

Arcadyan Technology Corporation
Sustainable Development Best Practice Principles

Chapter I General Provisions

Article 1

To fulfill corporate social responsibility and to promote economic, environmental, and social progress so as to achieve the goal of sustainable development, the Company hereby establishes these Principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations, for compliance.

Article 2

These Principles apply to the overall business activities of the Company. While engaging in business operations, the Company shall actively practice sustainable development in line with international development trends and, through corporate citizenship, enhance its contribution to the national economy, improve the quality of life of employees, the community, and society, and promote competitive advantages founded on sustainable development.

Article 3

In promoting sustainable development, the Company shall give due regard to the rights and interests of stakeholders, value environmental, social, and corporate governance factors while pursuing sustainable operations and profitability, and incorporate such factors into the Company's management policies and business activities.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social, and corporate governance issues related to the Company's operations, and establish relevant risk management policies or strategies.

Article 4

The Company should practice sustainable development in accordance with the following principles:

1. Implement corporate governance.
2. Develop a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

Article 5

The Company should, taking into account the correlation between domestic and international sustainable development trends and the Company's core business, and

the impact of the overall business activities of the Company and its group enterprises on stakeholders, establish sustainable development policies, systems, or related management guidelines and concrete promotion plans, and implement them upon approval by the Board of Directors.

Chapter II Implementing Corporate Governance

Article 6

The Company should follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies, establish an effective governance framework and related ethical standards, and thereby strengthen corporate governance.

Article 7

The directors of the Company shall exercise the due care of good administrators in urging the Company to practice sustainable development, and shall review implementation results from time to time and continually improve them, so as to ensure that sustainable development is carried out.

When the Company promotes its sustainable development objectives, the Board of Directors should give full consideration to the interests of stakeholders, including the following matters:

1. Propose a sustainable development mission or vision, and formulate sustainable development policies, systems, or related management guidelines.
2. Incorporate sustainable development into the Company's business activities and development direction, and approve concrete promotion plans for sustainable development.
3. Ensure the timeliness and accuracy of the disclosure of sustainable development information.

Economic, environmental, and social issues arising from business activities shall be handled by senior management authorized by the Board of Directors, and the status of such handling shall be reported to the Board of Directors. The operating procedures and the respective responsible personnel shall be specific and clear.

Article 8

The Company should regularly organize education and training on the promotion of sustainable development, including communication of the matters set forth in paragraph 2 of the preceding Article.

Article 9

To strengthen the management of sustainable development, the Company should establish a governance structure for promoting sustainable development and designate a dedicated (or concurrent) unit responsible for proposing and implementing sustainable development policies, systems, or related management guidelines and concrete promotion plans.

The Company should establish a reasonable compensation policy to ensure that compensation planning is aligned with the organization's strategic objectives and the interests of stakeholders.

Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify the Company's stakeholders and establish a stakeholder section on the Company website. Through appropriate means of communication, the Company shall understand stakeholders' reasonable expectations and needs and properly respond to the material sustainable development issues of their concern.

Chapter III Developing a Sustainable Environment

Article 11

The Company shall comply with environmental laws and regulations and relevant international standards, properly protect the natural environment, and, in conducting business activities and internal management, endeavor to achieve the objective of environmental sustainability.

Article 12

The Company should endeavor to improve energy efficiency and to use recycled materials with a low environmental burden, so that the Earth's resources may be used sustainably.

Article 13

The Company should establish a suitable environmental management system in light of the characteristics of its industry. The system should include the following items:

1. Gathering timely data to assess the environmental impact of business operations.
2. Setting measurable sustainability goals and regularly reviewing their relevance and progress.
3. Developing concrete action plans and periodically evaluating their effectiveness.

Article 14

The Company should designate a dedicated environmental management unit or personnel to formulate, promote, and maintain the relevant environmental management system and concrete action programs, and regularly organize environmental education courses for management and employees.

Article 15

The Company should prioritize eco-efficiency, promote sustainable consumption, and apply the following principles across all business operations to minimize its impact on the environment and humanity.

1. Reduce the resource and energy consumption of products and services.
2. Reduce emissions of pollutants, toxic substances, and waste, and properly dispose of waste.
3. Improve the recyclability and reuse of raw materials or products.
4. Maximize the sustainable use of renewable resources.
5. Extend product durability.
6. Increase the performance of products and services.

Article 16

To improve water-use efficiency, the Company should use water resources properly and sustainably and establish relevant management measures.

The Company should build and strengthen environmental protection facilities to avoid polluting water, air, and land, use its best efforts to reduce adverse impacts on human health and the environment, and adopt the best available pollution prevention and control technologies.

Article 17

The Company should assess the present and future risks and opportunities of climate change and adopt measures to address climate-related issues.

The Company should use accepted domestic or international standards or guidelines to conduct and disclose a greenhouse gas inventory. The scope should include:

1. Direct emissions: sources owned or controlled by the Company.
2. Indirect emissions: emissions from purchased energy, such as electricity, heat, or steam.
3. Other indirect emissions: emissions from the Company's activities, other than energy-related indirect emissions, from sources owned or controlled by other companies.

The Company should compile data on greenhouse gas emissions, water

consumption, and total waste; establish policies on energy conservation and carbon reduction, greenhouse gas reduction, water-use reduction, or other waste management; include the acquisition of carbon credits in its carbon-reduction strategy; and implement these measures to reduce the climate impact of its operations.

