

arcadyan

Create a Better Future Through Networking

2024

Sustainability Report



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About This Report

Arcadyan Technology Corporation (hereinafter referred to as "Arcadyan") published its first Corporate Social Responsibility (CSR) Report in 2018, adhering to the principles of integrity and transparency to disclose its performance across various aspects of sustainable development. In response to global sustainability trends and the "Corporate Governance 3.0 – Sustainable Development Road map" issued by Taiwan Financial Supervisory Commission (FSC), the report was renamed "Sustainability Report" (hereinafter referred to as "this Report") since 2021.

This Report presents Arcadyan's sustainability management strategies and performance for 2024 (January 1 to December 31, 2024), covering corporate governance, business operations, green innovation, environmental sustainability, and social inclusion. Arcadyan publishes Chinese and English versions of the Report annually and discloses on the Arcadyan Corporate Sustainability Website for stakeholders to download and review.

Disclosure scope of the report

This Report is compiled based on Arcadyan Group's organizational structure and operational footprint in 2024, focusing on core operational sites. In response to global manufacturing strategy adjustments, Arcadyan transitioned its Kunshan manufacturing center in China into a logistics and administrative office, while all production operations were relocated to the Vietnam Manufacturing Center (AVC), which has become Arcadyan's primary production base. This strategic shift enhances regional manufacturing layout, improves supply chain efficiency, and responds to global demands for manufacturing flexibility and cost optimization.

This 2024 report primarily discloses the following operating sites:

- Taiwan Headquarters (Hsinchu)
- Vietnam Manufacturing Center (Vinh Phuc)
- China Operations Office (Kunshan)

Other sites, including Arcadyan Shanghai, Arcadyan Guangzhou Office, and Tatum (TTI) Technology, have been partially included in environmental data disclosure to enhance the completeness and representativeness of the Report. Consolidated subsidiaries not yet fully included in this Report, such as locations in the United States, United Kingdom, Germany, Brazil, India, and Russia, will be progressively incorporated based on data availability and materiality to further enhance global sustainability transparency.

Report Published

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Compilation Standards and Assurance Statement

This report is prepared in accordance with the GRI 2021 Standards issued by the Global Reporting Initiative, following the eight reporting principles: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. An independent third-party, AFNOR Asia, has verified this Report based on AA1000 Accountability Principles, Sustainability Accounting Standards Board (SASB), and GRI Standards. The assurance process confirmed that this Report meets the criteria for Moderate Assurance (Type 1). Relevant assurance statements are listed in the appendix for stakeholder reference. The relevant verification and certification information in the report is as follows:

- Financial data: Audited financial reports
- Product Carbon Footprint (Green Mark): TÜV Rheinland Taiwan
- GHG Emissions Verification (ISO 14064:2018): TÜV Rheinland Taiwan
- Circular Economy (BS 8001:2017): SGS Taiwan
- Energy Management System (ISO 50001:2018): IMQ (Istituto Italiano del Marchio di Qualità)
- Quality Management (ISO 9001:2015 / TL 9000:2016): AFNOR Certification
- Environmental Management (ISO 14001:2015): AFNOR Certification
- Restricted Substances Management (ISO 14006:2011): Quality Austria
- Occupational Health and Safety (ISO 45001:2018): CISQ Italy
- Business Continuity Management (ISO 22301:2019): AFNOR Certification
- Information Security & Risk Management (ISO 27001:2022 / ISO 27005:2022): AFNOR Certification

Internal Review and Management Mechanism

To ensure the quality and consistency of sustainability disclosures, Arcadyan established internal procedures, including the "Sustainability Report Compilation and Verification Process" and "Sustainability Information Management Process". A cross-functional Sustainability Report Task Force is formed, composed of department heads or appointed representatives, responsible for consolidating performance data, drafting content, and conducting material topic assessments.

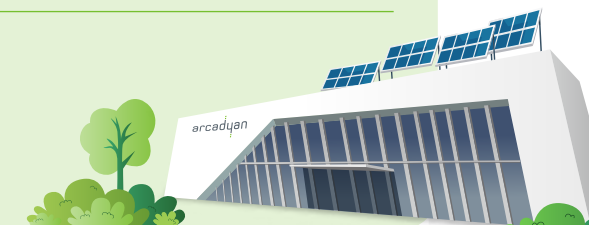
After initial review by department heads and secondary review by the Sustainability Development Office, the Report is submitted to an independent, qualified third-party assurance agency for verification, ensuring accuracy, reasonableness, and compliance. The final Report is approved by the Board of Directors and disclosed on Arcadyan's Corporate Sustainability Website and designated information platforms.

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Arcadyan's Corporate Sustainability Website



Statement from the Executive

Under the global digital transformation, the network communication industry not only drives technological innovation but also undertakes the critical responsibility of environmental sustainability and social accountability. Arcadyan consistently upheld its core values of "Innovation, Harmony, Excellence, and Service", is committed to providing high-performance, low-carbon solutions and works with global partners to create a better future.

Environment (E) — Green Transition and Decarbonization Pressure

In response to global energy transition, international client demands, and net-zero strategies, Arcadyan's 2024 carbon reduction targets and strategies have been approved by Science Based Targets initiative (SBTi), setting the course for achieving net-zero emissions.

Since June 2022, Vietnam Manufacturing Center has operated a solar photovoltaic system, which was expanded in 2024 to increase installed capacity. This enhancement is expected to raise the share of renewable energy usage in the manufacturing center to 20%, gradually realizing the goal of low-carbon production.

Arcadyan also launched "Go Green with Arcadyan" supplier carbon reduction project, targeting suppliers of printed circuit boards, power supplies, casings, etc. with high carbon emissions and high risks. Through Life Cycle Assessment (LCA), Arcadyan optimizes the design, processes, and energy efficiency of components, aiming to reduce Scope 3 emissions and fulfill Arcadyan carbon reduction commitment.

Social (S) — Labor Rights and Equal Protection

Arcadyan introduced Living Wage assessments, conducting regular reviews of compensation policies to ensure that all employees receive fair, reasonable, and dignified remuneration. This initiative supports employee rights and fosters a fair and friendly workplace environment. Together with supply chain partners, Arcadyan complies with the Responsible Business Alliance (RBA) Code of Conduct, conducting regular supply chain audits to ensure compliance with international human rights standards. Arcadyan transparently disclosed supply chain management practices, building an ESG-driven approach to responsible supply chain governance.

Governance (G) — Corporate Transparency and Sustainability Rating

Arcadyan was awarded the Platinum Award in the 2024 EcoVadis Global CSR Assessment, ranking in the top 1% of companies worldwide. This recognition highlights Arcadyan's outstanding performance in the four major areas of "Environment", "Labor & Human Rights", "Ethics", and "Sustainable Procurement". Arcadyan will continue taking concrete actions to promote supply chain transparency and prevent violations such as corruption, bribery, and unfair competition.

Sustainability is a long-term journey. Only by walking together can we achieve steady and enduring progress. In the face of challenges such as supply chain carbon footprint management, labor and human rights protection, and responsible sourcing, Arcadyan will continue collaborating with our supply chain partners to build a future that balances economic growth, social responsibility, and environmental protection.

Chairman



President



1

Sustainability Development Management

- 1.1 Sustainability Vision
- 1.2 Sustainability Governance
- 1.3 Performance, Certification and Advocacy
- 1.4 Stakeholder Engagement and Materiality Topics



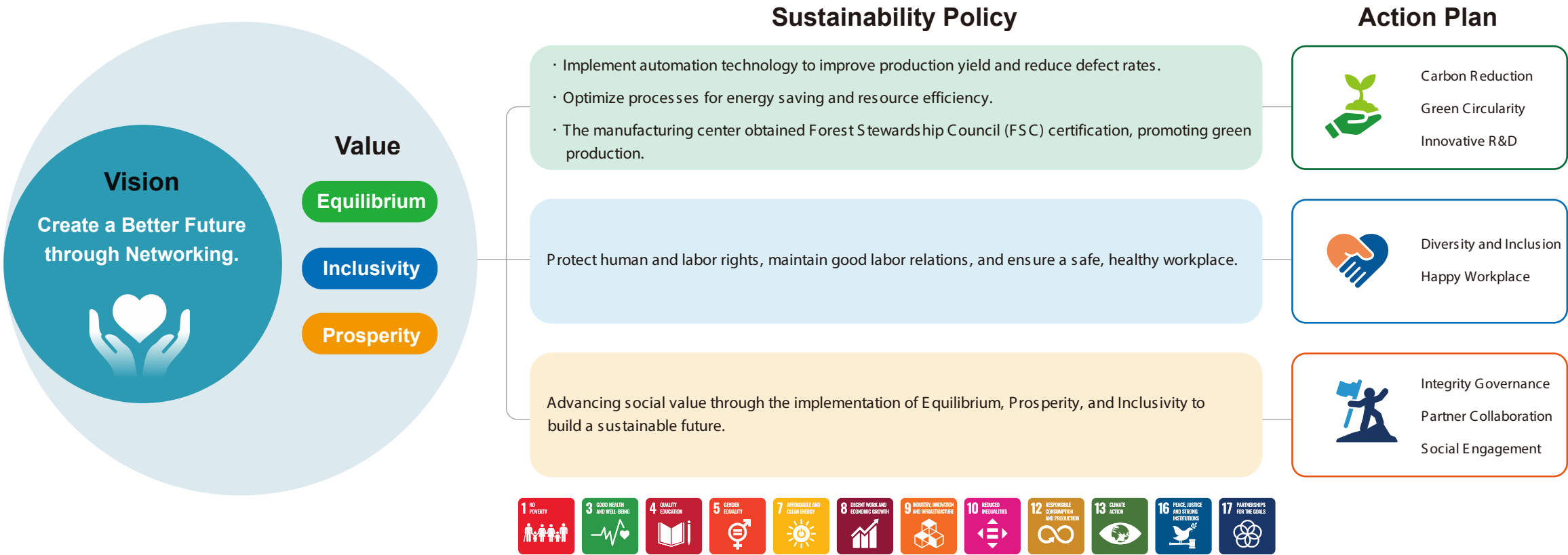
1.1 Sustainability Vision

1.1.1 Vision and Policy

Arcadyan upholds the sustainability vision of "Create a Better Future through Networking," with "Equilibrium, Prosperity & Inclusivity (EPI)" as its core values for sustainable development. By leveraging technological innovation, product research and development, and integrated supply chain resources, Arcadyan delivers comprehensive, high-quality services to its customers. Guided by the management philosophy of "technological innovation, human-centricity, continuous improvement, and customer focus," the company emphasizes human rights protection, labor relations, and workplace safety. It actively integrates internal and external resources to fulfill its responsibilities toward economic growth, social harmony, and environmental sustainability.

Arcadyan's sustainability strategy includes eight key actions: carbon reduction, green circularity, innovative R&D, diversity and inclusion, happy workplace, integrity governance, partner collaboration, and social engagement. These efforts strengthen stakeholder cooperation and promote an inclusive, resilient, and sustainable future.

1.1.2 2024 Sustainability Action Results



In 2024, Arcadyan advanced eight sustainability actions based on its core values—Equilibrium, Prosperity & Inclusivity (EPI)—aligned with the SDGs, reinforcing its ESG commitment. Environmentally, it focused on "Carbon Reduction", "Green Circularity", and "Innovative R&D" to improve energy efficiency and resource use. Socially, the "Diversity and Inclusion" and "Happy Workplace" programs foster a supportive work environment and employee well-being. In governance, initiatives including "Integrity Governance," "Partner Collaboration," and "Social Engagement" strengthen transparency, technological competitiveness, and supply chain resilience.



Arcadyan promotes "Innovative R&D," "Carbon Reduction," and "Green Circularity" initiatives, integrating low-carbon design principles to enhance energy efficiency and resource use, thereby reducing environmental impact.



Through the "Diversity and Inclusion" and "Happy Workplace" initiatives, Arcadyan fosters employee well-being and collective success.



Through "Integrity Governance," "Partner Collaboration," and "Social Engagement," Arcadyan enhances governance transparency, supplier relations, supply chain resilience, and social inclusion.

Value	Action Plan	2024 Sustainability Action Results	Aligned with the Sustainable Development Goals	Corresponding Section
Equilibrium	Carbon Reduction	- Arcadyan sets greenhouse gas reduction targets aligned with the Science Based Targets initiative (SBTi) 1.5°C pathway, using 2022 as the base year: - Scope 1 and Scope 2 (direct and indirect energy): reduce absolute emissions by 12.5%. - Scope 3 (supply chain emissions): reduce intensity emissions (per million gross profit) by 21.5%. - In 2024, renewable energy use will increase to 40%, progressing toward 100% by 2030.	 	4.2 Climate Risk Management
	Green Circularity	- Continuously advancing green design and circular economy: 71% of products use recycled plastics. 95% of packaging contains recycled materials. - Established an eco-material cloud library for product life cycle management (LCA).		3.2 Sustainable Product Design
	Innovative R&D	- In 2024, R&D investment was 5.6% of revenue, showing strong innovation. - Key technical personnel retention reached 96.4%, supporting R&D strength and knowledge transfer.		3.1 Product R&D Innovation

Value	Action Plan	2024 Sustainability Action Results	Aligned with the Sustainable Development Goals	Corresponding Section
Inclusivity	Diversity and Inclusion	- Promote gender equality, diversity, inclusion, and support for disadvantaged groups. - Women comprise 51.8% of the global workforce. - Female managers account for 26%, reflecting progress in women's leadership. - Employ 8 individuals with disabilities, fostering equal opportunity and inclusion.	 	5.1 Human Rights Management 5.2 Talent Attraction and Retention
	Happy Workplace	- Achieved 100% completion in new employee onboarding training. - Recorded over 18.88 million hours without work-related incidents. - Provided NT\$66,000 childbirth subsidies per child. - Offered Employee Assistance Program(EAP) for mental health and work-life balance.	 	5.3 Talent Cultivation and Development 5.4 Occupational Safety and Health
Prosperity	Integrity Governance	- Delivered integrity and corporate governance training to 3,534 employees, achieving a 95.5% completion rate. - Ensured 100% training completion among directors and senior executives, reinforcing leadership accountability. - Conducted anti-corruption due diligence for 84 high-risk personnel, with full completion, strengthening prevention and risk management.		2.4 Ethical Management
	Partner Collaboration	325 suppliers signed CSR commitments, strengthening partnerships. - Audited 19 suppliers for social and environmental responsibility. - Supported 16 suppliers in CDP submissions; Arcadyan earned an A rating in CDP supply chain assessment.		2.5 Sustainability Partnership
	Social Engagement	- Invested NT\$4 million in public welfare and education, with 1,172 employee volunteers and donors benefiting 4,937 people. - Expanded the "Remote English Learning Program" to 13 schools, narrowing educational gaps in rural areas.	  	5.5 Social Participation

1.2 Sustainability Governance

To strengthen corporate sustainability governance, Arcadyan established the CSR Committee in 2016 and upgraded it in 2020 to the Sustainability Development Committee, reporting directly to the Board of Directors. Chaired by the President and composed of senior cross departmental executives, the committee formulates sustainability strategies and medium-to long-term plans. In May 2022, the Board approved the "Sustainability Development Committee Charter", defining it as a cross-functional communication platform responsible for:

- Set sustainability policies.
- Plan annual strategic directions and action plans.
- Monitor and review execution outcomes, reporting to the Board.
- Decide on other major sustainability matters.

Arcadyan's Board of Directors regularly reviews sustainability progress to ensure alignment with business operations and provides guidance when needed. In 2024, three Sustainability Development Committee meetings were held, with updates reported to the Board. To enhance execution, a dedicated Sustainability Development Office was established to drive ESG initiatives and integrate them into daily operations.

- 1 Reviewed 2023 sustainability performance and approved 2024 goals and plans.
- 2 Net-zero targets approved by the Science Based Targets initiative (SBTi), aligning with the 1.5°C pathway.
- 3 Advanced energy transition by completing Phase II solar installation at the Vietnam plant and planning annual renewable energy certificate purchases.
- 4 Increased use of recycled plastics and packaging to support circular product design.
- 5 Enhanced sustainability data management to improve disclosure accuracy and reliability.
- 6 Linked senior management compensation to sustainability performance to strengthen accountability.
- 7 Received EcoVadis Platinum rating, recognizing excellence in corporate social responsibility.

Effectiveness of the Sustainability Development Committee



1.3 Performance, Certification and Advocacy

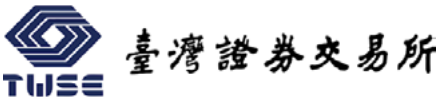
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Ecovadis platinum rating for sustainability



2024 CDP Climate Change and Water Security Questionnaire Management Level



2024 Corporate Governance Evaluation – Ranked in the Top 6%–20% of Listed Companies



2024 17th TCSA Taiwan Corporate Sustainability Awards
Top 100 Sustainable Companies in Taiwan



2024 17th TCSA Taiwan Corporate Sustainability Awards
Silver Award for Sustainability Report



TIME Magazine World's Best Companies in Sustainable Growth 2025



2024 SEAL Awards
Sustainable Innovation Award
Environmental Initiative Award



Business Weekly
Top 100 Companies in Carbon Competitiveness in Taiwan



India Circular Economy Technology Award



Responsible Business Alliance (RBA)
Validated Assessment Program (VAP) –
Platinum Recognition

Management Systems and Certifications

Item	Management System	Arcadyan Headquarters	China Operations	Vietnam Manufacturing Center
Office	ISO 9001 Quality Management System	O	O	94.3% ^{Note 1}
	TL 9000 Telecommunication Quality Management System	O	O	94.3%
Environment	ISO 14001 Environmental Management System	O	O	94.3%
	ISO 14006 Eco-design Management System	O		NA
	ISO 14064-1 Greenhouse Gases Inventory	O	O	98.6% ^{Note 2}
	ISO 50001 Energy Management System	O	O	94.3%
	BS 8001 Circular Economy	O		NA
	QC 080000 Hazardous Substances Process Management		O	73.8%
	FSC-STD-40-004: FSC Chain of Custody Certification Standard		O	73.8%
Social	ISO 22301 Business Continuity Management System	O	O	94.3%
	ISO/IEC 27001 Information Security Management System	O	O	94.3%
	ISO/IEC 27005 Information Risks Management	O	O	94.3%
	ISO 45001 Occupational Health and Safety Management System	O	O	94.3%
	C-TPAT Customs Trade Partnership Against Terrorism		O	73.8%

Note 1: Arcadyan's main operating sites (Taiwan Headquarters and Vietnam Manufacturing Center) have obtained external management system certifications, covering 94.3% of the Group's total employees.

Note 2: Greenhouse gas inventories under ISO 14064 cover the Taiwan Headquarters, Vietnam Manufacturing Center, China's Operations Office, Shanghai Guangzhi Office, and Zhitong Technology, representing 98.6% of the Group's total employees.

Participation in Industry Associations

To stay informed on industry trends and enhance information exchange, Arcadyan actively engages in industry associations, technical alliances, and related events to foster professional collaboration. In 2024, Arcadyan participated as a member in the following organizations, without serving on boards or joining any working groups.

- Bluetooth Special Interest Group (SIG)
- Broadband Forum
- Connectivity Standards Alliance : CSA-IOT SD Association
- Digital Content Protection Licensed Adopter
- DECT Forum
- DTLA Digital Transmission Licensed Adopter
- HDMI Licensed Adopter
- MoCA Alliance
- Open Connectivity Foundation (OCF)
- RDK Management Licensed Adopter
- prpl Foundation
- Wi-Fi Alliance

Participation in External Initiatives

	Joint Alliance for CSR (JAC) Participates in supplier development programs, supporting suppliers in meeting customer sustainability goals and requirements.		Responsible Business Alliance, RBA Implements the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) to advance sustainable supply chain development.
	Carbon Disclosure Project, CDP Responded to the Climate Change and Water Security questionnaires and voluntarily disclosed related information.		Task Force on Climate-Related Financial Disclosures, TCFD Voluntarily discloses climate-related financial risks and opportunities, along with current management practices.
	Science Based Targets initiative, SBTi Set carbon reduction and net-zero targets aligned with the global 1.5°C warming scenario.		United Nations Global Compact, UNGC Supports and adheres to the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption.
	EcoVadis Participates in global sustainability ratings and voluntarily discloses related information.		Sustainability Accounting Standards Board (SASB) Develops industry-specific sustainability disclosure standards to help companies provide investors with financially material ESG information.

Implementation of the Ten Principles of the UN Global Compact

UNGC Principles		Report Explanation	Page Number
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights.	Arcadyan supports and respects internationally recognized human rights and has issued the " Arcadyan Human Rights Policy Declaration ." For detailed implementation, please refer to Section 5.1 Human Rights Management of this report.	107-111
	Make sure that they are not complicit in human rights abuses.	Arcadyan supports the Responsible Business Alliance (RBA) Responsible Minerals Initiative and has established the " Arcadyan Sustainable Procurement Policy ." For details on implementation, please refer to Section 2.5 Sustainable Partnership of this report.	53-57
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Arcadyan respects employees' rights to freedom of association and collective bargaining, and regularly holds labor-management meetings. For detailed implementation, please refer to Section 5.1 Human Rights Management of this report.	111-114
	The elimination of all forms of forced and compulsory labour.	Arcadyan prohibits all forms of forced and compulsory labor. For more details, please refer to Section 5.1 Human Rights Management in this report and the " Arcadyan Human Rights Policy Declaration ."	107-111
	The effective abolition of child labour.	Arcadyan strictly prohibits the use of child labor. For more details, please refer to Section 5.1 Human Rights Management in this report and the " Arcadyan Human Rights Policy Declaration ."	107-111
	The elimination of discrimination in respect of employment and occupation.	Arcadyan prohibits all forms of discrimination. For more details, please refer to Section 5.1 Human Rights Management and in this report the " Arcadyan Human Rights Policy Declaration ."	107-111
Environment	Businesses should support a precautionary approach to environmental challenges.	Arcadyan has established an environmental management system, set environmental protection goals, continuously promoted a sustainable supply chain, managed environmental risks, and committed to net-zero emissions. For more details, please refer to Chapter 4 Environmental Sustainability of this report.	81, 87-89
	Undertake initiatives to promote greater environmental responsibility.	Arcadyan's product design follows the ISO 14006 Ecodesign Management System and the BS 8001 Circular Economy Guidelines. The company implements ISO 50001 Energy Management and ISO 14064 Greenhouse Gas Inventory, and has committed to the Science Based Targets initiative (SBTi). For more details, please refer to Chapter 3 Green Innovation and Chapter 4 Environmental Sustainability of this report.	66-67, 70-73, 89-95
	Encourage the development and diffusion of environmentally friendly technologies.	Arcadyan adopts green design principles based on the Product Life Cycle (PLC), considering environmental impacts at each stage—from raw material sourcing and manufacturing to packaging, transportation, use, and end-of-life disposal. For more details, please refer to Chapter 3 Green Innovation of this report.	68-73
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Arcadyan upholds ethical business practices and prohibits all forms of corruption. The company has established a " Arcadyan Technology Business Ethics Policy " and conducts regular integrity due diligence for both internal operations and suppliers. For more details, please refer to Section 2.4 Ethical Management of this report.	49-50

1.4 Stakeholder Engagement and Materiality Topics

1.4.1 Stakeholder Identification

Arcadyan adheres to the Global Reporting Initiative (GRI) Standards and the AA1000 Stakeholder Engagement Standard to establish a materiality assessment process central to its sustainability disclosure. The Sustainability Implementation Team consolidates industry disclosures, global trends, and internal discussions to identify key stakeholders, guiding targeted communication and response strategies.

Arcadyan identifies eight key stakeholder groups—shareholders, customers, employees, suppliers, government agencies, NGOs, local communities, and business partners—based on AA1000 principles of dependency, responsibility, influence, diverse perspectives, and tension. The company employs tailored communication channels to engage stakeholders proactively, capturing their needs to inform sustainability strategies and decisions. The table below summarizes 2024 stakeholder engagement methods and outcomes.

