Risk Management	3-3 Management of material topics			23
	GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	34
Business Integrity	3-3 Management of material topics			23
	GRI 205: Anti-corruption 2016	205-2	Communication and training aboutanti-corruption policies and procedures	32
	GRI 206 : Anti-competitive Behavior2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	32
Supply Chain Management	3-3 Management of material topics			23
	GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	40
	GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	41
		308-2	Negative environmental impacts in the supply chain and actions taken	42
	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	41
		414-2	Negative social impacts in the supply chain and actions taken	42
	Corporate Governance	3-3 Management of material topics		
GRI 201: Economic Performance 2016		201-1	Direct economic value generated and distributed	33
		201-3	Defined benefit plan obligations and other retirement plans	69

Topic	GRI Standards	Disclosure	Page
Climate Change	3-3 Management of material topics		23
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50
		305-2 Energy indirect (Scope 2) GHG emissions	50
		305-3 Other indirect (Scope 3) GHG emissions	51
		305-4 GHG emissions intensity	50
		305-5 Reduction of GHG emissions	50
Cleantech Opportunities	3-3 Management of material topics		23
	GRI 302: Energy 2016	302-1 Energy consumption within the organization	52
		302-3 Energy intensity	52
		302-4 Reduction of energy consumption	52
Material Circular Economy	3-3 Management of material topics		23
	GRI 301: Materials 2016	301-1 Materials used by weight or volume	60
Green Product	3-3 Management of material topics		23
	GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	62
Occupational Safety and Health	3-3 Management of material topics		23
	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	73
		403-2 Hazard identification, risk assessment, and incident investigation	73
		403-3 Occupational health services	76
		403-4 Worker participation, consultation, and communication on occupational health and safety	76
		403-5 Worker training on occupational health and safety	75
		403-6 Promotion of worker health	76
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73
		403-8 Workers covered by an occupational health and safety management system	73
		403-9 Work-related injuries	74



GRI Topic-specific Disclosures: Voluntary Disclosure Indicator

GRI Standards	Disclosure		Page
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	54
	303-4	Water discharge	54
	303-5	Water consumption	54
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	55
	306-3	Waste generated	55
	306-4	Waste diverted from disposal	55
	306-5	Waste directed to disposal	55
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	69
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	66
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	32
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	67
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	70
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews	71
Financial Supervisory Commission	Describe the corporate governance of climate-related risks and opportunities, actual and potential climate-related impacts, identify, assess and manage climate-related risks, and use indicators and targets for assessing and managing climate-related issues.		45

Appendix III : SASB Index

Code	Topic	Description												
Security														
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Simplo passed the ISO 27001 information security management system certification in 2023. Products of Simplo passed verification pursuant to the mandatory or voluntary safety regulations of various countries, are required to be labeled with danger and explosion warnings on the outside. For the implementation details, please refer to 2.5 Information Security, 5.4 Chemicals and Hazardous Substance.												
Employee Diversity & Inclusion														
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employeesFor the implementation details, please refer to 6.1 Employee Overview °	<table><tr><th>Gender</th><th>male</th><th>female</th></tr><tr><td>management</td><td>9%</td><td>7%</td></tr><tr><td>technical staff</td><td>27%</td><td>12%</td></tr><tr><td>all other employees</td><td>64%</td><td>81%</td></tr></table>	Gender	male	female	management	9%	7%	technical staff	27%	12%	all other employees	64%	81%
		Gender	male	female										
		management	9%	7%										
		technical staff	27%	12%										
		all other employees	64%	81%										
The full-time employees of the company are all Asians.														
Product Lifecycle Management														
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	The product hazardous substance management regulations are regularly updated in accordance with banned substances regulations. For details on implementation, please refer to 5.4 Chemicals and Hazardous Substances.												
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	As all of Simplo's products are in the B2B category, it is difficult to collect such information currently.												
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	As all of Simplo's products are in the B2B category, it is difficult to collect such information currently.												
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	As all of Simplo's products are in the B2B category, it is difficult to collect such information currently.												



Code	Topic	Description
Supply Chain Management		
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	(a) In 2023, there are 5 suppliers passed the RBA VAP and 28 suppliers passed the equivalent audit. A total of 33 suppliers had audited, with a total implementation rate of 11.8%; (b) The audit rate of high-risk factories is 80%.
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	(1) The non-conformance rate of RBA VAP/CMA is 9.9%; (2) The associated corrective action rate for priority non-conformances and other non-conformances are >90%.
Materials Sourcing		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Simplo requires suppliers to sign the Conflict Mineral Declaration and perform due diligence of conflict minerals in the supply chain to ensure that the products do not use minerals from conflict areas. For the implementation details, please refer to 3.2 Sustainable Supply Chain Management: Responsible Mineral Management and Due Diligence.
TC-HW-000.A	Number of units produced by product category	175,208 thousand sets
TC-HW-000.B	Area of manufacturing facilities	1,569,545 ft ²
TC-HW-000.C	Percentage of production from owned facilities	100%

Appendix IV : United Nation Global Compact

Category	Topics	Response Chapter
Human Rights	Initiatives to promote more environmentally responsible practices	6.2 Human Rights Management
	Encourage the development of environmentally friendly technologies	3.2 Supply Chain ESG Risk Assessment
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	6.2 Human Rights Management
	The elimination of all forms of forced and compulsory labor	6.2 Human Rights Management
	The effective abolition of child labor	6.2 Human Rights Management
	The elimination of discrimination in respect of employment and occupation	6.2 Human Rights Management
Environment	Businesses should support a precautionary approach to environmental challenges	4.1 Climate Change Strategy 4.2 GHG inventory
	Initiatives to promote more environmentally responsible practices	4.3 Energy Management 4.4 Pollution Prevention
	Encourage the development and promotion of environmentally friendly technologies	CH.5 Green Products and Innovation
Anti- Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	2.2 Business Integrity