Chapter IV Preserving Public Welfare

Article 18

The Company shall comply with relevant laws and regulations and international human rights conventions, including gender equality, the right to work, and the prohibition of discrimination.

To fulfill its responsibility to protect human rights, the Company shall establish relevant management policies and procedures, including:

1. A corporate human rights policy or statement.
2. Assessment of the human rights impact of its operations and internal management, and corresponding procedures.
3. Periodic review of the effectiveness of the human rights policy or statement.
4. Disclosure of the handling procedures for stakeholders involved in any human rights infringement.

The Company shall comply with internationally recognized labor and human rights, including freedom of association, collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment and occupation discrimination. Its human resources policies shall not discriminate on the basis of gender, race, socioeconomic status, age, or marital and family status, so as to ensure equality and fairness in employment, conditions of employment, compensation, benefits, training, evaluation, and promotion.

Where labor rights are harmed, the Company shall provide an effective and appropriate grievance mechanism and ensure an equal and transparent process. Channels shall be clear, convenient, and accessible, and employee grievances shall be properly addressed.

Article 19

The Company shall inform employees of the labor laws of the countries where it operates and of the rights to which they are entitled.

Article 20

The Company should provide a safe and healthy workplace, including necessary

health and first-aid facilities, and reduce hazards to employee safety and health so as to prevent occupational accidents.

The Company should regularly provide employees with safety and health training.

Article 21

The Company should support employees' career development and establish an effective career-competency training program.

The Company shall establish and implement reasonable employee welfare measures, including compensation, leave, and other benefits, and appropriately reflect operating performance in employee compensation, so as to recruit, retain, and motivate employees and support sustainable operations.

Article 22

The Company shall establish regular channels for communication with employees, so that they may obtain information on, and express views regarding, the Company's management and decisions.

The Company shall respect employee representatives' authority to negotiate working conditions, and provide the information and facilities needed for consultation and cooperation among the employer, employees, and their representatives.

The Company shall give employees reasonable notice of operational changes that may significantly affect them.

Article 22-1

The Company should treat customers and consumers of its products or services fairly and reasonably, including fairness and good faith in contracting, duties of care and loyalty, truthful advertising and solicitation, product or service suitability, notification and disclosure, balance between remuneration and performance, grievance protection, and professionalism of business personnel. It shall also establish related implementation strategies and measures.

Article 23

The Company shall be accountable for its products and services and value marketing ethics. Research and development, procurement, production, operations, and services shall ensure that product and service information is transparent and safe.

The Company shall adopt and publish a consumer-rights policy and apply it in its operations, so as to prevent harm to consumers' rights, health, and safety.

Article 24

The Company shall ensure product and service quality in accordance with government regulations and relevant industry standards.

For customer health and safety, customer privacy, and product marketing and labeling, the Company shall comply with relevant laws, regulations, and international standards, and shall not deceive, mislead, defraud, or otherwise undermine consumer trust or harm consumer rights.

Article 25

The Company should assess and manage risks of business interruption and reduce their impact on consumers and society.

The Company should provide a transparent and effective consumer grievance procedure, handle grievances fairly and promptly, comply with the Personal Data Protection Act and related laws, respect consumers' privacy, and protect the personal data they provide.

Article 26

The Company should assess the environmental and social impact of its procurement on sourcing communities and work with suppliers to implement corporate social responsibility.

The Company should establish a supplier management policy requiring compliance with standards on environmental protection, occupational safety and health, or labor and human rights. Before doing business, it should check whether a supplier has any record of environmental or social impact and avoid suppliers whose conduct conflicts with the Company's corporate social responsibility policy.

Contracts with major suppliers should require compliance with both parties' corporate social responsibility policies and allow the Company to terminate or rescind the contract if a supplier's violation significantly affects the environment or society of a sourcing community.

Article 27

The Company shall assess its impact on the community and appropriately employ local workers, so as to strengthen community identification.

Through equity investment, commercial activities, donations, corporate volunteering, or other professional public-interest services, the Company should support organizations that address social or environmental problems through business models, or participate in activities of civic groups engaged in community development and education, charities, and government agencies, so as to promote community development.

Chapter V Enhancing Disclosure of Corporate Sustainable Development Information

Article 28

The Company shall disclose information in accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and fully disclose relevant and reliable sustainable development information to improve transparency.

The Company shall disclose:

1. Sustainable development policies, systems, management guidelines, and promotion plans approved by the Board of Directors.
2. Risks and impacts on operations and financial condition from corporate governance, environmental sustainability, and public welfare.
3. Sustainable development objectives, measures, and performance.
4. Major stakeholders and their issues of concern.
5. Major suppliers' management and performance on material environmental and social issues.
6. Other sustainable development information.

Article 29

The Company shall prepare its sustainability report using internationally recognized standards or guidelines and should obtain third-party assurance to improve reliability. The report should include:

1. Implementation of sustainable development policies, systems, management guidelines, and promotion plans.
2. Major stakeholders and their issues of concern.
3. Performance and review of corporate governance, environmental sustainability, public welfare, and economic development.
4. Future improvements and objectives.

Chapter VI Supplementary Provisions

Article 31

These Principles take effect upon approval by the Board of Directors, and the same applies to any amendments. Established on November 11, 2015; first amended on May 6, 2020; second amended on May 5, 2022.