Stakeholder Engagement and Response

			2024 Communication Outcomes	Communication Channels	Frequency
Shareholders - Investors - Shareholders - Banks 2024 Key Issues of Concern - Operational Performance - Business Continuity - Ethical Business Practices and Anti-Corruption - Technology and R&D - Regulatory Compliance Meaning to Arcadyan Support from shareholders and investors is essential to Arcadyan's sustainable development. Through disciplined management and transparent disclosure, the company strengthens trust and financial resilience.			Hold an Annual General Meeting.	Annual general meeting	Annually
			Hold 5 institutional investors' conferences.	Investor conferences	Annually
			- Participated in 39 investor meetings, engaging with 82 domestic and international institutional investors through in-person or virtual interactions. - Released 26 material announcements and responded promptly to investor inquiries.	Investor hotline, e-mail and meetings	Irregular

Customer

- Domestic Customers
- Foreign Customers



2024 Key Issues of Concern

- Operational Performance
- Ethical Business Practices and Anti-Corruption
- Technology and R&D
- Customer Service Management
- Business Continuity

Meaning to Arcadyan

Customer satisfaction is central to Arcadyan's business, guiding ongoing collaboration and the pursuit of shared competitiveness.

Employees

- Domestic Employees
- Foreign Employees
- Interns



2024 Key Issues of Concern

- Labor/Management Relations
- Talent Development and Training
- Workplace Diversity and Inclusion
- Occupational Health and Safety
- Information Security

Meaning to Arcadyan

Employees are Arcadyan's most valuable asset. The company enhances satisfaction and retention through effective communication and supportive systems.

2024 Communication Outcomes	Communication Channels	Frequency
• Held approximately 140 Quarterly Business Review (QBR) meetings with 11 key customers. • Conducted regular visits and weekly meetings with major clients to address quality issues. • Achieved a customer satisfaction score of 94.4.	Regular project meetings	Monthly / Quarterly
	Email, business visits and customer audits	Irregular
• Held 4 labor-management meetings at Arcadyan headquarters. • Conducted 6 labor-management meetings and employee forums at the Vietnam Manufacturing Center.	Labor-management meetings and employee forums	Quarterly
Held 5 Employee Welfare Committee meetings, with 9 proposals approved.	Employee welfare committee	Quarterly
Conducted 2 annual performance evaluations.	Performance and development discussions	Semiannually/ Irregular
Conducted 62 training sessions and 12 health seminars.	Training programs	Irregular
Published 65 announcements on lifestyle and health promotion.	Internal BBS platform	Irregular
Recorded zero employee grievance or whistleblowing cases.	Internal suggestion box and whistleblower hotline	Irregular

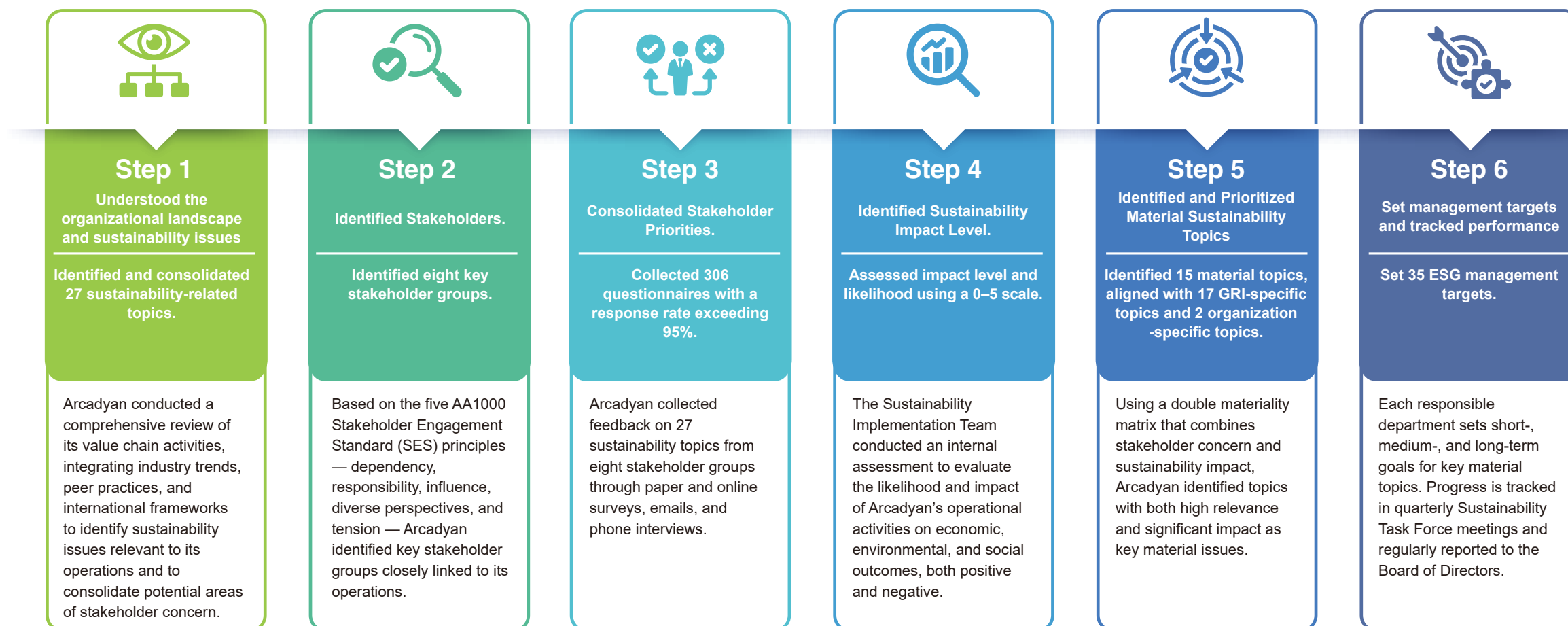
Suppliers		2024 Communication Outcomes	Communication Channels	Frequency
• Suppliers • Contractors • Outsourced Vendors 2024 Key Issues of Concern • Fair Competition • Business Continuity • Operational Performance • Customer Service Management • Supply Chain Management Meaning to Arcadyan Collaborate with suppliers to build a stable and resilient sustainable supply chain, enhancing overall competitive advantage.		• Around 500 suppliers used the Green Parts Platform, processing approximately 4,000 documents. • Conducted CSR audits for 19 suppliers and quality audits for 30 suppliers. • Held 24 sustainability project meetings. • Held 62 carbon reduction project meetings.	Green Parts Platform	Updated as Needed
			Documentary and on-site audits	Annually
			Project / carbon reduction Meetings	Monthly
Government Agencies				
• Police station • City Government • Fire Department • Labor Affairs Bureau 2024 Key Issues of Concern • Ethical Business Practices and Anti-Corruption • Business Continuity • Labor/Management Relations • Workplace Diversity and Inclusion • Air Pollution Prevention Meaning to Arcadyan Arcadyan complies with laws and maintains strong government relations, ensuring stable operations.		• Ranked in the top 6%–20% of listed companies in the 2024 Corporate Governance Evaluation. • Completed greenhouse gas inventory and verification in line with the Financial Supervisory Commission's "Sustainability Roadmap for TWSE- and TPEX-listed Companies".	Official documents, regulatory briefings, seminars, and proactive visits	Irregular
Non-Profit Organizations				
• Social Welfare Organizations • Foundations 2024 Key Issues of Concern • Community Engagement • Human Rights and Equality • Sustainability and Environmental Education Meaning to Arcadyan Expand social impact through public-interest partnerships, fulfilling corporate social responsibility.		• Donated NT\$8.23 million. • A total of 1,172 employee donations benefited 4,937 recipients.	Email, public welfare activities, or meetings	Irregular

			2024 Communication Outcomes	Communication Channels	Frequency			
Communities Community Residents	2024 Key Issues of Concern - Occupational Health and Safety - Community Engagement - Human Rights and Equality		No community complaints were received.	Visits and meetings with village chiefs and local residents.	Irregular			
	Meaning to Arcadyan Arcadyan proactively engages with local communities to minimize potential impacts from its operations.							
Business-related Organizations - Industry Alliances - Trade Associations - Third-Party Verification Organizations	2024 Key Issues of Concern - Climate Change and Carbon Management - Regulatory Compliance - Resource and Energy Management		- Participated in approximately 30 industry exchange meetings. - Took part in 22 industry association events and third-party verifications.	Online meetings and newsletters	Irregular			
	Meaning to Arcadyan Arcadyan actively engages in industry dialogue and standard-setting efforts to stay at the forefront of emerging trends and drive collective impact.			Annual audits and verifications	Annually			

1.4.2 Materiality Assessment Process

Arcadyan conducts an annual materiality assessment following the GRI Universal Standards 2021 (GRI 3: Material Topics), employing a double materiality approach. The process evaluates both environmental and social impacts of operations and their potential effects on business performance. The 2024 results were third-party verified and approved by the Board of Directors, forming the basis for this report's disclosures and sustainability targets, ensuring alignment between strategy and operations. The process is shown below:

Materiality Assessment Process:



Collected Sustainability Topics

Arcadyan collects external perspectives on sustainability through multiple channels, including stakeholder surveys, meetings, interviews, and feedback mailboxes. Topic identification is based primarily on the GRI Sustainability Reporting Standards, supplemented by SASB, RBA, CDP, and global sustainability trends, resulting in a consolidated list of 27 material topics. In 2024, the list was updated to remove "Infectious Disease Prevention and Management" and add "Geopolitical Issues" and "Biodiversity" in response to evolving global sustainability risks.

Double Materiality Analysis

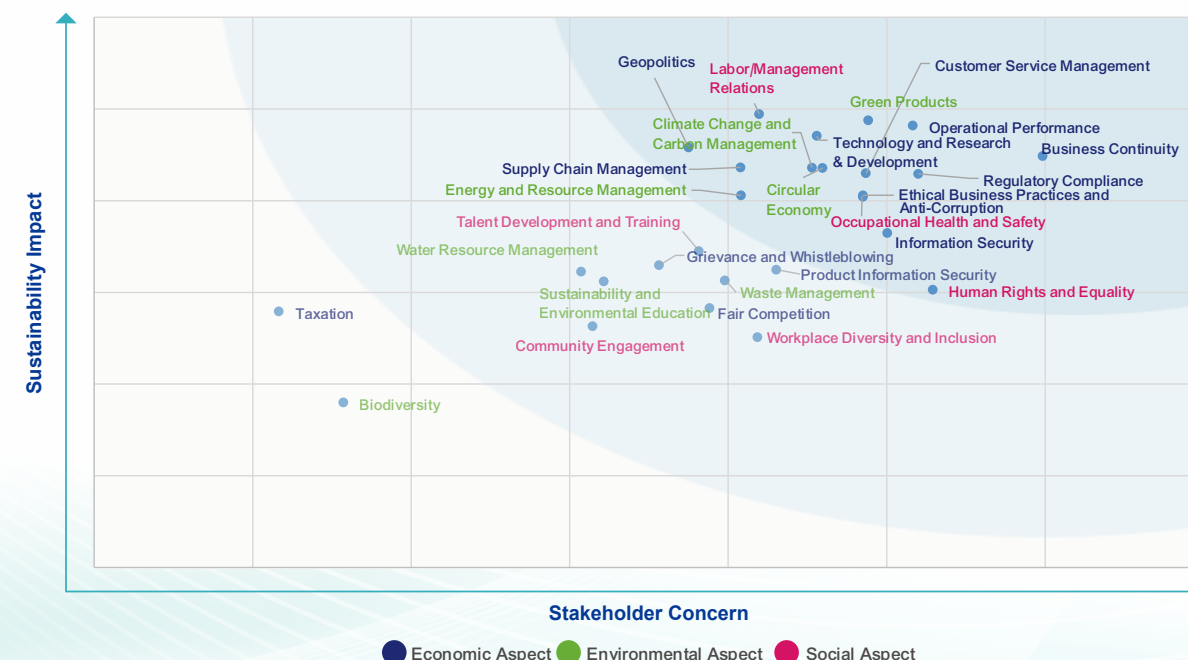
Arcadyan applies a double materiality analysis, evaluating both "stakeholder concern" and "sustainability impact" to address external expectations and the company's actual influence on sustainable development:

- **Stakeholder Concern:** Arcadyan surveyed eight key stakeholder groups to assess ESG topic relevance, collecting 306 responses with a response rate over 95%. Respondents included shareholders (46), customers (35), employees (80), suppliers (93), government agencies (21), non-profits (16), community (1), and business partners (14).
- **Sustainability Impact:** Arcadyan engaged 19 members from the Sustainability Implementation Team to assess impacts across the supply chain, operations, and product use. The evaluation covered positive and negative effects on the economy, environment, and society, considering both actual and potential impacts. A five-point scale was used for quantitative scoring.

Prioritization and Disclosure of Material Topics

Based on the double materiality matrix, Arcadyan identified 15 key sustainability topics with both high stakeholder concern and significant impact. In the economic dimension, these include business performance, integrity and anti-corruption, regulatory compliance, technology and R&D, customer service management, business continuity and geopolitical issues (combined), information security, and supply chain management. Environmental topics cover green products, circular economy, energy and resource management, and climate change and carbon management. In the social dimension, human rights and equality, labor/management relations, and occupational health and safety were identified. Compared to 2023, three new topics were added: business continuity and geopolitical issues, labor/management relations, and occupational health and safety.

The identified material topics align with 17 GRI Sustainability Reporting Standards and 2 Arcadyan-specific topics, forming the core structure of this report. Based on these topics, responsible departments set 35 short-term, medium, and long-term sustainability goals, with progress regularly reviewed by the Sustainability Implementation Team and reported to the Board. For non-material topics, relevant policies, actions, and outcomes are also disclosed to present a comprehensive view of Arcadyan's sustainability governance.



Arcadyan's Material Topic Prioritization and Value Chain Impact Analysis

Prioritization	Material Topic	Stakeholder Concern	Sustainability Impact	Impact on the Value Chain			GRI Specific Topics	SASB Specific Topics
				Upstream Suppliers	Arcadyan	Downstream Customers		
1	Business Continuity and Geopolitics	●●●	●●●	○	○	○	(Arcadyan-Specific Topics)	
2	Operational Performance	●●●	●●●		○	○	Economic Performance (201)	
3	Regulatory Compliance	●●●	●●●	○	○	○	Compliance with laws and regulations (2-27)	
4	Green Products	●●	●●●	○	○	○	Materials (301)	TC-HW-410a.1/ TC-HW-440a.1
5	Technology and Research & Development	●●	●●●	○	○	○	(Arcadyan-Specific Topics)	
6	Labor/Management Relations	●●	●●●		○		Diversity and Equal Opportunity (405)	TC-HW-330a.1
7	Customer Service Management	●●	●●●			○	Economic Performance (201) Customer Health and Safety (416)	
8	Circular Economy	●●	●●●	○	○	○	Materials (301)	TC-HW-410a.4
9	Climate Change and Carbon Management	●●	●●●	○	○	○	Emissions (305) Economic Performance(201)	
10	Supply Chain Management	●●	●●●	○			Procurement Practices(204) Supplier Environmental Assessment(308) Supplier Social Assessment (414)	TC-HW-430a.1/ TC-HW-430a.2
11	Ethical Business Practices and Anti-Corruption	●●	●●●	○	○		Anti-corruption (205) Anti-competitive Behavior (206)	
12	Occupational Health and Safety	●●	●●●		○		Occupational Health and Safety (403)	
13	Energy and Resource Management	●●	●●●		○		Energy (302)	
14	Human Rights and Equality	●●●	●●	○	○		Non-discrimination (406) Child Labor (408) Forced or Compulsory Labor (409)	
15	Information Security	●●	●●		○	○	Customer Privacy (418)	TC-HW-230a.1

1.4.3 Description of Impacts and Management Measures for Material Sustainability Topics

Economic Aspect	Operational Performance	Ethical Business Practices and Anti-Corruption	Regulatory Compliance
Materiality Statement	Operational performance is the foundation of Arcadyan's sustainability and innovation. Strong financial results enable effective resource allocation, support ESG strategy execution, drive long-term value, and strengthen stakeholder trust and competitiveness.	Integrity is at the core of Arcadyan's corporate governance. We uphold a culture of anti-corruption through business ethics and internal control mechanisms, reducing compliance risks and protecting the company's reputation.	Compliance is essential to Arcadyan's governance, business stability, and stakeholder trust. We promote a strong compliance culture and internal controls to ensure adherence to all relevant domestic and international laws.
Corresponding GRI Standards	GRI 201: Economic Performance	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	GRI 2-27: Compliance with laws and regulations
Impact Effect	Arcadyan focuses on the R&D and manufacturing of networking products. Strong financial performance supports stakeholder trust and enables continued commitment to corporate responsibility and sustainability.	A lack of integrity can undermine stakeholder trust and pose operational disruption risks, requiring proactive prevention.	Failure to promptly respond to regulatory changes may result in legal liability, operational disruptions, and reputational damage. Arcadyan mitigates such risks through structured compliance monitoring and oversight mechanisms
Policy or Commitment	Arcadyan continuously improves operational efficiency and resource allocation, strengthening financial resilience and transparency through a performance management system.	Arcadyan complies with all applicable laws and has implemented policies such as the Business Ethics Policy , Code of Conduct , and Guidelines for Ethical Conduct , which explicitly prohibit corruption, bribery, fraud, and other forms of misconduct.	Arcadyan maintains a regulatory update process covering environment, social, human rights, fair competition, and information security to ensure comprehensive compliance.
Action Taken	Expanding into emerging markets, enhancing customized R&D capabilities, and strengthening product differentiation.	Integrated into internal audit and control plans, with oversight through sustainability governance mechanisms.	We regularly monitor regulatory updates, review internal policies, and provide training and follow-up for high-risk compliance areas.
Management System	The Board of Directors and shareholders are regularly informed of business performance, supported by an internal performance tracking mechanism.	Arcadyan has established a Code of Conduct, operational procedures, and behavioral guidelines. Integrity practices are embedded in internal audit and control plans to ensure consistent oversight and accountability.	Compliance is integrated into ISO management system documents, with designated personnel and audit mechanisms in place.
Metrics and Targets	Short Term (2024~2026) 1. Sustained profitability (revenue and net income). 2. Stable dividend policy, with payout ratio consistently exceeding 50% of EPS. 3. Continued investment in R&D, with R&D expenses exceeding 5% of annual revenue. 4. Quarterly participation in investor conferences. Long Term (2027~2031) Ensuring competitive advantage and delivering stakeholder value.	Short Term (2024~2026) 5. Major integrity violations: 0 cases 6. Corruption cases: 0 7. Integrity training is mandatory for all employees, with a completion rate exceeding 95%. Long Term (2027~2031) Maintain zero violations and foster a culture of integrity.	Short Term (2024~2026) 8. Number of environmental and social regulatory violations: 0 Long Term (2027~2031) Maintain a zero-violation record and strengthen the organization's culture of compliance.
Assessment Method	The Sustainability Implementation Team conducts quarterly reviews, with an annual review by the Board of Directors.	Quarterly review of implementation progress; annual internal audit results tracked by the committee.	The Sustainability Implementation Team and relevant departments regularly review compliance status and report to the committee for follow-up.

Economic Aspect	Technology and Research & Development	Customer Service Management	Business Continuity and Geopolitics
Materiality Statement	Technological innovation and R&D are key drivers for enhancing product value and strengthening Arcadyan's market position, while supporting low-carbon transition and sustainable product development.	Customer service is key to strengthening Arcadyan's market competitiveness and maintaining client relationships. We build trust and enhance satisfaction through high-quality products and responsive technical support.	Business continuity and geopolitical stability are crucial to Arcadyan's business resilience and supply chain reliability, directly influencing its global strategy and risk management.
Corresponding GRI Standards	Arcadyan-Specific Topics	GRI 201: Economic Performance GRI 416: Customer Health and Safety	Arcadyan-Specific Topics
Impact Effect	Amid growing market competition, R&D capabilities are critical to Arcadyan's product competitiveness and responsiveness. Investment in R&D directly contributes to economic, environmental, and social value creation.	Excellent customer service enables timely response to market needs, strengthens brand trust and customer loyalty, and helps clients create greater business value.	External risks—including geopolitical tensions, regulatory shifts, and natural disasters—can disrupt operations and break supply chains. Building a multi-layered defense and response system is essential to mitigate these impacts.
Policy or Commitment	Committed to developing diverse and innovative products, Arcadyan strengthens its R&D teams and technology platforms to enhance resource efficiency.	Established robust communication channels and service processes to continuously enhance pre-sales, in-sales, and after-sales service quality.	Established a Business Continuity Management Policy incorporating risk identification, response, and recovery strategies to minimize operational disruptions.
Action Taken	Strengthened R&D collaboration with suppliers and customers, adopted rapid development processes and new technology platforms, with a focus on low-carbon and high-performance product development.	Regularly conduct customer satisfaction surveys, implement a complaint handling system with KPI tracking, and continuously improve products and services based on feedback.	Established a Management Committee to regularly identify operational risks, conduct Business Impact Analysis, and develop recovery plans with routine drills.
Management System	The headquarters and manufacturing centers implement TL 9000 and ISO 9001 quality systems to ensure the quality and efficiency of R&D outcomes.	Arcadyan builds strong, long-term partnerships through mutual trust and open communication, supporting a resilient supply and sales network.	Since 2012, Arcadyan's headquarters and overseas manufacturing centers have implemented the ISO 22301 Business Continuity Management System, using internal and external audits to review and adjust mechanisms for effectively managing potential disruptions.
Metrics and Targets	Short Term (2024~2026) 9. Annual R&D spending increases by 5%. Long Term (2027~2031) Consistently increasing R&D investment, with a growing share of revenue dedicated to innovation.	Short Term (2024~2026) 10.Customer satisfaction survey scores exceed 85%. Long Term (2027~2031) Continuously improve service processes and build long-term partnerships.	Short Term (2024~2026) 11. Conduct annual business impact analysis and risk assessments, with improvement plans developed for key risk areas. Long Term (2027~2031) Maintain a highly resilient operation to ensure uninterrupted supply.
Assessment Method	Regular management and technical meetings are held to track R&D goals and progress.	Conduct annual satisfaction surveys and management reviews to track customer feedback and improvement progress.	Regularly review and simulate disruption scenarios, with performance evaluated by the committee.

Aspect	Supply Chain Management	Information Security	Green Products
Materiality Statement	Arcadyan ensures quality and stable supply through responsible sourcing and supplier collaboration, promoting ESG and building a resilient supply chain.	Information security is vital to operational stability, customer trust, and corporate reputation. Arcadyan is committed to building a robust cybersecurity system to prevent data breaches and operational disruptions.	Green product development is central to Arcadyan's lifecycle management strategy, helping reduce environmental impact while meeting customer demands and global regulatory requirements.
Corresponding GRI Standards	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	GRI 418: Customer Privacy	GRI 301: Materials
Impact Effect	Suppliers are integral to the value chain. Without proper management, they can pose risks to quality, compliance, and reputation—affecting business stability and brand credibility.	Cybersecurity incidents can lead to operational disruptions, leaks of trade secrets, or regulatory violations, resulting in financial loss and a loss of trust.	Products that lack environmentally friendly design risk regulatory restrictions, market loss, and damage to brand reputation.
Policy or Commitment	Arcadyan has established a Sustainable Procurement Policy , requiring suppliers to follow the Responsible Business Alliance (RBA) standards and sign Arcadyan's Commitment of Supplier for Corporate Social Responsibility , adhering to environmental, human rights, and occupational safety standards.	Arcadyan has implemented the ISO 27001 Information Security Management System to strengthen IT security and defense frameworks. - The Information Security Policy is designed to: Ensure the confidentiality of business information and prevent the leakage or loss of sensitive data and personal information. - Safeguard the integrity and availability of information to support accurate and reliable business operations.	Arcadyan is committed to complying with RoHS, REACH, WEEE, ERP, and halogen-free standards, developing low-carbon, energy-efficient, and non-toxic products, while strengthening design-stage controls.
Action Taken	Implemented supplier audits and evaluations, promoted CSR and carbon inventory management, and managed materials and documentation through a centralized platform.	Arcadyan conducts cybersecurity risk assessments, social engineering drills, employee training, and incident reporting, while regularly updating defense tools and technologies.	Implemented Design for Environment, halogen-free design, and plastic reduction to enhance material recyclability and product disassemblability.
Management System	Established a green component management platform and annual audit plan to strengthen supply chain oversight and communication efficiency.	Arcadyan is certified to ISO 27001 and ISO 27005, with dedicated cybersecurity teams and cross-functional response groups ensuring ongoing monitoring and reporting.	Established a product design and development SOP to control hazardous substances and green materials through R&D reviews and specification approvals.
Metrics and Targets	Short Term (2024~2026) 12. 100% return rate of signed Supplier CSR Commitment Letters. 13. 100% return rate of signed Supplier Integrity Declarations. 14. Vietnam manufacturing center achieves a 15% local procurement rate. Long Term (2027~2031) 1. Prioritize local suppliers at operational sites to enhance supply resilience. 2. Vietnam manufacturing center achieves 20% local procurement rate.	Short Term (2024~2026) 15. Certified under ISO/IEC 27001:2022, enhancing our information security management system. 16. Conduct eight company-wide social engineering drills annually to continuously strengthen cybersecurity awareness and vigilance. 17. Implemented a third-party cybersecurity risk assessment tool, with ongoing improvements to enhance evaluation outcomes. Long Term (2027~2031) Maintain zero cybersecurity incidents and consistently pass external security audits.	Short Term (2024~2026) 18. 100% of products have obtained green product certifications. 19. 50% adoption rate of halogen-free component part numbers. 20. 100% compliance with product hazardous substance controls and customer requirements. Long Term (2027~2031) 1. 70% adoption rate of halogen-free component part numbers. 2. 100% compliance with hazardous substance regulations and customer specifications.
Assessment Method	Audit results and improvement tracking are compiled annually and regularly reported to the Sustainability Development Committee.	Regularly review the cybersecurity management system through internal audits, training effectiveness, and incident reports.	The R&D and Green Product teams regularly review the implementation of design specifications and provide updates to the Sustainability Committee.