Appendix V : ISO 26000 Comparison Table

Topic	Issues	Response Chapter
Organizational governance	Decision-making processes and structures	1.2 Sustainability Strategy 1.4 Material Topics Analysis
Human rights	(1) Due diligence	6.2 Human Rights Management
	(2) Human rights risk situations	6.2 Human Rights Management
	(3) Avoidance of complicity	2.2 Business Integrity
	(4) Resolving grievances	2.2 Business Integrity
	(5) Discrimination and Disadvantaged	6.2 Human Rights Management
	(6) Civil and political rights	6.2 Human Rights Management
	(7) Economic, social and cultural rights	6.1 Employee Overview
	(8) Fundamental principles and rights at work	6.1 Employee Overview
Labor practices	(1) Employment and employment relationships	6.1 Employee Overview
	(2) Conditions of work and social protection	6.5 Social Engagement
	(3) Social dialogue	1.3 Communication with Stakeholders
	(4) Health and safety at work	6.3 Safety and Health
	(5) Human development and training in the workplace	6.4 Talent and Education

Topic	Issues	Response Chapter
The environment	(1) Prevention of pollution	4.2 GHG inventory 4.3 Energy Management
	(2) Sustainable resource use	4.4 Pollution Prevention 5.3 Circular Economy
	(3) Climate change mitigation and adaptation	4.1 Climate Change Strategy
	(4) Protection of the environment, biodiversity and restoration of natural habitats	No participation in the reporting year
Fair operating practices	(1) Anti-corruption	2.2 Business Integrity
	(2) Responsible political involvement	No participation in the reporting year
	(3) Fair competition	2.2 Business Integrity
	(4) Promoting social responsibility in the value chain	3.2 Supply Chain ESG Risk Assessment
	(5) Respect for property rights	2.2 Business Integrity
Consumer issues	(1) Fair marketing, factual and unbiased information and fair contractual practices	1.1 Company Profile
	(2) Protecting consumers' Health and safety	5.4 Chemicals and Hazardous Substance
	(3) Sustainable consumption	5.3 Circular Economy
	(4) Consumer service, support, and complaint and dispute resolution	1.1 Company Profile
	(5) Consumer data protection and privacy	2.2 Business Integrity
	(6) Access to essential services	1.1 Company Profile
	(7) Education and awareness	5.3 Circular Economy



Topic	Issues	Response Chapter
Community involvement and development	(1) Community involvement	6.5 Social Engagement
	(2) Education and culture	6.5 Social Engagement
	(3) Employment creation and skills development	6.1 Employee Overview
	(4) Technology development and access	6.5 Social Engagement
	(5) Wealth and income creation	6.5 Social Engagement
	(6) Health	6.5 Social Engagement
	(7) Social investment	6.5 Social Engagement

Appendix VI : TWSE-required Disclosure of Indicators

Status	Response Chapter
1. Describe board and management oversight and governance of climate-related risks and opportunities.	2.1
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	4.1
3. Describe the financial impact of extreme climate events and transition actions.	4.1
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	4.1
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	4.1
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	4.1
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	4.2
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).	4.3
9. GHG inventory and verification.	4.2



Appendix VII : Independent Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SIMPLO TECHNOLOGY CO., LTD.'S SUSTAINABILITY REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SIMPLO TECHNOLOGY CO., LTD. (hereinafter referred to as SIMPLO TECHNOLOGY) to conduct an independent assurance of the Sustainability Report for 2023 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance 2024/5/17–2024/6/27 in SIMPLO TECHNOLOGY headquarter. The boundary of this report includes SIMPLO TECHNOLOGY Taiwan and overseas operational and production or service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. Sustainability Accounting Standards (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) were not included in this assurance process. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all SIMPLO TECHNOLOGY's Stakeholders.

RESPONSIBILITIES

The information in the SIMPLO TECHNOLOGY's Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of SIMPLO TECHNOLOGY. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all SIMPLO TECHNOLOGY's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance

A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 1 Moderate (AA1000AP Evaluation only)

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

1	GRI Standards (Reference)
2	AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SIMPLO TECHNOLOGY, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

ASSURANCE / VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

SIMPLO TECHNOLOGY has demonstrated its commitment to stakeholder inclusivity through formalised commitment from the highest governing body. A variety of engagement efforts such as questionnaire and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

MATERIALITY

SIMPLO TECHNOLOGY has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It's recommended to use appropriate quantitative and thresholds to determine the significance, likelihood, and present and expected future impact of identified material sustainability topics.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Communications with stakeholders on an ongoing and timely manner are recommended to be delivered reasonable and viable responses.

IMPACT

SIMPLO TECHNOLOGY has performed processes to recognize and manage the organisation's impacts that are applied across the organisation under the governance of senior management. In the future, it can be considered to defined methodology with the quantitative criteria or monetization to present the intensity of impact and prioritization.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, SIMPLO TECHNOLOGY's Sustainability Report of 2023, is reporting with reference to the GRI Standards and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to SIMPLO TECHNOLOGY's contributions to sustainability development. In the future, it can be considered to enhance the disclosure about implementation of due diligence through which SIMPLO TECHNOLOGY identifies, prevents, mitigates, and accounts for how it addresses its actual and potential negative impacts on the economy, environment, and people, including impacts on their human rights.

Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
17 July, 2024
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Lighting the Future





SMP



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