



# ASSURANCE STATEMENT

## SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE YFY INC. 's SUSTAINABILITY REPORT FOR 2022

### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by YFY INC. (hereinafter referred to as YFY) to conduct an independent assurance of the Sustainability Report for 2022 (hereinafter referred to as the Report). The scope of assurance, based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3, include the text and data in accompanying tables and their level of disclosures against the GRI Universal Standard (2021) contained in the report assessed during on-site verification (2023/04/26-2023/05/26) at YFY headquarter. The boundary of this report includes YFY Taiwan and oversea production sites' specific performance data related to the identified material topics. The assurance process excludes the evaluations of Task Force on Climate-related Financial Disclosures (TCFD) and SASB Disclosures and Metrics.

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 YFY's Stakeholders.

### RESPONSIBILITIES

The information in the YFY's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body and management of YFY. 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 verification with the intention to inform all YFY'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, 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	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 Moderate (AA1000AP Evaluation plus evaluation of Specified Performance Information)

## SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

### Reporting Criteria Options

1	GRI Universal Standard (2021) (Reference)
2	AA1000 Accountability Principles (2018)

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics at a moderate level of scrutiny for YFY, subsidiaries, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standards (2021) listed in the GRI content index where the organization has referenced for the preparation of the reported material information.

## ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG office 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 have 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 verification, 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 YFY, being free from bias and conflicts of interest with the organisation, 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.

## VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

## **AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

### **Inclusivity**

YFY has demonstrated its commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, YFY may consider having direct two-ways engagements with stakeholders in the future.

### **Materiality**

YFY has established 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. For future reporting, it is recommended to have more descriptions on how due diligence process is applied to assess the organisation's actual and potential impacts on the economy, environment and people.

### **Responsiveness**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

### **Impact**

YFY has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

## **GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, YFY's Sustainability Report of 2022, is reporting with reference to the GRI Universal Standards 2021 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 YFY's contributions to sustainability development. For future reporting, YFY is encouraged to prepare for the transition to reporting in accordance with the GRI Standards.

Signed:

For and on behalf of SGS Taiwan Ltd.



**Stephen Pao**  
Knowledge Deputy General Manager  
Taipei, Taiwan  
13 June, 2023  
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**AA1000**  
Licensed Report  
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