Environmental Aspect	Circular Economy	Energy and Resource Management	Climate Change and Carbon Management
Materiality Statement	The circular economy plays a vital role in improving resource efficiency and reducing waste, supporting Arcadyan's goals for sustainability and waste reduction.	Effective energy and resource management helps boost efficiency, lower operating costs, and advance environmental sustainability goals.	In response to climate risks and the global shift toward decarbonization, Arcadyan actively conducts carbon inventory and management, implements energy-saving measures, and supports international initiatives to drive low-carbon transition.
Corresponding GRI Standards	GRI 301: Materials	GRI 302: Energy	GRI 305: Emissions GRI 201: Economic Performance
Impact Effect	Ineffective resource recycling and reuse can lead to greater environmental impact and higher operational costs.	Energy efficiency directly impacts carbon emissions and production costs, while resource waste increases regulatory and operational risks.	Extreme weather and carbon pricing policies impact supply chains and operating costs, making carbon management critical to business resilience and competitiveness.
Policy or Commitment	Arcadyan promotes resource circularity by optimizing packaging design and recycling systems to minimize waste and support material reuse.	Arcadyan improves energy and water efficiency by adopting conservation technologies and building a digital resource management platform. Energy Management Policy: • Comply with domestic environmental, safety and health, and energy regulations and effectively implement the environmental, safety and health management system. • All staff participate in product ecological design, environmental protection and energy management, and promote continuous improvement for sustainability. • Improve resource recycling and energy efficiency, and reduce the impact of carbon emissions in supply chain. • Promote education and publicity on environmental safety, energy and product eco-design.	Arcadyan is committed to aligning with the Science Based Targets initiative (SBTi), implementing carbon reduction strategies across the organization, products, and supply chain.
Action Taken	Arcadyan has implemented packaging recovery systems and recyclable materials, optimized product design to reduce waste, and promoted paperless operations and resource reuse.	Replaced high-energy-consuming equipment, optimized air conditioning and lighting systems, reused waste heat and process water, and implemented smart meters and water monitoring. The Vietnam manufacturing center installed a solar power system and purchased international renewable energy certificates, reaching 40% renewable energy use across the group in 2024.	Completed carbon inventory and third-party verification for headquarters and major facilities; improved energy efficiency, expanded renewable energy use, and built a carbon footprint management platform.
Management System	Arcadyan applies BS 8001 circular economy principles in product design to increase the use of post-consumer recycled (PCR) materials, earning the India Circular Economy Technology Award in 2024.	Arcadyan's Headquarters and Vietnam Manufacturing Center have implemented ISO 50001 energy management and ISO 14001 environmental management systems, with standardized procedures and target-tracking mechanisms in place.	Established a cross-functional carbon management task force and adopted ISO 14064 and ISO 50001 systems for monitoring and target tracking.
Metrics and Targets	Short Term (2024~2026) 21. Promote over 20 biodegradable or low-material designs annually. 22. Promote over 20 biodegradable or low-material designs annually. 23. On average, 80% of product packaging materials are made from recycled content. Long Term (2027~2031) 1. Over 10% of materials used are biodegradable. 2. Over 80% of product models use recycled plastics. 3. On average, 90% of product packaging materials are made from recycled content.	Short Term (2024~2026) 24. Energy intensity decreased by 1% compared to the previous year. 25. The second plant of the Vietnam Manufacturing Center has installed a solar power system. Long Term (2027~2031) Arcadyan's headquarters installed a solar power system to increase the share of renewable energy use.	Short Term (2024~2026) 26. Achieved phased carbon reduction targets under SBTi for Scope 1, 2, and 3 emissions. 27. Reviewed and updated climate risk management mechanisms in line with regulatory guidelines. Long Term (2027~2031) Achieved staged carbon reduction goals for SBTi Scope 1, 2, and 3 emissions.
Assessment Method	Execution results and improvement progress are compiled annually and regularly reported to the Sustainability Development Committee.	Energy and water performance is reviewed quarterly and regularly reported to the Sustainability Development Committee.	Strategies are continuously refined through annual carbon inventories, external verification, and regular reviews by the Sustainability Development Committee.

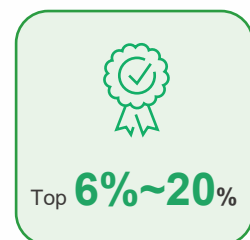
Social Aspect	Human Rights and Equality	Labor/Management Relations	Occupational Health and Safety
Materiality Statement	Respect for human rights is a core principle of corporate social responsibility. Arcadyan is committed to creating a workplace that values diversity, promotes equal treatment, and prevents discrimination—ensuring the fundamental rights of all employees and stakeholders are protected.	Harmonious labor relations strengthen organizational cohesion and operational stability. Arcadyan prioritizes employee rights and open communication, aiming to create a safe, supportive, and secure workplace.	Ensuring employee health and safety is a core corporate responsibility. Arcadyan continuously improves the workplace environment and disaster prevention measures to reduce occupational risks and promote a healthy workplace.
Corresponding GRI Standards	GRI 406: Non-discrimination GRI 408: Child Labor GRI 409: Forced or Compulsory Labor	GRI 405: Diversity and Equal Opportunity	GRI 403: Occupational Health and Safety
Impact Effect	Human rights violations, gender discrimination, or unequal treatment can severely damage a company's reputation, lower employee morale, and increase compliance risks.	Without effective communication and coordination, labor disputes, strikes, or high turnover may arise—disrupting production and damaging brand trust.	Major safety incidents can result in injuries, operational shutdowns, and reputational damage.
Policy or Commitment	Arcadyan has established a Human Rights Policy to ensure fair and non-discriminatory practices in recruitment, promotion, compensation, and training, fostering a culture of diversity and inclusion.	Arcadyan has established Employee Work Rules and Labor Agreements to protect workers' rights, ensure fair compensation and benefits, and provide clear grievance channels.	Arcadyan's ISO 45001 Occupational Health and Safety Management Policy: • Comply with domestic environmental, safety and health, and energy regulations and effectively implement the environmental, safety and health management system. • Promote education and publicity on environmental safety, energy and product eco-design. • Implement employee health management, proactively prevent occupational disasters, and create a safe workplace with zero disasters.
Action Taken	Conduct human rights training, provide anonymous reporting channels, and promote inclusive employment and gender-friendly initiatives.	Regular labor-management meetings, employee forums, and surveys are conducted to gather feedback and drive continuous improvement.	Arcadyan complies with safety regulations and promotes continuous improvement through risk assessments, emergency drills, safety inspections, wellness programs, and a dedicated health center.
Management System	Arcadyan adheres to international human rights conventions and local regulations. Human Resources and the ESG team jointly oversee implementation, regularly assess human rights risks, and propose improvement measures.	Arcadyan has established comprehensive labor-management and employee welfare committee systems, integrating labor relations into its sustainability governance framework.	Arcadyan has implemented the ISO 45001 system to oversee health and safety management, ensure regulatory compliance, and drive continuous improvement.
Metrics and Targets	Short Term (2024~2026) 28. Zero cases of child labor reported annually. 29. No reported cases of forced labor complaints annually. 30. 100% of new hires receive human rights awareness training annually. Long Term (2027~2031) Maintain zero discrimination and harassment complaints, fostering an inclusive workplace.	Short Term (2024~2026) 31. Employee-related matters are a priority, with four labor-management meetings held annually. 32. Retention rate of key R&D talent exceeds 95%. Long Term (2027~2031) 1. Continue to promote diverse communication channels to strengthen mutual trust between labor and management. 2. Revitalize R&D team structure and develop future talent.	Short Term (2024~2026) 33. Zero workplace safety incidents reported. 34. Employee participation in health promotion seminars or activities exceeds 85%. 35. Promote the Employee Assistance Program (EAP). Long Term (2027~2031) Foster a zero-injury, health-friendly workplac
Assessment Method	Monitor progress through training records, employee satisfaction surveys, and grievance outcomes.	HR and the Sustainability Implementation Team track the effectiveness of communication and grievance handling.	Regular audits, safety KPIs, and incident reporting are used to continuously evaluate and improve prevention measures.

2 Corporate Operations and Development

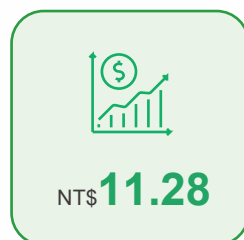
- 2.1 About Arcadyan
- 2.2 Corporate Governance
- 2.3 Risk Management
- 2.4 Ethical Management
- 2.5 Sustainability Partnership



Implementation results in 2024



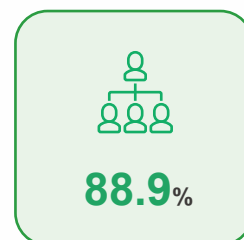
2024 Corporate Governance Evaluation



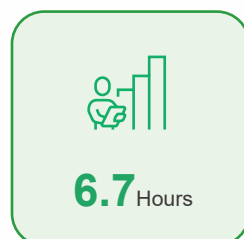
Earnings per share (EPS)



Board members



Board attendance rate



Average training hours per board member



Major illegal and information security incidents



Customer Satisfaction Score



Internal & External Integrity Investigations



Supplier CSR commitment signing rate



Proportion of local procurement in Vietnam manufacturing center

Preface

In accordance with the established operational strategy, Arcadyan Group continues to advance in product development, manufacturing base expansion, and global market deployment. In response to global industrial changes and supply chain challenges, Arcadyan flexibly reallocates organizational resources to ensure operational resilience and maintain competitive advantages. In the face of a rapidly changing external environment, Arcadyan upholds a strong sense of corporate responsibility by maintaining close communication and collaboration with clients, suppliers, and other stakeholders. Arcadyan continuously enhances its product and service processes, adopts various management systems and digital tools to support operational needs, and strengthens corporate governance effectiveness.

This chapter outlines Arcadyan's management strategies and implementation results in key aspects such as operational deployment, technology R&D, value chain management, client relationship development, and information security—demonstrating how Arcadyan is driving business growth while fulfilling our commitment to social responsibility and sustainable development.

2.1 About Arcadyan

Founded in 2003, Arcadyan was the first professional company in Taiwan to integrate broadband, multimedia, wireless, and Internet communication protocols into intelligent network terminal devices. Arcadyan focuses on the access and routing technology research and development of client-premises equipment (CPE), integrating voice and multimedia functions, and providing integrated solutions covering digital home, mobile broadband, wireless audio and video products and multimedia gateways to meet the needs of the global diversified market.

Company Name	Arcadyan Technology Corporation
Established	May 9, 2003
Headquarters	No. 8, Sec. 2, Guangfu Road, East District, Hsinchu City, Taiwan
Chairman	Mr. Ray Chen
President	Mr. Chao-Peng Tseng
Number of Employees	Approximately 4,602 worldwide
Authorized Capital	NT\$ 3 billion Paid-in Capital: NT\$ 2.204 billion
Core Business Activities	- Wireless local area network (WLAN) products - Integrated digital home and mobile office solutions - Multimedia gateways - Wireless audio and video products
Affiliated Group	Compal Group
Revenue and Cost	In 2024, Arcadyan reported consolidated revenue of NT\$48.967 billion and consolidated cost of revenue of NT\$41.551 billion.



- Vision**

 - Create a Better Future Through Networking.
 - Becoming a global leader in broadband access and multimedia terminal products.
- Mission**

 - Focusing on clients' needs by delivering excellent products and services that enhance quality of life, strengthen clients' competitiveness, and drive profitability.
 - Focused on the concept of "Four Screens and One Cloud"(using cloud innovative services on four screens, mobile phones, computers, tablets, and TVs at the same time) and "Triple Network Integration" (integration of three major networks: telecommunications, computers, and cable TV), we are committed to introducing various advanced technologies, leading the development trend of the industry, and growing together with clients to meet future needs and challenges.
 - To provide a fair and supportive environment that enables employees to grow and learn, while also delivering investors with satisfactory compensation.

Core Values

Innovation

Proactively review our competitive advantages and continuously strengthen core competencies through cross-functional integration and innovation. Encourage learning from external ideas and emphasize effective internal execution to deliver improved outcomes across the organization.

Transcendence

Everyone is encouraged to challenge themselves, go beyond their own boundaries, and push the limits. We strive to break out of conventional thinking and avoid taking things for granted. We believe that any waste can be improved and that there is always a better way to do things.

Harmony

We emphasize "people-oriented", trust and respect individuals. Everyone is honest, committed, collaborative, united, and efficient, to integrate corporate resources toward shared development goals. In this environment, everyone can make contributions and continue to grow, forming a culture of division of labor and cooperation.

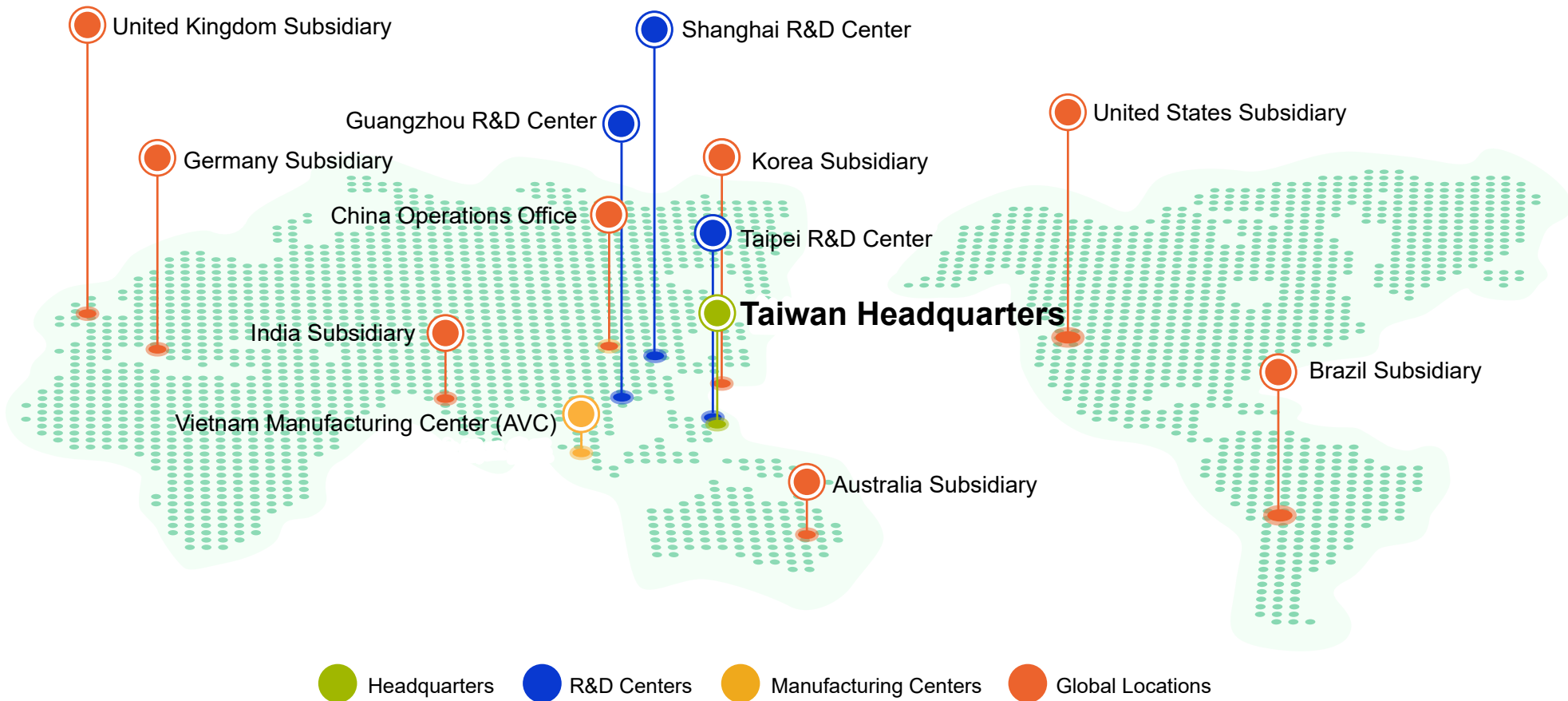
Service

We respect our clients and strive to become their long-term value partner. We drive our competitiveness through continuous improvement driven by upstream and downstream collaboration, as well as understanding and meeting the needs of internal clients and suppliers, we enhance our competitiveness and fuel ongoing transformation.



Global Operations

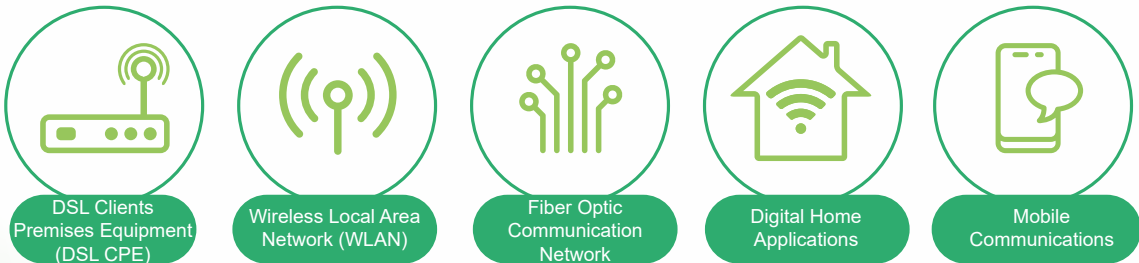
Arcadyan markets its products worldwide through a comprehensive global operations network, enabling fast and localized professional services. Headquartered in Hsinchu, Taiwan, Arcadyan's primary manufacturing base is in Vietnam, while R&D centers in Taiwan and China focus on enhancing technological innovation and development efficiency to meet rapidly evolving market demands. To strengthen its global presence, Arcadyan established sales offices across multiple countries in Europe and the Americas. These locations allow Arcadyan to stay attuned to global market trends, provide timely technical support, and deliver efficient after-sales services, thereby reinforcing client relationships and building brand trust in local markets. By building a global service network, Arcadyan continues to improve market responsiveness and operational agility, deepening its presence in international markets.



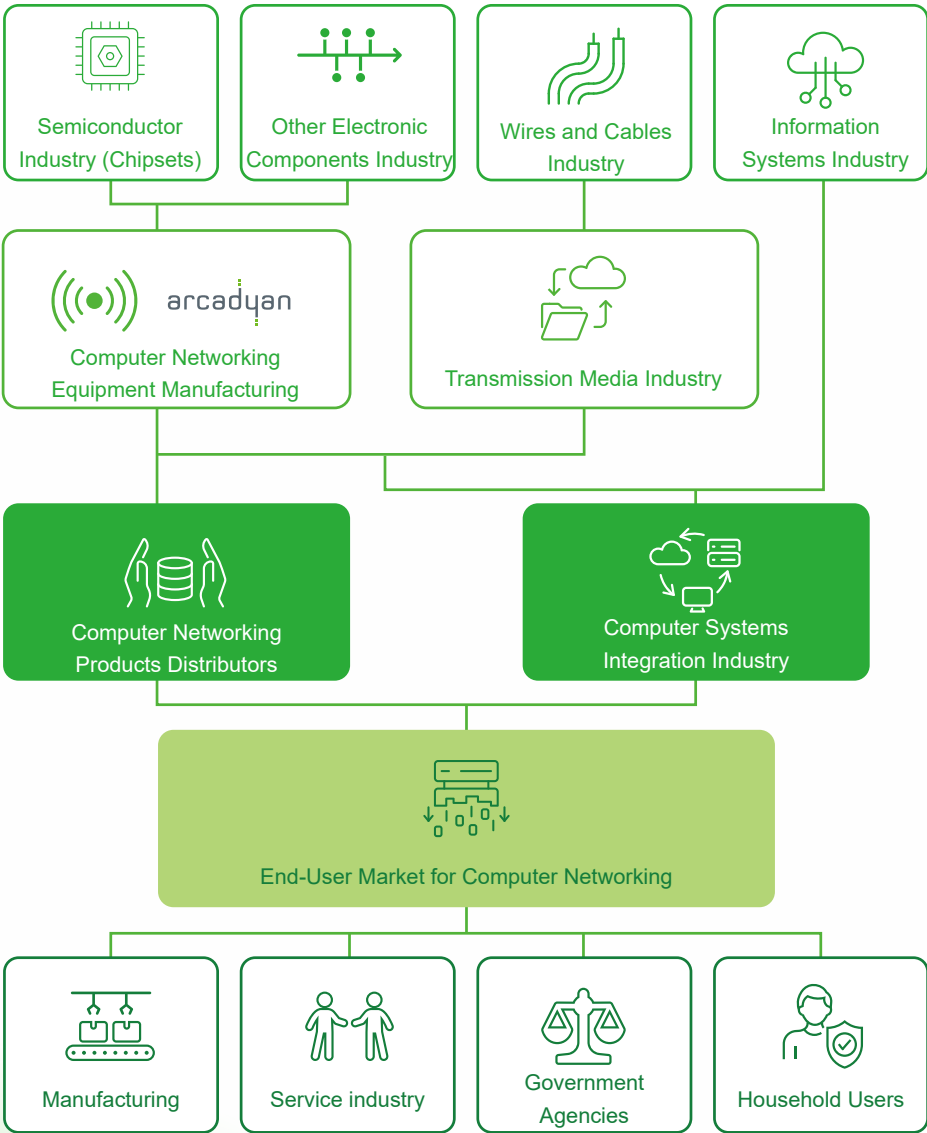
2.1.1 Product Services and Core Technologies

Arcadyan provides advanced design planning capabilities and comprehensive solutions to help clients develop differentiated products and services. By leveraging technology integration and enhancing functionality, Arcadyan introduces more added value to product development, enabling clients to sustain their competitive advantage in the market.

Understanding the growing demand for technology integration, product compatibility, and standardized platforms, Arcadyan provides a full spectrum of product lines tailored to support digital home communications and related services. These solutions are designed to meet the diverse needs of various markets and application scenarios. Arcadyan's product portfolio includes:



Industry Value Chain

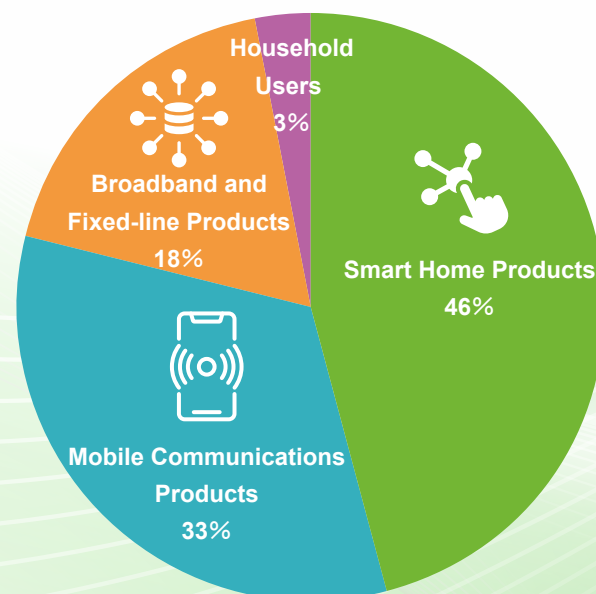


In response to the continuous evolution of 5G network technologies, the growing adoption of edge computing applications, and the rapid advancement of Artificial Intelligence (AI) and machine learning technology, Arcadyan is actively investing in the development of next-generation products to deliver high-performance and intelligent solutions to its global clients.

