

1. Policy

In accordance with the ten principles of the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA), Arcadyan regards sustainable development as an important indicator of procurement strategy. Arcadyan conducts human rights-related risk assessments on important operating locations, such as headquarters, overseas production centers, and key customer supply chains every year. Integrate key elements such as sustainable environment, labor, and ethics into the process of supplier evaluation, selection and certification. To lead the suppliers to grow together, Arcadyan has formulated complete supply chain management specifications and management measures, including new supplier evaluation, supplier management, supplier auditing and supplier counseling to help suppliers become a green supply chain and reduce supply chain risk. Arcadyan also requires suppliers to abide by the prohibition of conflict minerals guidelines, and comply with relevant international regulations, national and regional laws and regulations, tracking the source of conflict minerals, improve the transparency of supply chain management, and ensure that product raw materials do not contain any conflict minerals, and control the identified risks.

2. Vision

Arcadyan encourages suppliers to promote corporate social responsibility plans, conduct suppliers to not only meet delivery service requirements, improve quality, and increase competitive advantages, but also enhance their ability to sustainably develop, reduce supply risks, promote customer satisfaction and enhance supply chain competitiveness, establish sustainable partnerships, and create a win-win supply chain management.

3. Strategy

Arcadyan will give priority to the suppliers who have considered environmental, social, and corporate governance issues during the production process and meet the following requirements as priority cooperation partners:

3.1 Environmental sustainability-reducing environmental impact

3.1.1 Comply with all applicable laws, international environmental regulations and customer requirements regarding the prohibition or restriction of specific substances. Suppliers are

required to ensure that their product materials comply with the “Restriction of Hazardous Substances Directive (RoHS)”, Arcadyan HSF (Hazardous substances free) and international laws. The hazardous chemical substances and materials specified in "Waste Electrical and Electronic Equipment Directive (WEEE)” need to be identified and managed to ensure safe use, recycling, and reuse.

- 3.1.2** Reduce or eliminate various forms of material and energy resource waste in the manufacturing process, or improve energy efficiency through repeated use and recycling.
- 3.1.3** For the energy consumed in operating activities, take resource efficiency reduction and emission reduction measures to reduce greenhouse gas emissions and energy consumption.

3.2 Social Responsibility-Legal and Social Impact

- 3.2.1** Strictly abide by the laws, social norms and relevant regulatory requirements of the country and region where the business is located.
- 3.2.2** In accordance with international standards, promise to maintain and respect labor human rights, and establish a safe, non-discriminatory, mutually respectful and equal opportunity working environment.
- 3.2.3** In response to the relevant rules and laws of the US Securities and Exchange Commission (SEC) "Conflict Minerals", the supply chain is required to implement relevant reports and information disclosure:
 - i. Prohibit conflict minerals from the Democratic Republic of Congo (DRC) and neighboring countries.
 - ii. Suppliers are required to sign the "Non-use Conflict Minerals Declaration" to comply with relevant environmental and social responsibility regulations.
 - iii. Suppliers are required to disclose the source of the metals used, such as tantalum (Ta), tin (Sn), tungsten (W) (called 3T), cobalt (Co) and gold (Au), and fill in Conflict Minerals Reporting Template (CMRT).
 - iv. Taking the same requirements to manage the upstream supply chain, metal suppliers in related parts and components should investigate the refinery site before purchasing.

3.3 Corporate Governance-Business Ethics and Competitive

- 3.3.1** Committed to creating an environment that enhances transparency, ethics, integrity and law-abiding, and caring for stakeholders, establishes a long-term two-way communication channels with stakeholders, protects human rights and labor welfare, and is responsible for the sustainable development, health and welfare of the society.

3.3.2 Comply with fair business ethics and prohibit any bribery, donation, gift giving, other illegal interests and unethical behaviors. Advocate or train employees or agents to enhance their awareness of anti-corruption, encourage reporting of corruption incidents, and prevent all forms of corruption that may occur.

4. Management indicators

- 4.1** 100% completion rate of supplier corporate social responsibility commitment letters every year.
- 4.2** 100% completion rate of supplier integrity due diligence every year.
- 4.3** Prohibit the purchase or supply of products containing conflict minerals sourced from the Democratic Republic of Congo (DRC).
- 4.4** Achieve conflict mineral audits for 100% of metal material suppliers by 2030.