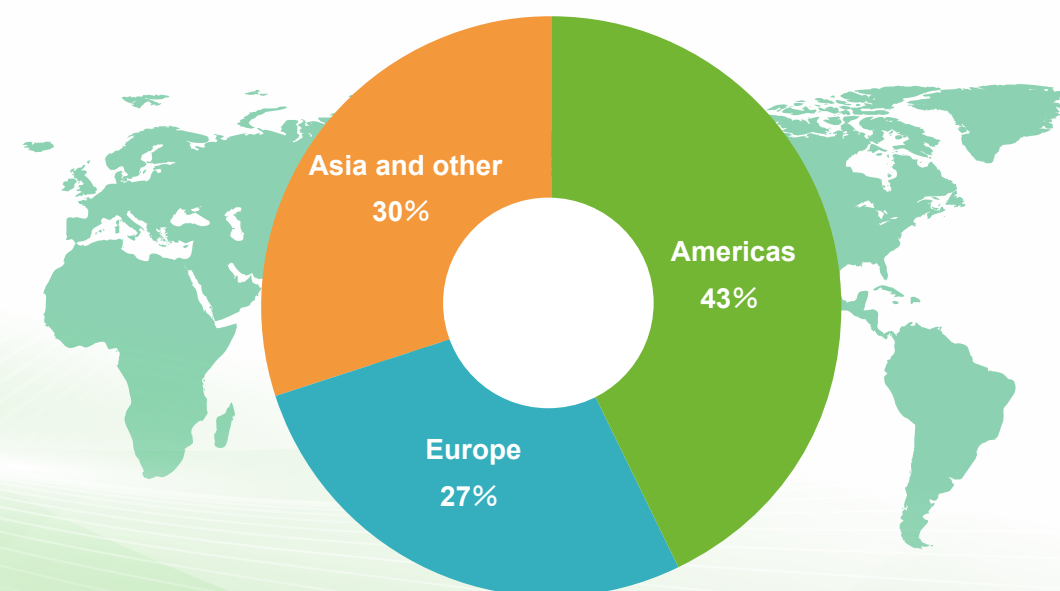
In 2024, Arcadyan completed the development of several advanced products across the following areas:

- **Next-generation networking equipment:** Including 5G Fixed Wireless Access (FWA), Client Premises Equipment (CPE), Whole Home Wi-Fi / Mesh Network solutions, smart home integration systems, 4G/LTE small cells with Self-Organizing Network (SON) capabilities, indoor and outdoor LTE routers/gateways (including VoIP Gateways), wireless routers supporting 802.11be (Wi-Fi 7), 802.11ax, and 802.11ac (single-band, dual-band, tri-band), and signal-enhancing indoor repeaters.
- **High-quality multimedia and AI application devices:** Including Android TV OTT (Over the Top) / IP Smart Set-Top Boxes, Edge AI Boxes, fiber broadband terminal devices (GPON/XGSPON/ONT, NG-PON2), and Cable Modems (DOCSIS 4.0 / 3.1 / 3.0) that support 4K Ultra High Definition and High Dynamic Range (HDR) imaging.
- **Function integration and platform optimization:** Enhancing Integrated Access Devices (IADs) with support for various wireless communication protocols such as ZigBee, Z-Wave, BLE, DECT ULE, and NFC. Introduce Artificial Intelligence (AI) automatic repair mechanisms and support the integration of multiple interfaces such as IEEE1905.1 and Easy Mesh™ R1-R5 and the continuous optimization of cloud big data analysis platforms.
- **Advanced technology development:** Accelerate the development and commercialization of innovative technologies such as the next-generation 5G Client Premise Equipment (CPE), 5G Small Cell, Multi-access Edge Computing (MEC) switch, smart home / Internet of Things (IoT) gateway interconnection, 76-80GHz automotive Blind Spot Detection (BSD) radar, Antenna Integrated PCB car anti-theft systems, and Artificial Intelligence (AI) big data cloud analysis integration platforms.

With a global market presence, Arcadyan continues to deepen its technological R&D and collaboration with clients worldwide. The revenue share for 2024 is as follows:



▲ Product Sales Distribution by Product Category in 2024



▲ Product Sales Distribution by Region in 2024

2.1.2 Operational Performance

In 2024, Arcadyan maintained stable operations. Although operating revenue decreased slightly by 4.3% compared to the previous year, the overall profitability continued to show a steady growth trend, driven by a higher proportion of high value-added products and improved operational efficiency. Arcadyan's financial performance and profitability are compiled in accordance with the International Financial Reporting Standards (IFRS). For comprehensive financial information, including capital structure, asset status, retained earnings policy, dividend policy, and its implementation status, please refer to [Arcadyan 2024 Annual Report](#).

Financial Performance

Arcadyan financial performance in 2024 is as follows:

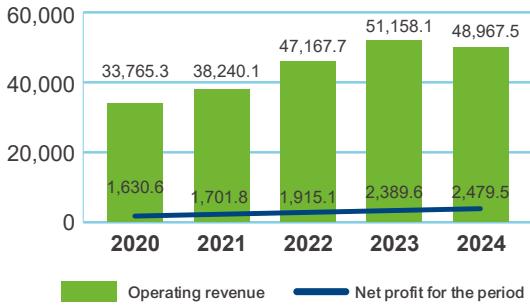
- Earnings Per Share (EPS): NT\$11.28
- Consolidated Revenue: NT\$48,967,458 thousand
- Net Income After Tax: NT\$2,479,517 thousand

Business Strategy

Arcadyan continues to expand its presence in the global telecommunications market by strengthening existing client relationships and actively developing emerging markets and potential telecommunications operators. Through its product strategies, Arcadyan extends its market coverage from copper wire fixed networks to fiber broadband and mobile broadband, offering high-efficiency customized design services and technical support to help clients achieve differentiated market positioning. In terms of technological innovation, Arcadyan focuses on the following key development priorities:

- **Enhancement of Video Platforms and Edge AI Products:** Upgrading the hardware and software capabilities of Android TV OTT and IP-STB products and expanding the Edge AI Box product line to tap into emerging markets and strengthen profitability.
- **Deepening Presence in the Multiple System Operator (MSO) Market:** Strengthening Arcadyan's leadership in the MSO market through the expansion of the Cable Modem product line and the introduction of value-added services to increase market penetration.
- **Smart Applications and Future Technology R&D:** Actively investing in emerging application areas such as smart home, Internet of Things (IoT), Artificial Intelligence (AI), 76GHz–80GHz automotive blind spot detection radar, integrated automotive antenna systems, and vehicle anti-theft solutions. Arcadyan is also committed to the ongoing development of 5G technologies, including next generation 5G CPE and small cell products.

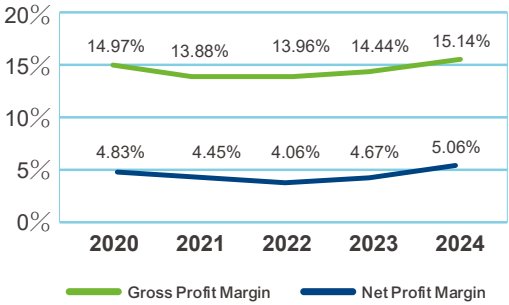
Operating Revenue and Net Profit (NT\$ Million)



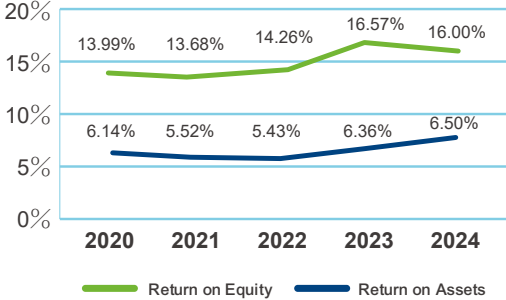
Operating Costs and Employee Salary Expenses (NT\$ Million)



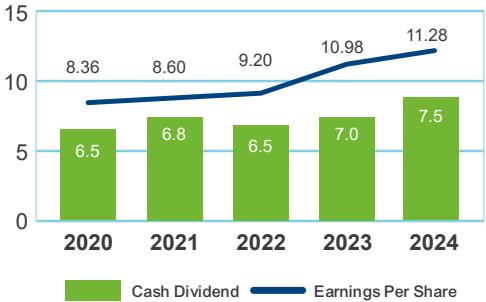
Gross Profit Margin and Net Profit Margin (%)



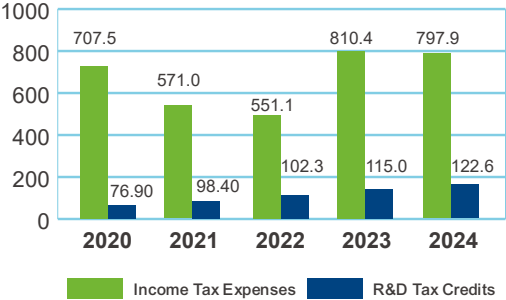
Return on Equity (ROE) and Return on Assets (ROA) (%)



Cash Dividend and Earnings Per Share (EPS) (NT\$)



Income Tax Expenses and R&D Tax Credits (NT\$ Million)



2.2 Corporate Governance

Governance Organization and Primary Responsibilities



Department	Primary Responsibilities
Board of Directors	Responsible for the overall planning and execution of the company's business strategy, and for the continuous supervision and improvement of internal control operations.
Remuneration Committee	1. Establishes and regularly reviews the policies, systems, standards, and structure for performance evaluation and compensation of directors and managerial officers. 2. Regularly evaluates and determines the compensation of directors and managerial officers.
Audit Committee	Supervises the following matters: 1. The fair presentation of the company's financial statements. 2. The appointment, dismissal, independence, and performance of the certified public accountants. 3. The effective implementation of the company's internal controls. 4. Compliance with applicable laws and regulations. 5. Control of the company's existing or potential risks.
Sustainable Development Committee	1. Formulates the company's sustainability policies. 2. Establishes the annual sustainability plan and strategic direction. 3. Monitors and reviews of the implementation and outcomes of sustainability initiatives. 4. Decides on other sustainability-related matters.
Audit Office	Plans, executes, and follows up on the effectiveness of the company's internal audit operations.
Office of the President	Develops the company's operational goals and oversees the execution of overall business activities.
Sales & Marketing Center	1. Promotes and develops sales operations. 2. Serves as the main point of contact for clients' communication and services. 3. Develops marketing strategies and manages sales operations. 4. Designs, plans, and execution of marketing projects.
New Business Development Center	Responsible for the development and implementation of innovative technologies and products, including feasibility assessments and technical integration of new product development.

Department	Primary Responsibilities
Operations Management Center	1. Manages product operations and controls project schedules. 2. Coordinates R&D and production units, arranges pilot runs, and ensures smooth mass production. 3. Oversees procurement, import/export, and production/materials management. 4. Manages product engineering, process design, product quality, and validation. 5. Builds and maintain network infrastructure, servers, and peripheral devices. 6. Plans, implements, and maintains online systems such as ERP/MES; develops operational processes and assesses feasibility. 7. Plans and executions for legal and intellectual property affairs. 8. Supports cost control for products and procurement to enhance overall profitability. 9. Responsible for production outsourcing and subcontractor management.
Software R&D Center	Develops software technologies and test programs for all company products.
Hardware R&D Center	Develops and integrates hardware technologies for all company products.
Manufacturing Center	Oversees production and capacity planning at Vietnam factories.
Finance Center	1. Handles accounting, taxation, and financial statement preparation. 2. Prepares budgets, performs variance analysis, and enforces budget controls. 3. Manages financial planning and develops short-, mid-, and long-term funding strategies. 4. Conducts cost analysis, cost accounting, and inventory planning.
Human Resources & Administration Division	1. Establishes, revises, and promotes corporate management policies. 2. Develops employee performance appraisal, promotion, and retirement systems. 3. Plans and implements training programs. 4. Manages payroll, labor and health insurance, and group insurance. 5. Oversees general administrative affairs.
Sustainable Development Office	1. Promotes and executes corporate sustainability initiatives. 2. Assists the Sustainability Development Committee in tracking the progress of sustainability-related tasks.
Operation Management Committee	Plans, executes, and supervises risk management activities.

2.2.2 Board Operations

Arcadyan upholds the core values of integrity in governance and operational transparency. In accordance with the "Company Act", "Securities and Exchange Act", and other relevant regulations, Arcadyan established its articles of incorporation, governance framework, and operational rules to continuously enhance corporate governance practices. The board of directors is Arcadyan 's highest governance body, chaired by the chairperson, and formulates the "[Board of Directors Meeting Rules](#)" to implement the effective execution of the board's responsibilities. The board of directors holds a meeting at least once a quarter, and its main responsibilities include:

- Guiding the strategic direction of the Company
 - Appointing and supervising the management team
 - Evaluating operational performance and assessing risk impacts
- Preventing conflicts of interest
 - Ensuring legal compliance and protecting shareholder rights

In 2024, Arcadyan convened four Board meetings, with an average attendance rate of 88.9%, demonstrating important level of commitment and active participation in corporate governance.

In terms of board composition and election, Arcadyan adopts a candidate nomination system in accordance with the "[Procedures for Election of Directors](#)" and reviews candidate qualifications in accordance with the "[Corporate Governance Code of Practice](#)" and elected by the shareholders. The current Board comprises nine directors, including three independent directors and one female director, strengthening gender diversity and professional balance. All directors serve a three-year term, with the current term commencing on June 15, 2023. The average age of board members ranges from 60 to 69 years, and the number of directors concurrently serving as company managers does not exceed one-third of the total board, in compliance with corporate governance regulations. Arcadyan actively promotes board diversity. In accordance with the "Company's Code of Corporate Governance Practices", and considering company's business characteristics and sustainable development needs, Arcadyan has established a diversity policy that covers, but is not limited to, the following two key aspects:

Professional Knowledge and Skills

The Board members possess diverse professional backgrounds and industry experiences, encompassing fields such as law, accounting, finance, marketing, technology research and development, and industrial management, to enhance the overall professional capabilities and governance effectiveness of the board of directors.

Fundamental Attributes and Values

Diversity is also reflected in gender, age, nationality, and cultural background, fostering the exchange and integration of different perspectives and values, and strengthening the diversity and inclusiveness of board decision-making.

By enhancing the board's competencies and promoting diversity in its composition, Arcadyan is committed to establishing a governance structure that embodies both professionalism and transparency, guiding Arcadyan toward stable operations and sustainable growth.

Board Diversity

Title	Name	Key Education & Experience	Core Competencies									Gender	Age Group
			Business Judgment	Financial Analysis	Business Management	Risk Management	Industry Knowledge	Global Market Perspective	Leadership & Decision-making	Investment and Mergers	Legal Expertise		
Chairperson	Mr. Chen, Jui-Tsung	Representative of Compal Electronics, Inc. Chairperson, Compal Electronics B.S., Electrical Engineering, National Cheng Kung University	O	O	O	O	O	O	O	O		Male	70~79
Director	Mr. Peng, Sheng-Hua	Representative of Compal Electronics, Inc. Director and EVP, Compal Electronics M.S., Electrical Engineering, National Taiwan University	O		O	O	O	O	O			Male	50~59
Director	Mr. Wang, Cheng-Chiang	Representative of Compal Electronics, Inc. VP, Compal Electronics B.B.A., Accounting, Fu Jen Catholic University	O	O	O	O	O	O	O	O	O	Male	60~69
Director	Mr. Liu, Tsung-Pao	Representative of Compal Electronics, Inc. VP, Arcadyan Technology EMBA, National Chiao Tung University	O		O	O	O	O	O			Male	60~69
Director	Mr. Tseng, Chao-Peng	President, Arcadyan Technology M.B.A., Oklahoma State University	O	O	O	O	O	O	O	O		Male	60~69
Director	Ms. Sun, Cheng-Hua	Prosecutor, Shilin District Prosecutors Office Master of Laws, Graduate Institute of National Development, National Taiwan University	O		O	O		O	O		O	Female	50~59
Independent Director	Mr. Lee, Ying-Chen	Chairperson, Kingray Optoelectronics Ph.D., Electrical Engineering, National Taiwan University	O	O	O	O	O	O	O	O		Male	70~79
Independent Director	Mr. Wen, Ching-Chang	Director, BioGenuine Biomedical Ph.D., Electrical Engineering, University of Pennsylvania	O	O	O	O	O	O	O	O		Male	70~79
Independent Director	Mr. Yang, Wen-An	Chairperson, Daben Information Platform M.B.A., National Taiwan University	O	O	O	O		O	O	O	O	Male	70~79

Functional Committees

Committees	Responsibilities	Performance in 2024
Audit Committee	Audit the company's financial statements, internal audit, and internal control systems; assessing significant asset and derivative transactions, lending of funds, endorsements or guarantees; appointment, dismissal, remuneration, and independence evaluation of certified public accountants; appointment and dismissal of financial, accounting, or internal audit officers; handling whistleblower cases; regularly reviewing legal compliance; examining risk management policies and procedures; and supervising risk management implementation.	- Held 4 meetings in 2024. - Independent directors' attendance rate: 83.3%.
Remuneration Committee	The Remuneration Committee is responsible for assisting in evaluating and approving the remuneration of directors and managerial officers, ensuring that it is consistent with individual performance and company operating results, thereby achieving reasonable remuneration structures and retaining outstanding talents.	- Held 4 meetings in 2024. - Committee members' attendance rate: 83.3%.
Sustainability Development Committee	The Sustainability Development Committee serves as the company's internal sustainability decision-making center. It is responsible for identifying material sustainability issues, formulating responsive action plans, setting targets and revising policies on sustainability topics, overseeing the implementation of sustainability initiatives, and evaluating execution performance.	- Held 3 meetings in 2024. - Committee members' attendance rate: 88.9%.

Board Enhancement

To strengthen the competencies of board members and align with international governance trends, Arcadyan organizes board training programs in accordance with the "Guidelines for the Continuing Training of Directors and Supervisors of TWSE and TPEX Listed Companies." The training covers key topics such as corporate governance, information security, corporate sustainability, and risk management, helping directors understand global trends and the latest regulatory requirements, strengthening forward-looking decision-making and governance effectiveness. In 2024, all Arcadyan board members completed the annual training requirements, with each director averaging 6.7 hours of continuing training, and demonstrating Arcadyan's commitment to enhancing board professionalism and awareness of responsibilities.

Course Title	Training Hours
Outlook 2024: Global Political, Economic, and Financial Trends and Strategic Responses for Taiwanese Enterprises	3 hours
Export Trade Controls and Procurement Fraud in Supply Chains under Geopolitical Risks Facing High-Tech Manufacturing	9 hours
Strengthening Taiwan's Capital Market Summit	6 hours
Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
ESG Policies and Net Zero Regulations Impacting Financial Reporting – A Practical Analysis of the Latest Annual Report Requirements	6 hours
20th (2024) Corporate Governance International Summit: Enhancing Governance through Talent Strategy	6 hours
Shareholders Meetings, Management Rights, and Equity Strategies	3 hours

Course Title	Training Hours
Driving Corporate Innovation and Growth through Five Key Dimensions	3 hours
Insider Shareholding Advocacy Seminar for Emerging Stock Companies	3 hours
2024 Taishin Net Zero Summit	3 hours
The Development and Challenges of the Precision Care Industry in the Context of Sustainable Development	3 hours
Key Financial and Tax Issues for 2024	3 hours
How to Establish Effective Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) Compliance Systems	3 hours
Comprehensive View of Sustainability-Oriented Internal Controls	3 hours
Money Laundering patterns for Certified Public Accountants (CPAs) and Analysis of Tax-Related Criminal Cases	3 hours

Board Performance Evaluation and Remuneration Policy

To fulfill the responsibilities of the Board and enhance governance effectiveness, Arcadyan conducts annual internal self-evaluations in accordance with the "[Board and Functional Committees Performance Evaluation Policy](#)" and commissions external evaluations from professional institutions or academic expert teams every three years. In 2024, the internal evaluation covered the entire Board, each functional committee, and individual Directors, with overall results reaching "significantly exceeding standards," demonstrating the Board's effective performance.

Arcadyan director's remuneration system is implemented in line with [Arcadyan's Articles of Association](#). If a profit is made each year, a maximum of 2% of pre-tax net profit, calculated before the deduction of employee and director compensation, will be allocated as director compensation. The actual amount will be determined based on Arcadyan's overall performance, the director's contribution, and industry benchmarks. It is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

Compensation for senior executives, such as the Chairman, General Manager, and Deputy General Manager, is determined in accordance with Arcadyan's compensation policy, considering individual's job level, professional competence, educational background, and responsibilities, and are further linked to performance evaluations based on both financial and non-financial indicators. The compensation structure consists of 70% financial indicators—such as individual performance achievement and contributions to operation performance; and 30% non-financial indicators—such as project leadership, compliance performance, and internal control effectiveness. This ensures that the compensation structure is aligned with Arcadyan's long-term sustainability goals. Arcadyan is committed to regularly reviewing and optimizing its executive remuneration policy in response to actual business performance and evolving regulatory trends. For detailed information on remuneration, please refer to "[Arcadyan 2024 Annual Report](#)".

2.3 Risk Management

In the face of rapid global economic and geopolitical changes, as well as the multiple challenges posed by climate change, business risks have become increasingly diverse and complex, including regulatory changes and competitive pressures, extreme weather events and natural disasters. To strengthen corporate governance and systematically identify and manage operational risks, Arcadyan established its ["Risk Management Policy and Procedures"](#) in 2022, establishing a consistent and sustainable risk management framework for the Group.

The Board of Directors serves as the highest governing body for risk management, responsible for reviewing and supervising Arcadyan overall risk management strategies and policies. The Audit Committee assists the Board by monitoring the effectiveness of the risk management system. The Executive Management Committee, chaired by the President, is responsible for coordinating risk identification, assessment, and response measures, assigning appropriate departments to implement these tasks. Committee members include representatives from key functions such as procurement, finance, legal, information technology, R&D, quality management, and overseas operations centers, ensuring that risk management is fully integrated into daily operations. The committee holds annual meetings and conducts systematic risk assessments to ensure early identification of potential risks, effective responses, and continuous improvement of risk management practices, further enhancing Arcadyan's overall resilience and sustainability.

Risk Management Organization



2.3.1 Operational Risk Management Procedure

Arcadyan established "Operational Risk Management Procedure" that encompasses five key elements: Risk Identification, Risk Analysis, Risk Assessment, Risk Response, and Monitoring & Review. These serve as the core framework of Arcadyan's risk management system. Through this procedure, Arcadyan systematically identifies and assesses potential operational risks, encompassing environmental, economic, corporate governance, and social dimensions, across its global operational sites and subsidiaries. For significant risks identified, Arcadyan formulates response strategies based on the nature and impact of each risk. These strategies include preventive measures, contingency mechanisms, risk controls, and Business Continuity Plans (BCP) to minimize operational disruptions and enhance corporate resilience. Arcadyan also conducts regular reviews and continuous improvements to ensure its risk management measures aligned with global operational conditions, ensuring proactive risk management and sustainable development goals.

Risk Identification

Arcadyan identifies potential risk events that may hinder operation objectives or cause financial losses and reputational impact by integrating past experiences with the latest information. This process considers both internal and external risk factors, stakeholder concerns, and strategic and operational aspects to ensure comprehensive risk detection.

Risk Analysis

For each identified risk event, Arcadyan conducts quantitative or qualitative analyses to evaluate the probability of occurrence and the potential impact. Risks are then classified according to risk tolerance, and corresponding management strategies are developed for each risk severity.

Risk Assessment

Risk evaluation involves comparing analysis results and risk tolerance thresholds to identify high-risk projects that require priority. Based on the risk level and probability, Arcadyan develops corresponding response mechanisms to improve the efficiency of risk handling and optimize resource allocation.

Risk Response

Response plans are formulated according to the results of the risk assessment and continuously tracks and monitors the results. Each response must consider Arcadyan's strategic objectives, stakeholder expectations, risk tolerance, and available resources to ensure a cost-effective implementation.

Monitoring and Review

The Executive Management Committee and the Risk Management Execution team hold regular meetings to conduct risk oversight and review. Audit findings and review results are incorporated into Arcadyan's internal performance evaluation system and linked to core operational processes to strengthen the effectiveness and enforcement of the risk governance framework.

Arcadyan ISO 22301 Business Continuity Management Policy

- Effectively manage any unforeseen events that could potentially disrupt company operations.
- Ensure that critical products and services are restored to clients within the agreed-upon timeframe in the event of an operational disruption.
- Minimize potential impacts of any operational disruptions on Arcadyan and its reputation.

As part of its risk management framework, Arcadyan incorporates policies on risk reporting and information disclosure to enhance transparency and meet stakeholder expectations regarding risk governance. The key elements include:

Risk Documentation	Arcadyan maintains comprehensive records throughout the risk management process, including risk identification, assessment, response, and monitoring. All activities are documented, reviewed, and reported to ensure traceability and to support future audits and continuous improvement efforts.
Risk Reporting	To address the diverse concerns and information needs of various stakeholders, Arcadyan has established a risk reporting mechanism that defines the frequency, timeliness, and methods of reporting. The information disclosed is aligned with Arcadyan's operational goals and decision-making processes, enabling all levels of the organization to stay informed about risk conditions.
Information Disclosure	Material risk-related information is disclosed through Arcadyan's official website or the Market Observation Post System (MOPS) to ensure transparency and public accessibility. Updates are provided in a timely manner to ensure that external stakeholders have access to accurate and up-to-date risk information.

2.3.2 Risk and Opportunity Management

Through a systematic risk identification and assessment mechanism, Arcadyan conducts a comprehensive review of potential risks associated with its operations. In 2024, a total of twenty-seven risk items were identified, covering economic, environmental, and social aspects. Following risk analysis and classification, Arcadyan prioritized those risks with the highest potential impact, narrowing its focus to nine economic risks, four environmental risks, and 3 social risks. For each of these critical risks, Arcadyan developed management strategies and response measures, while also assessing their potential for transformation into opportunities, strengthening its resilience and adaptability in an increasingly dynamic and uncertain global environment.

Aspect	Risk Type	Impact	Response Measures	Opportunities
Economic	Business Continuity	Natural disasters (typhoons, earthquakes, tsunamis), epidemics, geopolitical conflicts (e.g., US-China trade war, Russia-Ukraine war, Israel-Gaza war), and other events may disrupt production and supply chains.	- Arcadyan certified ISO 22301 Business Continuity Management system for key global sites. Regular risk assessments of business operations (including supply chain, production transfer, infectious diseases, and emergency responses). And established Business Continuity Plans (BCPs). - Expanded AVC Vietnam Manufacturing Center (Plant 2) and partnered with overseas contract manufacturers in India and Brazil, leveraging a diversified and flexible production model.	【 Diversified production sites enhance supply chain resilience and clients confidence 】 Proactive expansion of the Vietnam facility since 2020, with further upgrades in 2023, demonstrates Arcadyan's readiness to manage disruptions and ensure service continuity.
	Regulatory Compliance	Non-compliance risks due to delayed understanding of new regulations	- Arcadyan Board of Directors serves as the highest governance body and the center for major operational decisions. It is responsible for appointing and supervising management, overseeing operational performance, preventing conflicts of interest, and ensuring compliance with various laws and regulations. - Arcadyan actively participates in global environmental initiatives and actions, disclosing carbon emissions, carbon reduction achievements, and identifying regulatory and physical risks to reduce operational risks and costs and enhance corporate sustainability.	【 Demonstrating compliance capabilities reflects corporate responsibility and supports ESG ratings 】 Regular tracking of global environmental, product, labor, and social regulations shortens response time and reduces legal risk.
	Business Performance	Lack of transparency or deficient performance impacting investor confidence, legal violations, potential lawsuits, and operational risks	- Discloses financial performance, industry trends, and outlooks via "Investor Section" of corporate website and annual reports. - Holds annual shareholder meetings and provides accessible communication channels (investor@arcadyan.com) for investors.	【 Robust performance strengthens investor trust and willingness to collaborate 】 Stable financial outcomes enhance shareholder confidence and attract business opportunities.
	Information Security	Leakage of confidential information or system failure, Data breaches, reputational damage, operational interruptions	- Arcadyan certified ISO 27001 Information Security Management system for information security across key global sites, conducts regular risk assessments and implements protective and response measures. - Arcadyan certified ISO 27005 Information Risk Management system to strengthen threat identification and mitigation systems.	【 Enhanced data protection builds trust and meets international cybersecurity standards 】 Comprehensive incident management reduces potential threats and ensures system integrity.
	Client Service Management	Product or service quality not meeting client expectations, Loss of client satisfaction, reputation, and business relationships	- Arcadyan certified ISO 9001 and TL 9000 quality management systems at all key operational sites. Uploads performance metrics to the QuEST Forum monthly, outperforming telecom industry standards. - Sets KPIs across R&D, quality, procurement, and client service. - Arcadyan conducts annual customer satisfaction surveys and regular business reviews (QBRs).	【 Enhancing customer satisfaction fosters long-term strategic partnerships 】 Reliable, high-quality products build strong, trusted client relationships.

Aspect	Risk Type	Impact	Response Measures	Opportunities
Economic	Integrity Management and Anti-Corruption	Improper behavior may damage a company's reputation or result in penalties	- Established policies such as the "Business Ethics Policy," "Ethical Corporate Management Principle," and "Procedures for Ethical Management and Guidelines for Conduct" to foster integrity and ethical behavior. - Conducts annual due diligence and position risk assessments to prevent misconduct such as bribery, money laundering, fraud, and collusion. - Provides an anonymous reporting channel (ethics@arcadyan.com) for internal and external stakeholders.	【 Promoting a culture of integrity enhances international partnerships 】 Transparent governance and anti-corruption practices increase shareholder and business partner trust.
	Technology and R&D	Insufficient innovation affecting product competitiveness and time-to-market	- Arcadyan engages clients through technical visits, forums, and conferences to align R&D direction with market demand. - Strong in-house R&D team with advanced software development capabilities enables fast and tailored product development.	【 Leading technological trends and developing differentiated products 】 Innovation capabilities enhance client's collaboration and market leadership.
	Supply Chain Management	Lack of monitoring and contingency planning leading to quality or material shortage issues. Production disruptions, quality risks, regulatory non-compliance	- Follows international standards (e.g., TL 9000, ISO 14001, ISO 22301) for supplier audits, hazardous substance control, and supply chain risk assessments. - Implemented "Sustainable Procurement Policy" requiring "CSR commitment" from suppliers and annual CSR audits. - Comply with environmental and green product standards by implementing QC080000 and promoting halogen-free and conflict-free materials. - Multi-source strategy for key materials (except CPU). - Launched "Go Green with Arcadyan" supplier carbon reduction program in 2023.	【 Building a resilient and sustainable supply chain aligned with global procurement expectations 】 Enhances risk responsiveness and operational continuity.
	Geopolitical Risk	Trade restrictions or political conflicts disrupt production and markets. Supply chain delays, market access barriers	- Arcadyan certified to ISO 22301 Business Continuity Management at key global sites to regular operational risk assessments covering supply chain, production transfers, pandemics, and emergency scenarios. - Expanded Vietnam plant (AVC Plant 2) and diversified manufacturing with partners in India and Brazil. - Operational risks also assessed by the Executive Management Committee across all departments.	【 Proactive diversification reduces geopolitical risk and increases market responsiveness 】 Early expansion in Vietnam (since 2020) ensures business continuity.

Aspect	Risk Type	Impact	Response Measures	Opportunities
Environmental	Green Products	Non-compliance with regulations or client requirements may result in lost orders	- Arcadyan certified ISO 14006 for eco-design standards and ensures compliance with energy regulations through product testing. - Products are designed with green concepts: use of low-toxicity materials, energy-saving design, minimal packaging, and easy disassembly. - Develops eco-friendly products to meet client demands, and applies for Product Carbon Labels, Green Marks, or Carbon Footprint Verification.	【 Capturing green product opportunities enhances brand value 】 Arcadyan reduces environmental impact while boosting product competitiveness and corporate image.
	Circular Economy	Inefficient resource usage and inability to meet clients' design-for-recycling requirements	- Arcadyan certified BS 8001 Circular Economy certification in 2021, integrating circular principles into product R&D. ° - Designs maximize the value of products, components, and materials through recoverable and renewable features, meeting circular economic standards and eco-friendly goals.	【 Developing resource-efficient products aligns with clients' sustainable procurement policies 】 Implements the concept of circular economy in the product design and development process to meet client requirements and drives order growth.
	Climate Change and Carbon Management	High energy use and carbon emissions create reputational and regulatory risks	- Participates in the Carbon Disclosure Project (CDP) since 2009 to monitor and reduce operational risks and costs. - Key global sites are ISO 14064-certified for GHG inventory, with emission reduction plans in place. - Arcadyan installed solar panels at its Vietnam plant in 2022, which reduced energy usage by approximately 7.5%. A 2024 expansion is expected to boost solar power to 20% of the plant's total consumption, and the company is also purchasing green energy certificates. - Approved by SBTi-aligned targets in 2024 and committed to net-zero by 2040~2050.	【 Transitioning to low-carbon manufacturing supports ESG-driven clients demand 】 Sets emission reduction measures to enhance Arcadyan's environmental image and long-term sustainability.
	Energy Resource Management	Energy waste increases operational costs and may breach regulatory compliance	- Electricity is the main source of GHG emissions; monthly tracking via KPI system is used to monitor and optimize energy performance. - Certified to ISO 50001 for energy management at headquarters and Vietnam manufacturing center. - Launched Smart Energy Saving Project in 2023 using power monitoring systems and frequency inverters to improve efficiency and reduce consumption.	【 Energy savings reduce cost and demonstrate environmental performance 】 Enhances compliance, operational efficiency, and supports client sustainability standards.

Aspect	Risk Type	Impact	Response Measures	Opportunities
Social	Human Rights & Equality	Violations such as discrimination, child labor, or exploitation	- Adheres to the UN Global Compact's 10 principles and supports the UN Sustainable Development Goals (SDGs). Established "Human Rights Policy" to ensure fair and respectful treatment for all employees and prohibit any human rights violations. - Provides grievance mechanisms including a dedicated email (hr_hq@arcadyan.com) and hotline to report issues anonymously without fear of retaliation. - Maintains positive labor relations through regular labor-management meetings.	【Fostering a corporate culture that respects human rights earns international recognition】 Builds employee loyalty and fulfills corporate social responsibility (RBA, JAC).
	Occupational Health & Safety	Workplace incidents may result in injury or operational disruption	- Certified to ISO 45001 Occupational Health and Safety Management System since 2005; Vietnam center certified in 2023 to implements risk assessments with quantitative metrics and ongoing safety improvements. - Conducts safety training including emergency response, first aid, and fire safety. - Offers regular health check-ups, with an on-site health center staffed by professional medical personnel. - Enforces four labor health protection programs including work overload, maternity health, ergonomic hazards, and unlawful harm.	【Building a safe and healthy workplace increases employee loyalty and productivity.】 Promotes long-term workforce stability and reduces occupational risks.
	Labor & Employee Relations	Poor communication or inadequate systems may lead to disputes or high turnover	- Arcadyan offers competitive and legally compliant compensation packages, including fixed monthly salary, year-end/holiday bonuses, patent, and project bonuses. - Conducts regular labor-management meetings to review systems and prevent disputes. - Forms a labor-management committee, collects employee feedback, and addresses issues through formal communication channels. - Use internal platforms and email for transparent and accessible communication.	【Enhancing employee engagement attracts and retains top talent】 Competitive pay and open communication channels improve morale and reduce turnover.

Emerging Risks

Risk Topic	Risk Description	Potential Impact on Arcadyan	Response Strategies	Opportunities
Talent Shortage	Aging populations and declining birth rates are causing talent shortages. Arcadyan faces increasing challenges in recruitment and retention, particularly for skilled and managerial positions, which may hinder growth, innovation, and operational efficiency.	As global business expands, demand for R&D, product development, and management talent increases. Failure to recruit or retain key personnel may delay project timelines, reduce operational efficiency, and erode competitiveness.	• Succession Planning: Identify key roles and cultivate internal successors to ensure long-term talent continuity. • Talent Development: Implement programs to discover and train high-potential employees with technical and leadership skills. • Diverse Learning Platforms: Provide cross-functional training and innovation-driven programs to enhance global competitiveness. • International Recruitment: Attract overseas professionals, particularly in engineering and tech fields.	Fostering a learning-oriented organizational culture enhances global competitiveness and strengthens corporate image.
Misinformation & Disinformation	• The rapid spread of misinformation, fueled by digital media and generative AI, can harm brand reputation. • Inaccurate AI output may lead to poor decision-making, flawed internal processes, or external miscommunication if not properly validated. • If erroneous information is not identified and processed in a timely manner, it may increase management costs and the difficulty of repairing trust.	• Undetected misinformation may damage the Arcadyan brand, cause client distrust, reduce stockholder confidence, and increase corrective costs. • Incorrect information may impair decision quality, operational effectiveness, and long-term competitiveness. • Arcadyan needs to face additional communication, correction, and trust-building costs, which increases operational risks.	• Digital Literacy Training: Conduct training on media literacy, AI content verification, and responsible digital usage. • Real-time Clarification Mechanism: Establish dedicated teams to monitor, identify, and respond to misinformation promptly. • AI Output Review: Implement internal AI content validation to ensure factual accuracy before use. • Crisis Simulation: Conduct drills based on potential information risk scenarios to improve readiness and response.	Building a credible information governance system enhances stakeholder trust and corporate resilience.

2.3.3 Information Security System Establishment and Management

In response to an increasingly complex and dynamic information threat environment, Arcadyan upholds the philosophy that "Information Security is Everyone's Responsibility" and promotes company-wide participation in information security governance. Arcadyan adopted the Plan-Do-Check-Act (PDCA) management cycle to build a comprehensive Information Security Management System, ensuring the continuity and effectiveness of its protective measures.

For the several types of information assets involved in operations, Arcadyan conducts regular annual risk assessments and implements corresponding control measures based on the level of risk. Arcadyan has also established policies for the storage and processing of third-party data to effectively reduce or transfer potential risks. These actions aim to safeguard the confidentiality, integrity, and availability of Arcadyan's information, and to prevent the leakage, loss, or misuse of sensitive information and personal data.

Both Arcadyan headquarters and its Vietnam Manufacturing Center have certified for ISO 27001 Information Security Management System and ISO 27005 Information Risk Management, demonstrating the Arcadyan's commitment to institutionalizing information security and aligning with international standards. To further strengthen data leakage prevention, Arcadyan has implemented a Data Loss Prevention (DLP) mechanism, strictly regulating the use of high-risk channels such as communication software and external storage devices. Additionally, Arcadyan has enhanced its mobile device usage policies to comprehensively improve its resilience and response capabilities in information security, ensuring the protection of clients' confidentiality, personal data, and intellectual property.

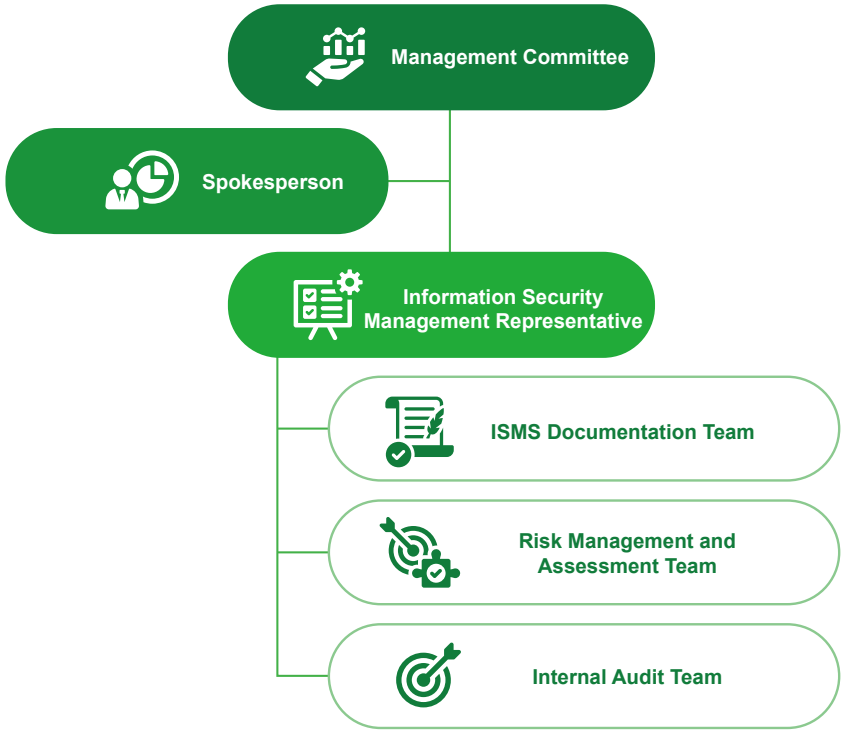
ISO 27001 Information Security Policy

- Ensure the confidentiality of information related to the business of the Company to prevent breaches or losses of the Company's sensitive information and individual data.
- Ensure the completeness and availability of the Company's business information to perform the operation and various business of the Company correctly.

Information Security Management Framework

To enhance corporate information security governance, Arcadyan has established the Information Security Management Committee as Arcadyan's highest decision-making and management body for cybersecurity. This committee is responsible for formulating information security strategies and allocating resources accordingly. Led by senior management, the committee appoints an Information Security Management Representative (a designated specialist) to oversee daily operations and ensure effective implementation.

Under the committee, three dedicated working groups have been established: the Document Editing Team, the Risk Management and Evaluation Team, and the Internal Audit Team. These teams are respectively responsible for the development and maintenance of information security documentation, risk assessments and control measures, and internal audits with corrective action tracking—together forming a comprehensive governance mechanism. The Information Security Management Representative provides regular reports to the committee every six months, covering management performance, emerging issues, and strategic directions. This ensures that the overall information security system remains compliant, relevant, and effective on a continual basis. The Information Security Management Representative provides regular reports to the committee every six months, covering management performance, emerging issues, and strategic directions. This ensures that the overall information security system remains compliant, relevant, and effective on a continual basis.



Information Security Management Mechanism

To ensure the confidentiality, integrity, and availability of its information assets, Arcadyan has established internal control mechanisms and an information security documentation system in line with the ISO 27001 Information Security Management Systems. Arcadyan continually strengthens its risk response capabilities by conducting regular internal and external security audits. These audits include risk grading and vulnerability scanning of process-related databases, as well as regular updates to the information asset inventory. To enhance operational resilience, Arcadyan implements a range of control measures such as Business Impact Analysis (BIA), disaster recovery drills, account permission reviews, firewall configuration audits, cybersecurity training, penetration testing, management review meetings, and unannounced social engineering simulations. These efforts ensure the continuous improvement of Arcadyan 's information security defense systems. Since 2020, Arcadyan has maintained cyber insurance coverage to mitigate the potential financial risks of information security incidents. In 2024, the insured amount reached USD 3 million, demonstrating Arcadyan's strong commitment and forward-looking approach to information security risk management.



Information Security Awareness and Training

To strengthen employees' awareness of information security and ensure the implementation of proper behavioral practices, Arcadyan promotes diversified awareness campaigns and training mechanisms. These initiatives help employees stay updated on the latest cybersecurity trends, enhance their vigilance, and serve as the first line of defense.

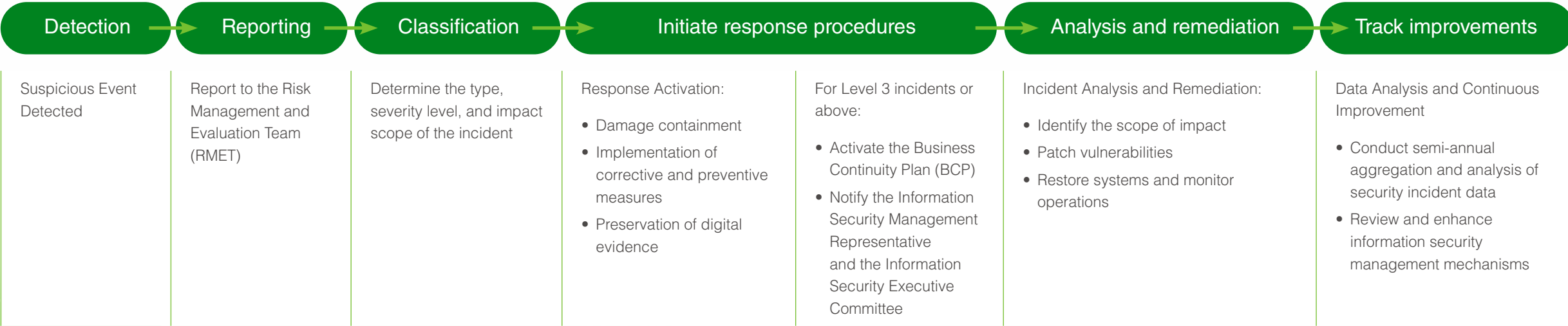
Program	Implementation Approach	2024 Result
Cybersecurity Awareness Communications	Irregularly released information security announcements and news, covering topics such as anti-fraud, phishing emails, hacker attacks, system vulnerabilities, ransomware, and malicious links, to enhance employees' ability to recognize and respond to emerging cyber threats.	- Sixty-seven awareness communications at Arcadyan Headquarters - twelve awareness communications at the Vietnam Manufacturing Center
Social Engineering Phishing Simulations	Quarterly phishing email simulation tests to strengthen employees' ability to detect suspicious emails. Employees who failed the tests were provided with re-education sessions to enhance their cybersecurity vigilance and ensure awareness is practiced in daily operations.	- Eight phishing simulation exercises at Arcadyan Headquarters - Two phishing simulation exercises at the Vietnam Manufacturing Center
Cybersecurity Awareness Training	Quarterly security awareness training sessions for employees at Arcadyan Headquarters and the Vietnam Manufacturing Center. Individual training was provided to personnel who violated security protocols. New employees received mandatory cybersecurity orientation upon onboarding to instill security-conscious habits and foster a cybersecurity culture.	- Four online cybersecurity awareness training sessions at Headquarters - Three cybersecurity awareness training sessions at the Vietnam Manufacturing Center

Confidential Information Breach Handling Procedure

Arcadyan has established a comprehensive incident management mechanism to ensure that confidential information breaches are promptly addressed, and their impact minimized. The Information Security Management Representative is responsible for overseeing damage control authorization, reviewing incident data, and regularly reporting statistics, analysis results, and improvement recommendations to the Information Security Executive Committee to enhance governance capabilities.

Incident handling is executed by the Risk Management and Evaluation Team (RMET), which is responsible for receiving reports, determining incident severity and impact, coordinating cross-departmental response actions, and continuously tracking progress. All employees are required to be familiar with the reporting process and must report any suspicious incidents immediately to enable timely response.

Arcadyan classifies information security incidents into four levels, ranging from minor impacts on non-core operations to major breaches and interruptions affecting core business. Upon detection, an incident report form must be completed, and appropriate corrective and preventive measures are implemented according to the severity level. For Level 3 incidents or higher, the Business Continuity Plan (BCP) is immediately activated, and the Information Security Management Representative as well as the Executive Committee are notified. Throughout the process, digital evidence, such as system logs and audit trails, must be preserved to ensure traceability and support subsequent investigations. After the incident is handled, the RMET identifies the scope of impact and performs root cause analysis, coordinating the remediation and system recovery process. If systems are found to be infected with malicious software and cannot be fully sanitized, a clean environment will be rebuilt to eliminate residual risks. Post-recovery systems will be monitored and tested to ensure all vulnerabilities have been resolved and operations are functioning normally. The RMET conducts semi-annual security incident statistics, reviewing and analyzing the effectiveness of improvement measures to continuously strengthen Arcadyan's incident response capabilities and reduce the likelihood of recurrence.



Prevention of Unauthorized Third-Party Access or Disclosure of Information

To comprehensively safeguard Arcadyan's and clients' information assets and prevent the risk of unauthorized third-party access or data leakage, Arcadyan has established a multi-layered information security control mechanism. This mechanism extends from core account management to mobile device and network usage, reinforcing access control and minimizing the risk of unauthorized access.

The key control measures are as follows:

Mobile Devices and Remote Access Control Measures

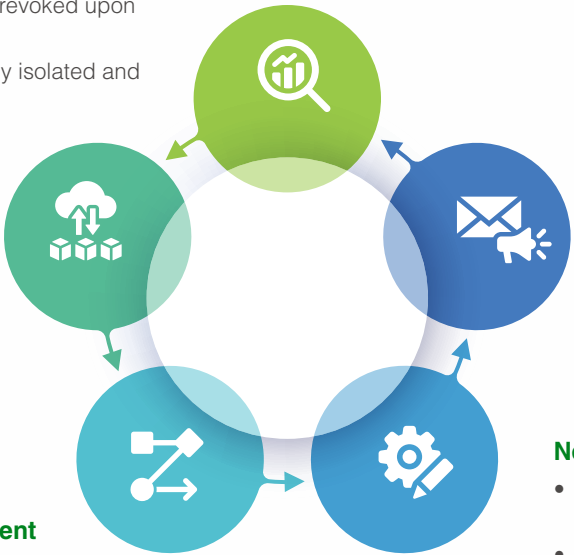
- External devices must be approved and subject to management controls before connection.
- Remote access privileges must be promptly revoked upon completion of remote operations.
- Confidential data must be stored in a securely isolated and controlled environment.

Server and Database System Log Management

- Record access activities of system and database logs and retain logs in accordance with specified retention periods.
- Support cybersecurity incident investigations and audit operations to enhance traceability.
- Implement automatic logout mechanisms to reduce risks associated with idle accounts.

Restrictions on Anonymous and Guest Account Management

- Prohibit anonymous and guest account logins to systems.
- Prohibit the use of unauthorized encryption and decryption tools.
- Shared accounts must be controlled in accordance with internal control regulations.



Account and Access Rights Management Mechanism

- Establish a full account lifecycle management system covering application, approval, activation, modification, and deactivation processes.
- Require users to change default passwords upon first login.
- Adjust account permissions immediately upon employee resignation or job transfer.
- Enforce regular and ad hoc password updates that meet complexity requirements.
- Enhance authentication security by fully implementing Multi-Factor Authentication (MFA).
- Require privileged account applications to undergo approval and periodic permission reviews to uphold the principle of least privilege.

Network Usage and Information Security Management Measures

- Prohibit the use of unauthorized software, downloading of files, or browsing of non-compliant websites.
- Establish real-time network behavior monitoring and auditing mechanisms.
- Provide account activity records to judicial authorities, when necessary, in accordance with legal requirements, ensuring compliance with applicable laws and regulations.

Information Data Retention and Management

Arcadyan has established a comprehensive mechanism for information data retention and log management to ensure complete traceability of data access activities. All servers and database systems are equipped with logging functions and defined retention periods. System logs are retained for at least one year, while logs from firewalls and core switches are preserved for no less than three months. Depending on applicable laws and regulations, contractual obligations, and practical needs, relevant records may be retained for extended periods to support investigations and audits related to information security incidents.

All access records across Arcadyan's operations are strictly controlled to prevent unauthorized tampering, deletion, or leakage. To mitigate the risks of misuse from idle accounts, all critical systems are equipped with auto-logout functions, and user access rights are regularly reviewed and audited. Additionally, the effectiveness of Arcadyan's information security management system is continually assessed through both internal and external audits.

Regarding information asset management, Arcadyan conducts risk assessments and applies appropriate control measures based on asset sensitivity and risk characteristics. Retention periods for third-party data are also clearly defined to minimize the risk of data leakage or loss. These efforts enhance operational resilience and the overall level of information security protection. As of 2024, Arcadyan has reported zero incidents involving client privacy violations or other major security breaches across all global sites, demonstrating Arcadyan's strong commitment to data security and continuous improvement.

Handling, Sharing, and Retaining Confidential Information

Arcadyan places great importance on the protection and proper use of information assets. Through institutionalized management and ongoing awareness initiatives, Arcadyan ensures that all confidential information is handled, shared, and retained in full compliance with applicable laws and stakeholder expectations, while fulfilling its corporate responsibility for information confidentiality. Specific management practices include:

- **Employee Confidentiality Obligations:** All new employees are required to sign and comply with Arcadyan's written or implied confidentiality policies upon onboarding. During employment, employees are responsible for maintaining the confidentiality of information related to clients, suppliers, and other business partners, and must fulfill their information security responsibilities within the scope of their roles.
- **Information Security and Data Protection:** Employees must properly manage electronic files, printed documents, and communication records to prevent unauthorized access, leakage, or misuse. Through the implementation of information security policies, audit mechanisms, and training programs, Arcadyan strengthens employee awareness and actions to protect Arcadyan's and stakeholders' information assets.
- **Website Privacy Policy Disclosure:** Arcadyan clearly discloses its "[Privacy Policy](#)" at the bottom of its official website homepage, including a notice stating: "This website uses cookies to enhance your browsing experience. By using this website, you consent to our use of cookies." This ensures informed consent from visitors regarding personal data processing, in accordance with legal requirements and digital transparency principles.

Through these management practices and stakeholder communication mechanisms, Arcadyan continuously strengthens its security governance to ensure that the handling, storage, and sharing of all sensitive information is lawful, appropriate, and secure.

2.4 Integrity Management

Arcadyan upholds the core value of integrity in business operations, establishing a robust corporate governance and risk control framework. Through policy formulation, training, preventive measures, and whistleblowing channels, Arcadyan fully implements integrity management to ensure all business activities are conducted legally and in compliance, thereby strengthening corporate resilience and sustainability.

Policy Formulation

In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," Arcadyan has formulated and disclosed the "[Ethical Corporate Management Principle](#)", "[Procedures for Ethical Management and Guidelines for Conduct](#)", and the "Code of Conduct for Directors and Managers", all approved by the Board of Directors. In addition, the "[Business Ethics Policy](#)" is stipulated in the personnel management regulations, clearly demonstrating Arcadyan's commitment to ethical operations. To enforce high standards of ethical risk prevention, Arcadyan explicitly prohibits the following activities:

- ✕ Bribery and corruption

✕ Provision of illegal political contributions

✕ Improper charitable donations or sponsorships

✕ Unreasonable gifts, hospitality, or other improper benefits
- ✕ Infringement of intellectual property rights

✕ Unfair competitive practices

✕ Products or services that harm stakeholder interests

In 2024, Arcadyan received a whistleblowing case related to integrity or corruption. Internal investigation found no material violations. Arcadyan was not involved in any litigation or penalties related to corruption, bribery, fraud, insider trading, anti-competitive behavior, antitrust, monopoly, or market manipulation—demonstrating Arcadyan's effective governance and legal compliance.

Training and Awareness

To cultivate a strong culture of ethical conduct, Arcadyan established the Employee Code of Conduct in 2007, which was comprehensively revised in 2021 as the "[Business Ethics Policy](#)". The policy covers key topics such as integrity, prevention of conflicts of interest, rules on gifts and hospitality, use of resources, protection of intellectual property and confidential information, fair trade, and anti-money laundering measures. Arcadyan requires all employees to avoid conducting business transactions with parties that have records of unethical conduct. Any such cases must be promptly reported and business relationships terminated to protect Arcadyan's reputation and stakeholder trust. For severe violations of integrity, disciplinary measures—up to dismissal—are enforced in accordance with applicable laws and Arcadyan's personnel regulations.

The "[Business Ethics Policy](#)" is incorporated into new employee orientation, and all staff are required to participate annually in the "Company-wide Awareness Training," which covers business ethics, the Code of Ethical Conduct, risk management,

insider trading prevention, and handling of material information. In 2024, a total of 3,534 participants completed the training, with a completion rate of 95.5%. In addition, targeted external training sessions were provided for Board members, corporate governance officers, internal auditors, and relevant functional units, enhancing their expertise in integrity-related regulations, financial systems, information security, and internal control. In 2024, these specialized programs accumulated a total of 90 training hours.

Course	Participants	Number of Trainees	Completion Rate	Total Training Hours
Integrity Management, Corporate Governance, and Internal Control	Board Members	8	100.0%	51
	Departments Related to Corporate Governance	3	100.0%	39
Company-wide Awareness Training (Integrity Management, Insider Trading Prevention, Risk Management)	Arcadyan Employees	3,534	95.5% ^{Note}	1,767

Note: The Company-wide Awareness Training covered 919 employees at Arcadyan Headquarters and 2,783 employees at the Vietnam Manufacturing Center; A total of 890 employees at Headquarters and 2,644 employees at the Vietnam site completed the training.

Prevention and Control Measures

To effectively prevent fraud, corruption, and unethical conduct, Arcadyan has established a comprehensive internal control system and, in line with the risk management process, continuously monitors and reviews risks related to ethical business operations. Integrity governance is incorporated into the annual audit plan, with the Audit Office responsible for overseeing policy implementation and reporting regularly to the Board of Directors to ensure the effectiveness and transparency of the management mechanisms.

The Finance and Accounting Department implements a regular job rotation system to enhance operational flexibility and reduce the risk of collusion. For high-value transactions or operational processes with significant decision-making impact, Arcadyan follows the Four-eye Principle, introducing multiple layers of review, functional segregation, and cross-checking to strengthen internal control design and ensure the legitimacy and prudence of major operational decisions.

Since the establishment of the Risk Management Task Force in 2022, Arcadyan has conducted systematic risk identification and assessment across business activities. In 2024, high-risk ethical business issues identified included anti-corruption and fair competition, with a focus on hospitality, money laundering, bribery, fraud, and unfair trade. Arcadyan assessed the likelihood and potential impact of these risks and, to strengthen behavioral standards and control measures in high-risk functions, conducted a Due Diligence Integrity Survey. In 2024, a total of 84 high-risk personnel—including senior management, sales, procurement, and finance staff—completed the anti-corruption questionnaire, committing not to offer or accept bribes, kickbacks, cash, or other improper benefits that could influence decision-making, and to refrain from any form of improper business dealings. The survey achieved a 100% response rate, with no incidents of unethical conduct, corruption, or other violations detected.

Anti-Competitive Behavior

Arcadyan upholds the principles of integrity management in accordance with the "Ethical Corporate Management Principle" and the "Business Ethics Policy", complying with competition laws and fair trade regulations in all jurisdictions where it operates. Arcadyan prohibits any form of unfair competition, including but not limited to price-fixing, bid-rigging, production or quota restrictions, market or clients' allocation, and other activities that undermine fair market competition.

Arcadyan also strictly prohibits the improper acquisition or misuse of patents, trade secrets, and confidential information, including the theft of patent information, unauthorized use of counterparties' trade data, or inducing current or former employees to disclose confidential information from previous employers. Arcadyan is committed to protecting the rights and dignity of all parties in business interactions and adheres to the principles of integrity, transparency, and fairness in dealing with clients, suppliers, competitors, and employees. Employees are prohibited from manipulating information, abusing authority, concealing facts, or using any other illegal means to gain benefits for themselves or third parties.

Arcadyan has established reporting and handling mechanisms that encourage internal and external stakeholders to report any dishonest or improper conduct. Once any employee is found to be involved in unethical behavior, the case is immediately reported to the relevant supervisor, with appropriate measures taken. Where necessary, the matter is reported to competent authorities or judicial bodies, underscoring Arcadyan's commitment to anti-corruption and fair competition. In 2024, Arcadyan had no legal actions, litigation, or penalties related to anti-competitive, anti-trust, or monopoly regulations, demonstrating the effectiveness of its integrity governance and legal compliance.

Supplier Integrity Due Diligence

Suppliers are key partners in Arcadyan's promotion of integrity management and the enforcement of business ethics. To build a transparent and fair supply chain, Arcadyan requires all suppliers to sign the "Arcadyan Supplier CSR commitment", which clearly stipulates adherence to principles prohibiting bribery, illegal donations, gifts, and other improper benefits. Suppliers are also required to promote anti-corruption awareness and provide training to their employees and agents, while encouraging the reporting of any potential corrupt practices.

To strengthen integrity governance across the supply chain, Arcadyan conducts an annual "Arcadyan Supplier Integrity Questionnaire" investigation for medium and high risk suppliers based on supplier evaluation results, to identify potential risks of bribery, improper gifts, hospitality, or other transfers of benefits. In 2024, a total of forty-one suppliers underwent the assessment, with a 100% questionnaire completion rate. The results revealed no instances of violations of business ethics, kickbacks, acceptance of cash, or inappropriate hospitality. Arcadyan will continue to enhance supply chain integrity risk management through due diligence and transparent evaluation processes.

Regulatory Compliance

Arcadyan upholds the principle of lawful and compliant operations by establishing and continuously updating policies and systems in accordance with local laws at each operating site and applicable international standards. Arcadyan's governance units and the Board of Directors closely monitor regulatory developments, reviewing and revising internal rules as necessary in key areas such as environmental protection, occupational health and safety, anti-bribery and anti-corruption, prevention of harassment and discrimination, fair competition, information security, and intellectual property rights, to ensure that all business activities comply with legal and ethical standards. To enhance compliance capability, Arcadyan has implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and

Safety Management System, establishing a comprehensive regulatory identification and compliance process to fulfill its environmental and employee safety responsibilities.

In 2024, Arcadyan recorded no incidents of non-compliance with local laws and no major legal proceedings involving fines exceeding NT\$2 million or product-related disputes, demonstrating Arcadyan's strong regulatory compliance performance.

Whistleblowing and Reporting Mechanism

Arcadyan fosters a corporate culture of integrity and transparency by establishing a dedicated whistleblowing channel, the Integrity Reporting Mailbox (ethics@arcadyan.com), for employees and external stakeholders to report dishonest or improper conduct. Arcadyan is committed to protecting the confidentiality of whistleblowers' identities and the content of reports during the investigation process and prohibits any form of retaliation. For anonymous reports, Arcadyan does not disclose original documents or copies, nor does it conduct handwriting identification or unauthorized external review. If internal investigation procedures confirm the occurrence of misconduct, Arcadyan will take strict actions in accordance with the law and, when necessary, notify judicial or anti-corruption authorities, demonstrating a zero-tolerance stance against corruption.

In 2024, Arcadyan received one report related to integrity or corruption. After internal investigation, no material violations were found. Aside from this case, there were no incidents in which Arcadyan violated integrity management or anti-corruption regulations that resulted in penalties from competent authorities, indicating that Arcadyan's integrity governance mechanisms operate effectively and its risk control measures remain robust.

Case Category	Reporting Channel	Cases Reported	Cases Accepted	Cases Closed
Improper acceptance of gifts, hospitality, bribery, or conflict of interest	Integrity and Anti-Corruption Mailbox (ethics@arcadyan.com)	1	0	1
	Corporate Social Responsibility Mailbox (csr@arcadyan.com)	0	0	0
	Stakeholder Complaint Mailbox (hr_hq@arcadyan.com)	0	0	0
	Direct reporting to supervisor	0	0	0

Political Contributions

Arcadyan strictly adheres to the principle of political neutrality and has not engaged in any political party activities, political donations, or lobbying during its operations. In 2024, Arcadyan had no record of any political contributions. Arcadyan also respects employees' individual civic rights and encourages them to actively participate in democratic processes, such as voting or supporting candidates and public issues they believe in, thereby demonstrating Arcadyan's commitment to social engagement and respect for individual freedoms.

2.5 Sustainable Partnerships

2.5.1 Sustainable Partners

Arcadyan adheres to the principle of mutual trust and mutual benefit, engaging with key operational stakeholders—including clients and suppliers—through well-established two-way communication mechanisms and continuous improvement initiatives to build a resilient and competitive sustainable supply and sales chain. Guided by the core value of Customer Satisfaction, we integrate innovative R&D capabilities with professional expertise to respond swiftly to market and client needs, emphasizing full employee participation and a proactive yet prudent approach to create win-win outcomes with our clients, striving to be a trusted and indispensable strategic partner.

Arcadyan regards suppliers as essential partners in its sustainable supply chain. Through measures such as supplier conferences, training and awareness programs, the signing of CSR commitment statements, and supplier surveys, we strengthen management and engagement, implement sustainable procurement policies, and work hand in hand to enhance the resilience and competitiveness of the entire supply chain.

Customer Satisfaction Management

Arcadyan places great emphasis on interaction and collaboration with its clients, engaging through diverse communication channels such as email, telephone, and Quarterly Business Review (QBR) meetings to proactively understand and promptly respond to clients' needs. Arcadyan regards customer satisfaction as a key management indicator, conducting annual satisfaction surveys and jointly reviewing performance with clients across four key dimensions: Technical Capability, Product Quality, Responsiveness, and On-time Delivery. These results serve as a foundation for the continuous improvement of products and services.

In response to clients' feedback, Arcadyan implements improvement plans through its Quality Management System (QMS) and incorporates clients' evaluation results into the performance indicators of relevant departments. Progress is tracked and reviewed regularly to ensure ongoing enhancement of customer satisfaction. Since 2020, Arcadyan has been consecutively recognized by multiple telecom clients with the Best Practice Award for Sustainable Development Program (SDP), in acknowledgment of Arcadyan's excellence in product quality, service efficiency, and sustainable governance.

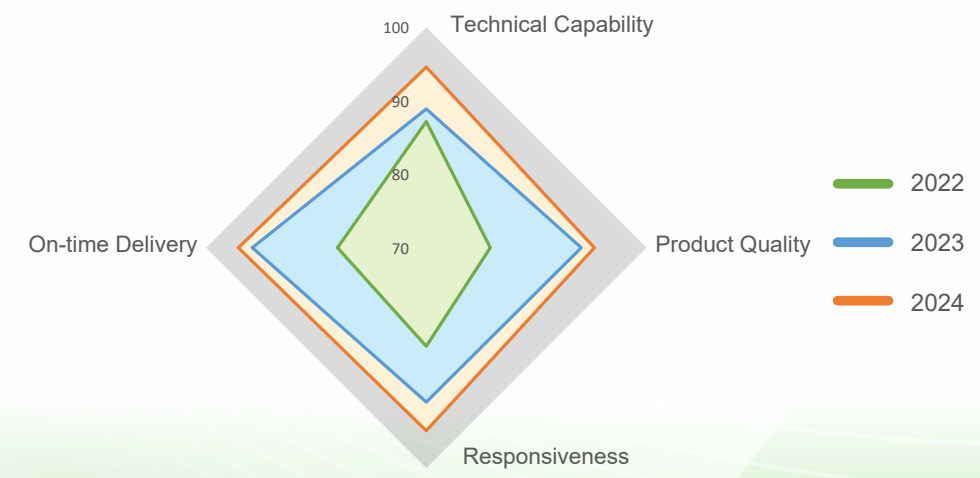
ISO 9001 Quality Management Policy:

- All employees shall take part in achieving the quality and satisfy customers' needs effectively and economically.

Historical Customer Satisfaction Performance

As global supply chains gradually stabilized and the impact of the pandemic eased, Arcadyan proactively optimized its logistics scheduling mechanisms, strengthened supply chain resilience, and continued to invest in technological innovation and quality enhancement to improve clients service efficiency. In 2024, Arcadyan achieved significant improvements across all four key dimensions of customer satisfaction evaluation, with an overall average score of 94, reflecting clients' strong recognition of Arcadyan's overall performance. Arcadyan will continue to pursue excellence, striving to deliver high-standard, innovative products and services, and to remain clients' most reliable long-term partner.

Year	2022	2023	2024
Average satisfaction	82.9	91.1	94.4

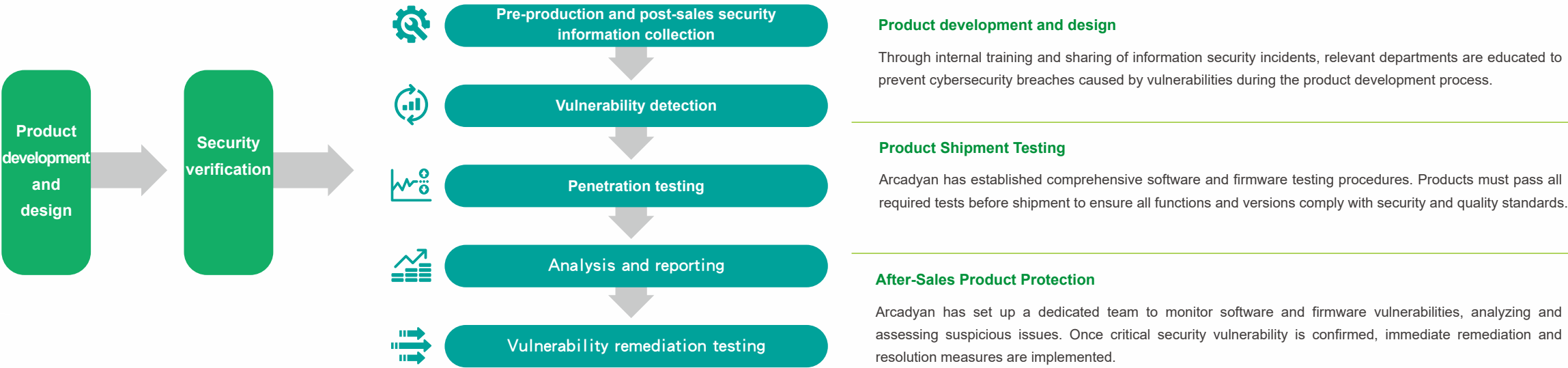


2.5.2 Product Information Security and Protection

Arcadyan recognizes the critical importance of information security and the protection of clients' privacy. Arcadyan has implemented the ISO 27001 Information Security Management System to institutionalize the management of confidential information, ensuring the confidentiality and integrity of clients' documents and data, and reducing potential risks and threats that may arise during information handling across departments. Arcadyan has established an Information Security Committee to regularly review information security policies and their implementation status and has introduced a Visitor Appointment Application System to enhance facility access control. These measures provide comprehensive safeguards against information leakage risks and uphold Arcadyan's responsibility to protect clients' data.

In terms of product design and services, Arcadyan adheres to the highest information security standards to ensure that every stage—from design, manufacturing, and delivery to after-sales support—meets security requirements. The R&D department actively manages cybersecurity risks by engaging with market security research institutions, academic organizations, and cybersecurity communities to analyze potential vulnerabilities and take proactive measures. For any externally reported suspected vulnerabilities, Arcadyan promptly initiates investigation and remediation procedures, collaborates with clients to formulate solutions, and transparently reports progress.

In 2024, Arcadyan received 25 product software vulnerability reports, of which fourteen were confirmed as high-risk and eleven as medium risk; two cases were found to be unrelated to product functionality. All vulnerabilities with substantive risk were immediately resolved within the same year upon obtaining clients' consent, demonstrating Arcadyan's rapid response capabilities and intense sense of responsibility in addressing information security risks. Arcadyan also strengthens security protections throughout the entire product lifecycle and explicitly requires all supply chain partners to comply with information security standards, identifying and preventing potential risks such as counterfeiting, malicious software, and system tampering.



Data and Privacy Protection

In response to international data protection trends and relevant regulations in operating regions, Arcadyan complies with the European Union's General Data Protection Regulation (GDPR) and applicable local privacy laws by establishing a Privacy Policy that serves as the highest guiding principle for protecting personal data of internal and external stakeholders. The Information Security Department is responsible for overseeing the collection, processing, and storage of personal data to ensure all procedures comply with legal requirements and Arcadyan's code of conduct.

Arcadyan provides privacy complaints and reporting channels. Stakeholders who identify data misuse or privacy infringements can file complaints via the Ethics and Anti-Corruption mailbox (ethics@arcadyan.com). In 2024, Arcadyan received no external or regulatory complaints or penalties related to privacy violations, nor were there any incidents involving the breach or leakage of clients' privacy. This demonstrates Arcadyan's effective implementation of data protection management and internal control mechanisms, fully reflecting its commitment and dedication to safeguarding clients' privacy.

2.5.3 Sustainable Supply Chain Management

Arcadyan aims to enhance operational efficiency and strengthen market competitiveness by positioning supplier management as one of Arcadyan's core strategies for fulfilling corporate social responsibility and advancing sustainable development. In addition to requiring suppliers to continuously improve their performance in quality, delivery, service, and cost, Arcadyan actively promotes substantive actions in environmental protection and social responsibility. Arcadyan collaborates with suppliers to build a resilient and responsible sustainable supply chain, in alignment with the United Nations Sustainable Development Goal (SDG) 12: Responsible Consumption and Production, thereby fostering resource efficiency and sustainable procurement practices.

Overview of Arcadyan's Supply Chain

As a globally recognized provider of broadband communication solutions and wireless networking products, Arcadyan specializes in the research and development, design, manufacturing, and assembly of electronic products, operating in the midstream segment of the industry value chain. The upstream sector comprises component and module suppliers, while the downstream sector includes international telecommunications operators, system integrators, and brand clients.

Arcadyan's primary Tier-1 suppliers fall into three main categories: electronic components, mechanical parts, and instruments and equipment. These suppliers are located in Taiwan, Mainland China, and other Asia-Pacific regions. In 2024, Arcadyan engaged in transactions with a total of 357 suppliers. To implement sustainable supply chain management, Arcadyan further classifies suppliers based on the previous year's purchase transaction value and their level of strategic importance. Those identified as high-priority Tier-1 suppliers totaled 49 in 2024. By responding to clients' needs, Arcadyan connects and integrates resources across upstream and downstream partners, striving to deliver innovative and highly competitive products and solutions. This collaborative approach strengthens the constructive collaboration of industry value chain and enhances overall market competitiveness.



Supplier Distribution by Region in 2024

	Number of Suppliers	Purchase Amount (%)
Taiwan	22	2.1%
China	243	64.1%
Asia Pacific	82	33.0%
Americas	7	0.2%
Europe	3	0.6%
Total	357	100%

Tier-1 supplier classification in 2024

	Number of Suppliers	Purchase Amount (%)
Electronic components	115	58.5%
Mechanical parts	202	40.5%
Instruments and equipment	40	1.0%
Total	357	100%

Arcadyan Supplier Classification in 2024

	Number of Suppliers	Purchase Amount (%)
Tier 1 Supplier ^{*1}	357	100%
Tier 1 Suppliers of Concern ^{*2}	49	71.3%
High-risk Supplier ^{*3}	0	-
Medium-risk Supplier ^{*4}	41	67.8%

Note 1: Tier 1 Suppliers: Suppliers that directly supply goods, materials, or services to Arcadyan.

Note 2: Tier 1 Suppliers of Concern: Suppliers identified as presenting significant ESG risks or as highly relevant to Arcadyan's business (accounting for more than 0.15% of the total purchase amount).

Note 3: High-Risk Suppliers: Suppliers rated high in the risk identification and assessment results.

Note 4: Medium-Risk Suppliers: Suppliers rated medium in the risk identification and assessment results.

To enhance supply chain management efficiency, Arcadyan conducts an annual supplier sustainability risk assessment. For medium- and high-risk suppliers, Arcadyan conducts document reviews and on-site audits, followed by continuous monitoring of improvement progress to strengthen risk control mechanisms. Arcadyan also incorporates clients' green product requirements into its supplier incoming inspection and audit processes. In 2024, Arcadyan reviewed 516 suppliers of electronic components, mechanical parts, consumables, and packaging materials, collecting their green parts master lists and material test reports, and completing environmental performance assessments with a 100% collection rate. Moving forward, Arcadyan will continue to implement source management and continuous improvement to further enhance the overall sustainability performance of the supply chain.

Sustainable Procurement Policy

Vision

Arcadyan encourages its suppliers to implement corporate social responsibility (CSR) programs, enabling them not only to meet delivery and service requirements, improve quality, and enhance competitiveness, but also to strengthen their capabilities in sustainable development. Such efforts help reduce supply chain risks, improve customer satisfaction, and boost overall supply chain competitiveness. Through these initiatives, Arcadyan fosters long-term, sustainable partnerships with its suppliers, creating a mutually beneficial, win-win supply chain management model.

Three Strategic Directions

Environmental Sustainability

Minimize environmental impact.

Social Responsibility

Comply with legal requirements and address social impacts.

Corporate Governance

Uphold Ethical Business Practices and Fair Competition.

Four Key Management Indicators

1. 100% signing rate for the Supplier Corporate Social Responsibility Commitment Letter.
2. 100% response rate for the Supplier Integrity Questionnaire.
3. Prohibition on purchasing or supplying products containing conflict minerals sourced from the Democratic Republic of the Congo (DRC).
4. By 2030, achieve conflict mineral audits for 100% of metal material suppliers.

To support suppliers in adopting ESG practices and strengthening their sustainability resilience, Arcadyan has established the "Supplier Sustainability Investigation Standard", covering four key mechanisms: new supplier evaluation, ongoing supplier management, auditing, and coaching. "[Arcadyan Sustainable Procurement Policy](#)" serves as a key framework for implementing sustainable supply chain governance. In 2024, Arcadyan officially incorporated information security clauses into the updated "[Arcadyan Supplier CSR commitment](#)" covering seven key areas: organizational governance, labor rights, occupational health and safety, environmental protection, management systems, ethics standards, and grievance mechanisms. 325 suppliers have signed back on this commitment, achieving a 100% compliance rate. Arcadyan continues to require all suppliers to fully comply with domestic and international environmental and social laws and regulations, while strengthening the protection of confidential information to prevent potential data leakage in business transactions. These actions demonstrate Arcadyan's strong commitment to sustainable supply chain management and information security governance.

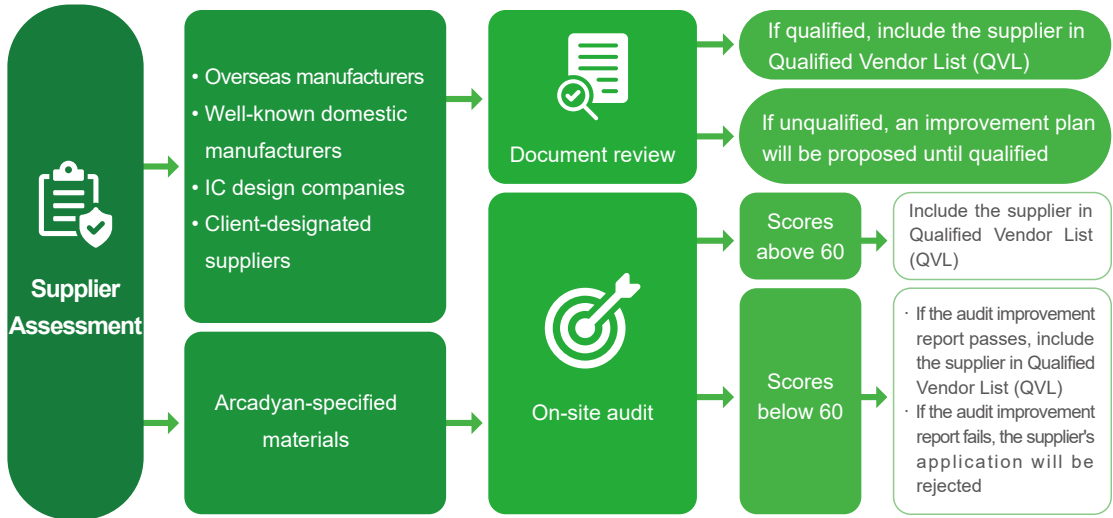


2024 Sustainable Supply Chain Achievements Summary

- **Supplier Conference:** Facilitated knowledge sharing and discussions on emerging environmental and social issues facing the industry. Introduced the Green Product Management System platform and related compliance requirements, strengthening communication and engagement with suppliers.
- **Sustainable Procurement Training:** Conducted training sessions covering the ISO 20400 Sustainable Procurement Guidelines and common issues identified in RBA audits. A total of twenty-one procurement staff participated, accumulating forty-two training hours, achieving a 100% training completion rate.
- **Supplier CSR Commitment Signing:** Achieved a 100% return rate for the Supplier Corporate Social Responsibility Commitment Letter, which covers seven key management principles, promoting supplier compliance with environmental and social responsibility standards.
- **New Supplier Evaluation:** Completed assessments for twenty-one new suppliers, covering aspects such as labor rights, health and safety, environmental protection, corporate governance, business ethics, and grievance mechanisms.
- **Supplier Risk Assessment:** Conducted comprehensive evaluations based on product category, transaction status, and ESG performance. In 2024, no high-risk suppliers were identified; nineteen medium-risk suppliers were selected for on-site audits.
- **Supplier Audit:** In accordance with RBA standards, Arcadyan completed on-site audits for sixteen medium-risk suppliers and remote document reviews for three suppliers. Additionally, distributed integrity questionnaires to forty-one suppliers, achieving a 100% response rate with no findings of business ethics violations or inappropriate hospitality.

New Supplier Evaluation

To ensure that supplier cooperation in the economic, social, and environmental aspects meets the requirements of the Supplier Sustainability Survey Standard, Arcadyan has established a new supplier selection process. In addition to assessing quality, environmental management, and engineering capabilities, the process also incorporates Corporate Social Responsibility (CSR) criteria. Suppliers are required to provide supporting documents as evidence for audit purposes. In 2024, Arcadyan completed evaluations for twenty-one new suppliers, with 100% meeting the required standards. Prospective suppliers must sign the "[Arcadyan Supplier CSR commitment](#)" as a pledge to comply with Arcadyan's Code of Conduct. Evaluation results must meet a designated threshold score to be included in the Qualified Vendor List (QVL).



Sustainable Procurement Training

To strengthen the sustainable management capabilities of its procurement personnel, Arcadyan organized an internal training program on ISO 20400 Sustainable Procurement in 2024. A total of 21 procurement managers and staff completed the training, achieving a 100% completion rate. The course focused on Arcadyan's sustainable procurement objectives and common supplier management issues, such as labor rights, working hours, health and safety, energy management, greenhouse gas reduction, and decarbonization measures. Sustainable procurement goals have also been incorporated into procurement staff performance evaluation metrics to reinforce execution. Personnel responsible for supplier audit operations are required to complete the RBA Auditor Certification Course and pass the examination to obtain the RBA certification. In 2024, two employees completed this training, totaling 16 hours.

Supplier Sustainability Risk Assessment

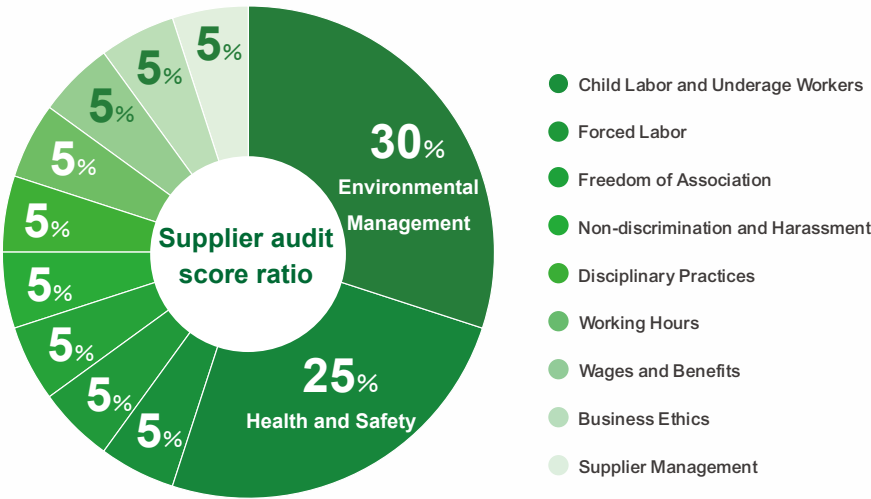
Arcadyan developed a supplier sustainability risk assessment mechanism to enhance supply chain management efficiency and resilience through the identification of potential risks. The assessment covers nine key dimensions: location, product category, transaction size, sales model, conflict mineral management, hazardous substances control, business continuity risk, labor rights, and CSR performance. A comprehensive evaluation is conducted through questionnaires and data analysis. In 2024, the assessment results indicated no high-risk suppliers. For forty-one medium-risk suppliers, Arcadyan completed 100% of integrity due diligence investigations, ensuring integrity and responsible governance across the supply chain.

Assessment Dimensions	Assessment Criteria
Location	Whether the supplier is located in a high-risk region, such as a source of conflict minerals or a country/region with a risk of forced labor.
Product Category	Whether the supplied products involve processes with high environmental risks, such as printed circuit boards, painting, chemical plating, and other potentially polluting processes.
Transaction Size	Annual transaction value and volume with the supplier; larger transaction values have a greater impact.
Sales Model	The supplier's sales channels and relationship type, such as direct sales, agency, or distributor, impact their control and response capabilities.
Conflict Minerals Management	Whether the supplier uses mineral resources such as tin, tantalum, tungsten, and gold from armed conflict zones (such as Congo and neighboring countries).
Hazardous Substances Control	Whether the supplied products may contain or use hazardous substances that could affect the environmental compliance of Arcadyan products (such as RoHS and REACH).
Business Continuity Risk	Whether there are labor and human rights issues such as excessive working hours, unfair wages, and inappropriate working conditions.
Labor Rights	Whether there are labor and human rights issues such as excessive working hours, unfair wages, and inappropriate working conditions.
CSR Performance	The supplier's past CSR-related audit results, the degree of improvement achieved, and overall sustainability performance serve as indicators of integrity and responsible governance.

Supplier CSR Audits

In alignment with the Responsible Business Alliance (RBA) Code of Conduct, Arcadyan developed a Supplier CSR Audit Checklist to conduct on-site reviews for suppliers identified as having potential high-risk factors. The audit covers eleven key dimensions, with "Environmental Management" and "Health and Safety" accounting for 55% of the total score, and the remaining nine dimensions comprising the other 45%. In 2024, Arcadyan selected nineteen key suppliers from the medium-risk list for on-site audits, completing sixteen on-site inspections and three document reviews, achieving a 100% completion rate. Additionally, in response to clients' requirements, Arcadyan conducted an on-site audit and improvement guidance for one Tier-2 supplier, further expanding the depth of sustainable supply chain management and enhancing accountability.

Since 2016, Arcadyan has actively participated in the Joint Alliance for CSR (JAC), working with global telecommunications operators to advance Corporate Social Responsibility (CSR) practices within the Information and Communications Technology (ICT) industry supply chain. In 2024, Arcadyan arranged six suppliers to participate in JAC audits. For suppliers that did not meet the required standards, Arcadyan provided immediate assistance in setting improvement targets and timelines, along with support resources, to continuously strengthen the effectiveness of sustainable supply chain management.



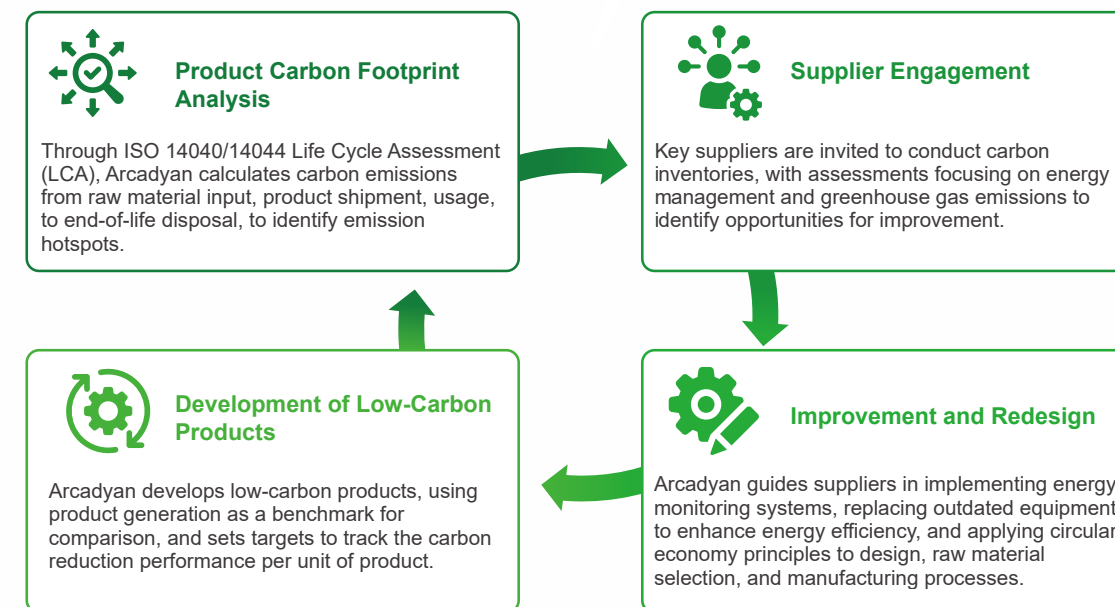
Sustainable Supply Chain Measures in 2024	Target Number of Suppliers	Actual Number of Suppliers	Achievement Rate
New Supplier CSR Evaluation	7	7	100%
Supplier CSR Commitment Letter Signing	325	325	100%
Supplier CSR Document Review & On-site Audit	19	19	100%
Supplier CSR Capability Coaching	19	19	100%
Supplier Integrity Due Diligence	41	41	100%

Supplier Coaching

Arcadyan continues to strengthen the sustainability capabilities of its suppliers by regularly following up and providing improvement guidance on non-conformities identified during Corporate Social Responsibility (CSR) audits. In 2024, Arcadyan guided nineteen suppliers to complete corrective actions for CSR-related deficiencies, with the three primary areas of improvement—Health and Safety, Environmental Management, and Working Hours & Overtime—accounting for approximately 70% of all findings. In the area of environmental management, Arcadyan established a professional green information platform to provide the latest updates on international environmental regulations and procedural requirements. This platform enables suppliers to stay informed about regulatory changes, monitor compliance status, and access real-time records of document submissions and updates, thereby enhancing overall supply chain compliance capability.

Arcadyan also actively participates in client-initiated Sustainable Development Programs (SDP), assisting suppliers in adopting the management standards of the Responsible Business Alliance (RBA) and the Joint Alliance for CSR (JAC). The program focuses on ten aspects of ESG, including strategy, management system, stakeholder engagement, resource management, environmental management, life cycle thinking, worker treatment, labor practices, human rights, and supplier development. This is a two-year project aimed at improving sustainability performance, during which Arcadyan supports suppliers in developing sustainability management programs. In 2024, two suppliers participated in this initiative and achieved Silver-level sustainability performance certification.

Furthermore, Arcadyan promotes Product Carbon Footprint Management, assisting suppliers in implementing the following measures to facilitate a low-carbon transition:



Recognition of Outstanding Suppliers

Arcadyan revised its Outstanding Supplier Selection Mechanism, with evaluation criteria covering suppliers' incoming material quality performance, number of customer complaints, effectiveness of corrective actions, and service coordination capability for the year. In addition, Corporate Social Responsibility (CSR) performance has been added as a scoring category to strengthen the overall sustainability performance of the supply chain. In procurement decisions, Arcadyan gives priority consideration to suppliers recognized as outstanding, to acknowledge their overall performance. For suppliers whose performance does not meet the standard, procurement allocation may be adjusted based on their improvement progress, and such performance serves as a reference in the supplier phase-out mechanism.

To commend partners that have excelled in environmental and social performance, Arcadyan awarded 15 outstanding suppliers, encouraging the supply chain to collectively enhance CSR performance. Arcadyan continues to focus on innovative products and technologies, integrating upstream and downstream resources to provide clients with comprehensive sustainable solutions, while actively taking responsibility for Arcadyan's economic, social, and environmental impacts to foster a positive cycle of industrial and environmental sustainability.

2.5.4 Go Green with Arcadyan Carbon Reduction Project

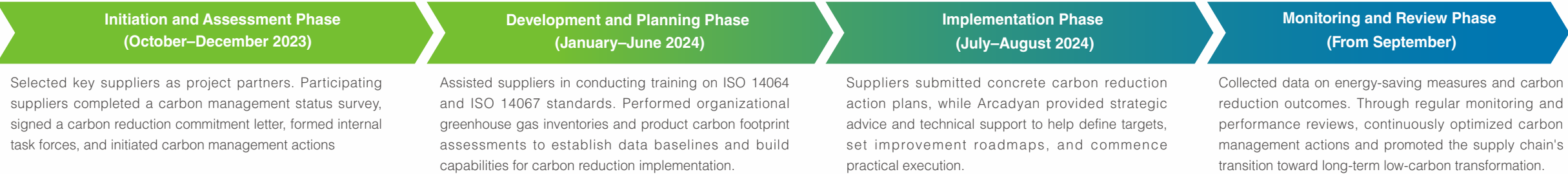
Program Background:

In response to growing international policy trends and the increasing attention from brand clients on carbon reduction and supply chain sustainability performance, Arcadyan actively addresses the challenges of carbon footprint management, energy efficiency improvement, and net-zero commitments. In 2022, Arcadyan joined the Science Based Targets initiative (SBTi) and officially launched its long-term carbon reduction roadmap. Arcadyan has committed to reduce Scope 1 and 2 greenhouse gas emissions by 50% and Scope 3 emissions by 66% compared to the base year by 2030, reduce Scope 1 and 2 emissions by 90% in 2024, and achieve net-zero emissions across all scopes by 2050.

To fulfill these commitments, Arcadyan launched the "Go Green with Arcadyan" Supply Chain Carbon Reduction Project in October 2023. In the first phase, 14 high carbon emission suppliers were invited to participate, covering six major categories of key components: adapters, cables, casings, connectors, heat sinks, and printed circuit boards. The program promotes supplier carbon inventory, target setting, and carbon reduction actions to enhance climate resilience and international competitiveness.

Program Timeline :

The "Go Green with Arcadyan" project began in October 2023 and run for one and a half years. Based on the progress of supply chain carbon management, the program is implemented in four phases:



Program Implementation

To advance the "Go Green with Arcadyan" initiative, Arcadyan supports suppliers in strengthening their carbon reduction capabilities and driving the sustainable transformation of the supply chain. This is achieved through four key aspects: institutional framework, capacity building, technical assistance, and external engagement.

Institutional Framework

Suppliers are required to sign a letter of commitment, establish a carbon reduction task force, and designate a manager to reinforce organizational commitment and execution capability.

Capacity Building

Arcadyan provides ISO standards training, introduces concepts of circular economy and eco-design, and enhances suppliers' carbon management capabilities.

Technical Assistance

Arcadyan guides suppliers in completing carbon inventories, setting reduction targets, and formulating action plans, while offering expert consulting to identify energy-saving hotspots, adopt renewable energy, and optimize product structural design.

External Engagement

Suppliers are encouraged to participate in the CDP questionnaire, and 16 suppliers completed the survey in 2024. Arcadyan received an A rating in the Supplier Engagement Rating (SER), recognized at the leadership level, demonstrating Arcadyan's achievements in international sustainability governance.

Go Green with Arcadyan

STEP 1

Carbon Commitment

Senior management of suppliers signed a Carbon Management Commitment Letter to demonstrate support for and commitment to carbon reduction targets. Cross-functional project teams are established to plan and implement carbon reduction strategies.

STEP 2

Carbon Awareness

Conduct training sessions on climate change and carbon management to enhance suppliers' understanding of international trends, Science Based Targets initiative (SBTi), and greenhouse gas inventory methodologies, fostering a shared vision for sustainable operations.

STEP 3

Carbon Inventory

Guide suppliers in conducting organizational greenhouse gas inventories in accordance with ISO 14064 and implementing product carbon footprint assessments in accordance with ISO 14067 to identify emission hotspots and obtain third-party verification.

STEP 4

Carbon Reduction

Require suppliers to conduct annual carbon inventories, set organizational carbon reduction targets (annual reduction of 3–5%), and submit improvement plans to continuously advance energy-saving and low-carbon transition measures.

STEP 5

Carbon Tracking

Monitor carbon reduction progress and target achievement through monthly review meetings and performance evaluations. Provide feedback and make necessary adjustments to ensure effectiveness.

STEP 6

Carbon Management

Collaborate with suppliers to develop medium- and long-term carbon management roadmaps, expand the scope of carbon reduction partnerships, and establish annual performance reviews with a rolling improvement mechanism to achieve continuous progress.

Project Results

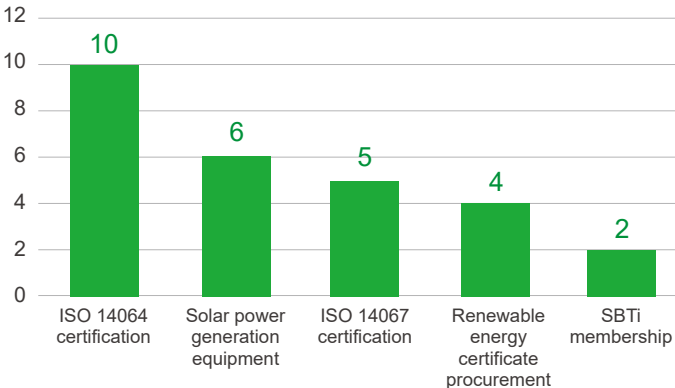
Through the "Go Green with Arcadyan" initiative, Arcadyan has helped suppliers establish carbon management capabilities and practical implementation mechanisms, enhancing their awareness of and responsiveness to climate risks and resource management issues. The results are as follows:

- **Organizational Level (Scope 1+2):** Ten suppliers completed ISO 14064 organizational greenhouse gas inventory verification. Six suppliers installed solar power generation systems, and four suppliers purchased renewable energy certificates. Energy-saving measures included replacing high-energy-consuming equipment, introducing intelligent energy management systems, and implementing waste heat recovery systems. These actions achieved a total carbon reduction of 107,754 metric tons CO₂e.
- **Product Level (Scope 3):** Five suppliers obtained ISO 14067 certification, promoting product miniaturization, lightweight design, and the use of post-consumer recycled (PCR) materials. Packaging improvements included switching to kraft paper cards, reducing packaging material usage, adopting reusable plastic crates and cardboard box recycling, and optimizing logistics routes and loading efficiency to reduce transport-related carbon emissions. These measures resulted in a reduction of 9,648 metric tons CO₂e.
- **Strategic Alignment:** Two suppliers joined the Science Based Targets initiative (SBTi), aligning with international trends such as the European Union Carbon Border Adjustment Mechanism (CBAM), sustainable procurement, and circular design.

Future Outlook

Arcadyan will continue to drive low-carbon transformation within the supply chain, assisting suppliers in meeting international sustainability standards and strengthening climate risk management capabilities. Arcadyan plans to expand its coaching scope, deepen carbon management guidance and information disclosure, and work with supply chain partners to advance toward science-based carbon reduction targets. These efforts aim to achieve the 2050 net-zero vision and fulfill the global sustainability goal of SDG 13: Climate Action.

Results



2.5.5 Supply Chain Human Rights Policy and Diversity, Equity & Inclusion

In its ["Human Rights Policy"](#), Arcadyan commits to promoting a sustainable supply chain and ensuring the integration of human rights values into its operations and supply chain management. Within ["Arcadyan Supplier CSR commitment"](#), Arcadyan explicitly requires all suppliers to respect fundamental labor rights and prohibits any discrimination or unequal treatment in recruitment, compensation, training, rewards, promotion, discipline, termination, or retirement on the basis of race, skin color, age, gender, sexual orientation, ethnicity, physical condition, religion, political affiliation, union membership, nationality, or marital status. Suppliers must also ensure that workplaces are free from corporal punishment, harassment, or verbal abuse, and must not require employees or job applicants to undergo discriminatory medical or physical examinations, except when legally mandated or justified by the requirements of specific job roles. In 2023, Arcadyan expanded the original "Anti-Discrimination and Anti-Harassment" provision in "Arcadyan Supplier CSR commitment" to "Diversity, Equity, Inclusion, and Anti-Discrimination", strengthening supplier accountability and actions on diversity and human rights issues.

Upholding respect for diversity across gender, nationality, ethnicity, disadvantaged groups, age, and sexual orientation, Arcadyan is committed to creating a safe, inclusive, and respectful workplace that recognizes and values each employee's uniqueness. This principle is embedded not only in Arcadyan's internal culture but also in its supply chain practices. When selecting outsourced services, Arcadyan prioritizes partnerships with companies that demonstrate diverse and inclusive approaches. For example, 50% of its partner companies for employee cafeteria services are small, local businesses run by Indigenous women. For cleaning services, Arcadyan outsources to companies that offer employment opportunities for disadvantaged workers, such as middle-aged and older women. Arcadyan also collaborates with charitable organizations, supporting sheltered workshops and businesses operated by social welfare organizations to provide opportunities for people with disabilities to participate in the workplace. In 2024, Arcadyan's specific partnerships in diversity and equity-focused outsourcing are summarized in the table below:

Type	Company Characteristics	Transaction Amount in 2024
Staff cafeteria supplier	- Small and disadvantaged company - Women-owned company - Minority (Indigenous) company	TWD 9,035,144
Cleaning outsourcing contractor	- Small and disadvantaged company - Women-owned company - Provide employment opportunities for disadvantaged workers such as middle-aged and older women	TWD 3,680,356
Charity group	- Social welfare organizations or sheltered workshops - Providing employment opportunities for disadvantaged groups such as those with disabilities	TWD 277,230
Total		TWD 12,992,730

Through procurement practices that support companies with diversity and social contributions, Arcadyan continues to build a more equitable, inclusive, and socially responsible supply chain, fostering shared growth for both the company and society.

2.5.6 Local Procurement

Arcadyan positions its Vietnam manufacturing center as a key production base and has actively promoted a local procurement strategy over the years to enhance production and supply efficiency and expand economies of scale. The major components covered include power supply units, electronic parts, electromechanical parts (such as printed circuit boards), and mechanical parts, with primary supply sources from Taiwan, China, and Vietnam. As product applications have expanded and clients demand has increased, many Taiwan-based suppliers have not only expanded their existing plants but also established manufacturing facilities in China and Vietnam to provide localized support for production needs. To reduce energy consumption and carbon emissions from long-distance transportation of raw materials and products, Arcadyan has optimized packaging design, improved material space utilization, and adopted recyclable packaging while actively supporting local procurement to reduce transportation costs and environmental impacts.

To balance operational continuity with greenhouse gas emissions management from raw material transportation, Arcadyan implements a systematic procurement management process to continuously develop local suppliers and gradually increase the proportion of local procurement. However, in 2024, following the transformation of the China manufacturing center into an operations Office with no physical manufacturing operations, the local procurement ratio for the year was 0%. Arcadyan will continue to monitor supplier expansion and relocation progress, gradually increasing the proportion of local procurement to diversify and localize its supply chain. This approach aims to strengthen supply chain resilience, enhance manufacturing efficiency, and effectively reduce the carbon footprint from raw material transportation, thereby advancing the sustainable objectives of a green supply chain.

Percentage of Local Procurement

Year	China Operations Office (formerly China Manufacturing Center)	Vietnam Manufacturing Center
2022	87%	12%
2023	82%	14%
2024	0%	20%

2.5.7 Responsible Minerals Management

To fulfill its corporate social responsibility and in response to global concerns over human rights and environmental sustainability, Arcadyan has actively supported the "Conflict-Free Minerals" initiative since 2010, promoting the investigation and management of material sources across its supply chain. Recognizing the issues of armed conflict, child labor exploitation, and environmental destruction in the Democratic Republic of the Congo (DRC) and its surrounding regions, Arcadyan has established the "[Arcadyan Sustainable Procurement Policy](#)", which requires all supply chain metals to be legally sourced, compliant, and responsibly obtained, in accordance with the standards of the Responsible Minerals Initiative (RMI).

Arcadyan Conflict Minerals Policy:

1. Prohibit conflict minerals from the Democratic Republic of Congo (DRC) and surrounding regions.
2. Suppliers are required to sign the "Non-use Conflict Minerals Declaration" to comply with relevant environmental and social responsibility regulations.
3. 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).
4. Taking the same requirements to manage the upstream supply chain, metal suppliers in related parts and components should investigate the refinery site before purchasing.

Management Mechanism and Implementation Process

Following the "Responsible Minerals Initiative" (RMI) standards, Arcadyan incorporates the prohibition of conflict minerals into its "[Sustainable Procurement Policy](#)". Arcadyan clearly stipulates that suppliers must sign "[Arcadyan Supplier CSR commitment](#)", pledging not to directly or indirectly procure conflict minerals from Democratic Republic of Congo (DRC) or surrounding regions. Suppliers must also ensure that their smelters/refiners comply with the Responsible Minerals Assurance Process (RMAP) standards. All suppliers are required to submit the Conflict Minerals Reporting Template (CMRT) to track and manage the sources of gold (Au), tantalum (Ta), tungsten (W), tin (Sn), and cobalt (Co). In 2024, Arcadyan collected 518 CMRT reports with a 100% submission rate. The results confirmed that no conflict minerals were used within the supply chain.

To strengthen management effectiveness, Arcadyan Green Product Team regularly conducts conflict mineral analysis on key products, disassembling them to the smallest components and verifying the sources of contained metals for potential high-risk origins. Findings are documented in the Supplier Conflict Minerals Survey System, where the Green Product Department reviews supplier reports and supports documentation to ensure transparency and compliance. Since implementing responsible minerals management, Arcadyan has never experienced incidents of product returns, customer complaints, or reputational risks arising from non-compliance.

Furthermore, all suppliers are subject to regular assessments covering incoming material quality, customer complaint handling, and environmental and social responsibility performance (including conflict minerals and hazardous substances). Evaluation results serve as a basis for procurement strategy—suppliers with excellent performance are given procurement priority, while underperforming suppliers are considered for removal from the Qualified Vendor List (QVL) to ensure supply chain compliance and sustainability.

Responsible Minerals Training

Arcadyan conducts annual internal awareness training and organizes online briefings for suppliers, covering topics such as Arcadyan's Conflict Minerals Policy, key points in completing the Conflict Minerals Reporting Template (CMRT), and updates on international regulatory developments. Additionally, Arcadyan provides case-by-case coaching for suppliers to help them understand smelter certification processes and compliance requirements, thereby strengthening the overall responsible sourcing capabilities of the supply chain.

Reporting Channels and Traceability Mechanism :

To ensure transparency and integrity within the supply chain, Arcadyan has established a dedicated reporting email (ethics@arcadyan.com) for suppliers, employees, and stakeholders to anonymously raise concerns regarding conflict minerals, high-risk mining areas, or human rights violations. If preliminary verification confirms the validity of a report, Arcadyan will immediately cease procurement, require the supplier to provide an explanation and corrective measures, and continue to track the progress of implementation to ensure resolution.



3

Green Innovation

- 3.1 Product R&D Innovation
- 3.2 Sustainable Product Design
- 3.3 Restricted Substances and Material Management
- 3.4 Customer Health and Safety



Topic	Strategy	2024 Targets	2024 Performance	2025 Target	2030 Target
Technology and R&D	Strengthen R&D Investment	Increase R&D expenditure by 5% compared to the previous year	R&D expenditure increased by 8% compared to 2023	Increase R&D expenditure by 5% compared to the previous year	Continuously increase R&D expenditure
	Enhance Retention of Key R&D Talent	Maintain a retention rate of over 95% for key R&D personnel	Achieved 96.4% retention rate for key R&D personnel	Maintain a retention rate of over 95% for key R&D personnel	Maintain a retention rate of over 95% for key R&D personnel
Green Products	Obtain Green Product Certifications	Achieve 100% certification rate for green product labels	Achieve 100% certification rate for green product labels	Achieve 100% certification rate for green product labels	Achieve 100% certification rate for green product labels
	Increase Halogen-Free Component Adoption	Achieve 50% adoption rate for halogen-free part numbers	Achieve 87% adoption rate for halogen-free part numbers	Achieve 80% adoption rate for halogen-free part numbers	Achieve 90% adoption rate for halogen-free part numbers
	Hazardous Substance-Free (HSF)	Ensure 100% Compliance with Hazardous Substance Regulations and Customer Requirements	100% of products comply with hazardous substance controls and customer specifications, with zero related complaints	100% of products comply with hazardous substance controls and customer specifications, with zero related complaints	100% of products comply with hazardous substance controls and customer specifications, with zero related complaints
Circular Economy	Promote Low-Carbon and Green Materials	Promote at least 20 biodegradable or low-carbon materials per year	Promote at least 21 biodegradable or low-carbon materials per year	Promote at least 22 biodegradable or low-carbon materials per year	Promote at least 28 biodegradable or low-carbon materials per year
	Adopt Low-Carbon Materials in Products	Over 70% of product models adopt recycled plastic	71% of product models adopted recycled plastic	75% of product models adopted recycled plastic	78% of product models adopted recycled plastic
	Use Environmentally Friendly Packaging	Use over 80% recycled content in product packaging	Achieved 95% recycled content in product packaging	Maintain 95% recycled content in product packaging	Achieve 96% recycled content in product packaging

3.1 Product R&D Innovation

Arcadyan has long been dedicated to the innovative development of broadband access technologies. With deep expertise and technological leadership in wireless and broadband communications, the company is committed to providing efficient, stable, and diversified broadband access solutions to global customers, securing its position as one of the world's leading suppliers of broadband equipment. Innovation in R&D serves as the cornerstone of Arcadyan's industry leadership and long-term sustainability. To respond to rapidly changing market demands and technological advancements, Arcadyan has established R&D centers in Taipei, Hsinchu, Shanghai, and Guangdong to drive continuous innovation in core products and emerging technologies. Additionally, the company has set up technical support sites in Taiwan, Spain, Germany, the United States, Canada, Australia, and India, offering timely, professional technical consulting and localized after-sales services. This global technical network strengthens Arcadyan's capacity to deliver forward-looking and innovation-driven solutions across international markets.

3.1.1 R&D Investment Over the Years

In 2024, Arcadyan's R&D expenditure accounted for 5.6% of its total revenue, underscoring the company's commitment to innovation-driven strategies and technological leadership. R&D personnel made up approximately 73% of the total workforce at the company's headquarters, highlighting the central role of the R&D team in Arcadyan's organizational structure. Through its R&D strategy and global footprint, Arcadyan has steadily advanced the commercialization of new products amid rapidly evolving industry technologies and standards. This approach accelerates the transformation of innovation into market value, reinforces the company's technological leadership, and enhances the sustainable competitiveness of overall operations.

R&D Investment Over the Years	2021	2022	2023	2024
R&D Expenditure (NT\$ million)	1,939	2,510	2,887	2,742
R&D Expenditure as a Percentage of Revenue (%)	5.1%	5.3%	5.6%	5.6%
Number of R&D Personnel (persons)	594	646	666	687
R&D Personnel as a Percentage of Total Employees (%)	72.9%	73.5%	73.2%	72.9%
Retention Rate of Key R&D Personnel (%)	86.3%	85.5%	96.7%	96.4%

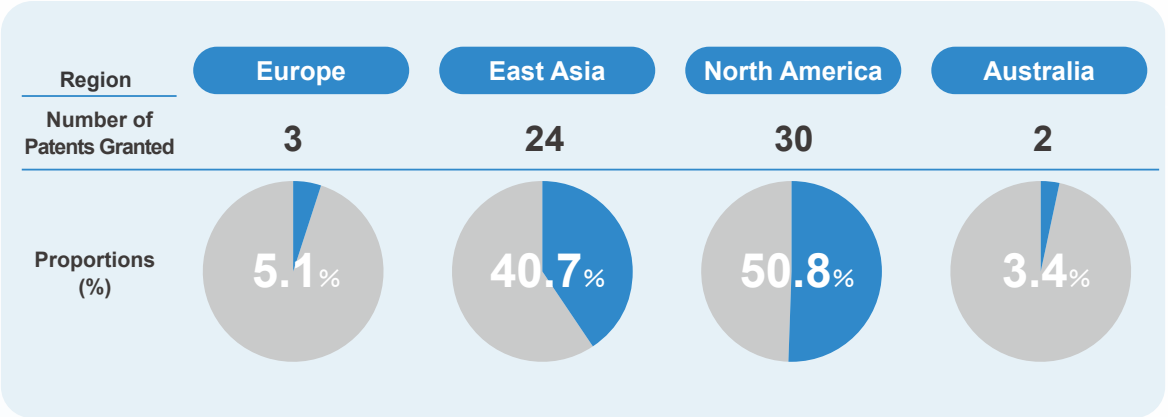
3.1.2 Achievements in New Technologies and Product Patents Over the Years

Arcadyan upholds the core belief that "innovation is competitiveness" and continuously advances technological innovation to enhance the quality of its patent applications. Its patent strategy focuses on the development of new technologies, new products, and new business areas, aiming to build a high-value patent portfolio that strengthens its technological edge. Adhering to a dual emphasis on both quality and quantity, Arcadyan pursues not only steady growth in the number of filings, but also emphasizes technical depth, market relevance, and the effectiveness of patent protection to ensure that each patent delivers real value and long-term impact. By continuously building a strategic and market-oriented patent portfolio, Arcadyan reinforces product differentiation and innovation value, provides customers with reliable technological protection, and lays a solid foundation for future applications and cross-domain development.

Patent Applications and Grants Over the Years	2021	2022	2023	2024
Number of Patent Applications Filed	37	20	33	52
Number of Patents Granted	26	31	44	59

Note: The patent examination process typically takes 1 to 4 years, depending on the regulations of each country. As a result, most of the patents currently granted correspond to applications filed in previous years.

2024 Countries of Patents Granted and Proportions



Note: East Asia includes Taiwan and Japan; North America includes the United States and Canada.

Overview of Arcadyan's Development Achievements in the Past Three Years

In the fields of wireless communications and smart devices, Arcadyan has continued to expand both the depth and breadth of its R&D efforts. In recent years, the company has developed a range of new technologies and products with strong market potential and environmental sustainability value, including:

- **Broadband Antenna Technology:** Featuring multi-band integrated designs that significantly improve spectrum efficiency and device energy performance, while reducing component size and material usage—effectively minimizing resource waste and carbon emissions during production.
- **Communication Devices for High-Temperature Environments:** Designed with optimized thermal dissipation to extend product lifespan, lower failure rates, and reduce operational energy consumption—thereby decreasing electronic waste and maintenance resources.
- **Smart Mobility and V2X (Vehicle-to-Everything) Technologies:** Independently developed radar antenna systems that enhance the accuracy and reliability of smart driving sensors, supporting low-carbon transportation technologies and contributing to sustainable urban development.

Through tangible innovation and R&D outcomes, Arcadyan actively advances a technology-driven ESG strategy. Innovation is positioned as the core driver of corporate transformation and sustainable operations, accelerating the path toward low-carbon manufacturing and a greener supply chain.



4G/LTE + 5G/Sub-6G Broadband Antenna Technology

Patent Publication Numbers :
JP 7525456 、 EP3975340B1
US 11569581 、 TW I731792

The core of this invention lies in the design of an antenna structure capable of operating across two distinct frequency bands, implemented on a printed circuit board (PCB) and applicable to various wireless communication devices (e.g., Wi-Fi, multimedia equipment). Through a multi-band integrated design, the technology significantly enhances spectrum utilization and communication performance. It also offers advantages such as reduced power consumption, minimized component size, and lower raw material usage, contributing to reduced resource waste and carbon emissions during the manufacturing process.



Thermal Management Technology for Enhanced Weather Resistance in 5G Outdoor Equipment

Patent Publication Numbers :
TWI832290B 、 EP4293919A1
US20230413488A1 、 AU2023203689B2

This invention involves the development of a 5G outdoor communication unit featuring high-efficiency thermal dissipation. It significantly improves device operational stability and service life under high-temperature or harsh environmental conditions. Through an optimized thermal design, the system effectively reduces power consumption and failure rates. This not only helps maintain communication quality and system stability, but also decreases maintenance frequency and the risk of device replacement—ultimately reducing electronic waste generation and contributing to energy conservation, carbon reduction, and improved resource efficiency.



Radar Antenna Device and System for Smart Driving Applications

Patent Publication Numbers :
TWM661780U

This patented technology features an optimized design for in-vehicle radar systems, enhancing forward-direction sensing capabilities to improve the accuracy and real-time responsiveness of smart driving and Advanced Driver Assistance Systems (ADAS). Through a centralized antenna signal design, the system significantly expands forward detection range and sensitivity, improving driving safety and reducing the risk of traffic accidents. The technology is suitable for integration into intelligent transportation systems and vehicle radar modules, supporting vehicle miniaturization and low-power design requirements. By lowering equipment failure rates and extending system lifespan, it also contributes to the reduction of electronic waste and transportation-related carbon emissions—advancing low-carbon mobility and sustainable urban development.

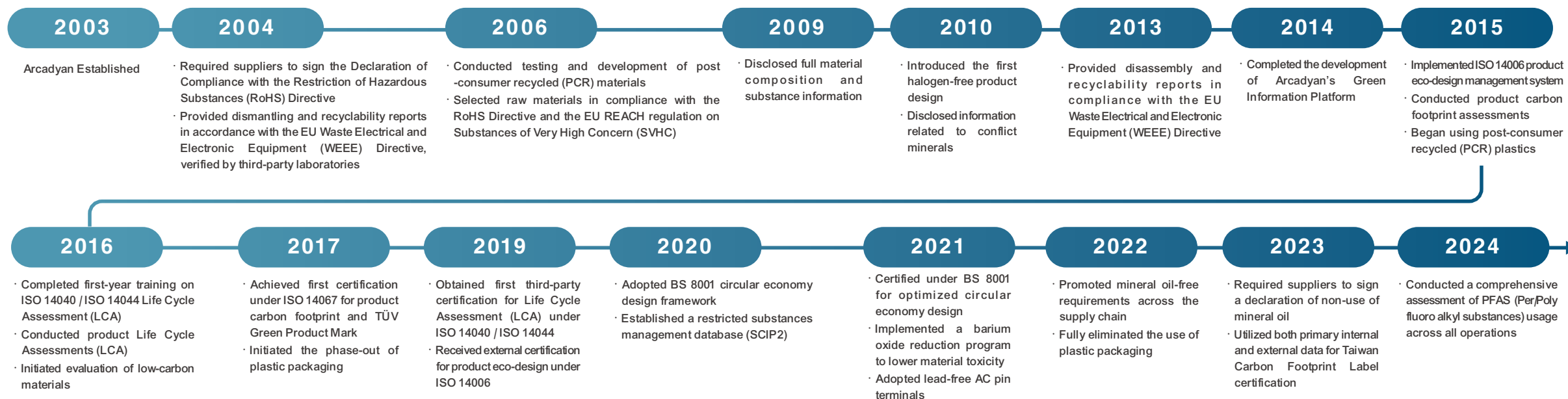
3.2 Sustainable Product Design

Arcadyan actively assesses climate-related risks and opportunities to its operations and embeds green design principles throughout product development. Following the Product Life Cycle (PLC) approach, the company evaluates environmental impacts across all stages—from raw materials and manufacturing to usage and end-of-life—with a focus on reducing resource use and carbon emissions. Aligned with circular economy principles, Arcadyan applies Cradle to Cradle design to support a sustainable “manufacture–use–recycle” model. Starting from design, the company enhances resource efficiency, minimizes pollution and waste, and advances eco-friendly innovation. This approach reduces environmental impact while strengthening product sustainability and competitiveness.

At the design stage, Arcadyan aligns customer needs and product functions with energy efficiency and low-carbon performance, while complying with global standards such as the EU Eco-design Directive. Since 2006, all products have maintained 100% compliance with the EU WEEE Directive and other regional laws, with no violations of labeling or voluntary standards—demonstrating a strong commitment to environmental compliance.

3.2.1 Arcadyan's Sustainable Product Development Journey

Arcadyan's product design is centered around four core principles: the use of low-toxicity materials, energy efficiency, ease of disassembly and refurbishment, and extended product lifespan. Since its founding, Arcadyan has continuously aligned with global sustainability trends, addressed stakeholder expectations and customer needs, and refined its environmentally friendly design capabilities. The company is committed to enhancing the sustainability performance of its product life cycle to achieve optimal eco-effectiveness.



Developed a cloud-based Eco-Material Library Platform

To improve carbon data management for components, Arcadyan's Green Product Team collaborated with the IT Department to develop the Eco-Material Library Platform. This cloud-based system consolidates primary carbon emission data for raw materials, enabling R&D teams to access material information during the design phase for accurate carbon footprint calculations and life cycle analysis. In 2024, the platform incorporated 26 biodegradable and low-carbon materials, accelerating material innovation, promoting sustainable material transition, and supporting Arcadyan's low-carbon development goals.

Sustainability Design Training

To enhance the R&D team's capabilities in sustainable product innovation, Arcadyan regularly conducts training courses on green design principles and practices. These sessions aim to integrate sustainability into the product development phase and strengthen environmentally friendly design expertise. In 2024, a total of four in-person and online courses were held, with 3,717 total participants, effectively reinforcing employees' knowledge and skills in green design.

Course Title	Duration (Hours)	Participants
Green Product Part Number Application Process	1	~200
Application and Trends of Low-Carbon Recycled Materials	3	42
[Arcadyan Group General Awareness Training Series] Green Products and Hazardous Substance Management	1	3,534
Introduction to Post-Consumer Recycled (PCR) Materials	2	10

Sustainable Product Certification and Carbon Footprint Assessment

Arcadyan continues to strengthen compliance with environmental and energy regulations across its products and services, while actively working to reduce the environmental impact of its operations. In 2024, the company supported brand customers in conducting Life Cycle Assessments (LCA) and Product Carbon Footprint (PCF) evaluations. A total of 68% of products were assessed—demonstrating Arcadyan's commitment to green design and its concrete progress toward low-carbon transformation.

The status of Arcadyan's assessment and certification efforts is outlined as follows:

Assessment Type	No. of Projects Assessed	No. of Projects Certified
ISO 14040/14044 Life Cycle Assessment	72	8
ISO 14067 Product Carbon Footprint	44	5
TÜV Rheinland Green Product Mark	8	8



3.2.2 Product Life Cycle Assessment

At the product development stage, Arcadyan applies Life Cycle Assessment (LCA) to systematically evaluate the actual and potential environmental impacts of its products—from raw material extraction, manufacturing, and use, to end-of-life treatment, including recycling and final disposal. The assessment covers indicators such as energy use, resource consumption, and pollutant emissions, and the results are reviewed collaboratively across departments to continuously improve product design and manufacturing processes with a focus on environmental performance.

Arcadyan conducts LCA in accordance with ISO 14040 and ISO 14044 standards, using specialized software to assess environmental impacts and carbon footprints. The assessment framework is aligned with the EU's Product Environmental Footprint (PEF) methodology and the Product Category Rules (PCR) for IT equipment, which define five key life cycle stages: raw material acquisition, manufacturing, distribution, use, and end-of-life treatment. Evaluations cover 27 environmental impact categories, including climate change, human toxicity, freshwater ecotoxicity, mineral resource depletion, and fossil resource depletion. In 2024, products undergoing LCA at the request of customers accounted for approximately 10% of total shipments—highlighting Arcadyan's commitment to transparency in environmental information and the advancement of sustainable product design.

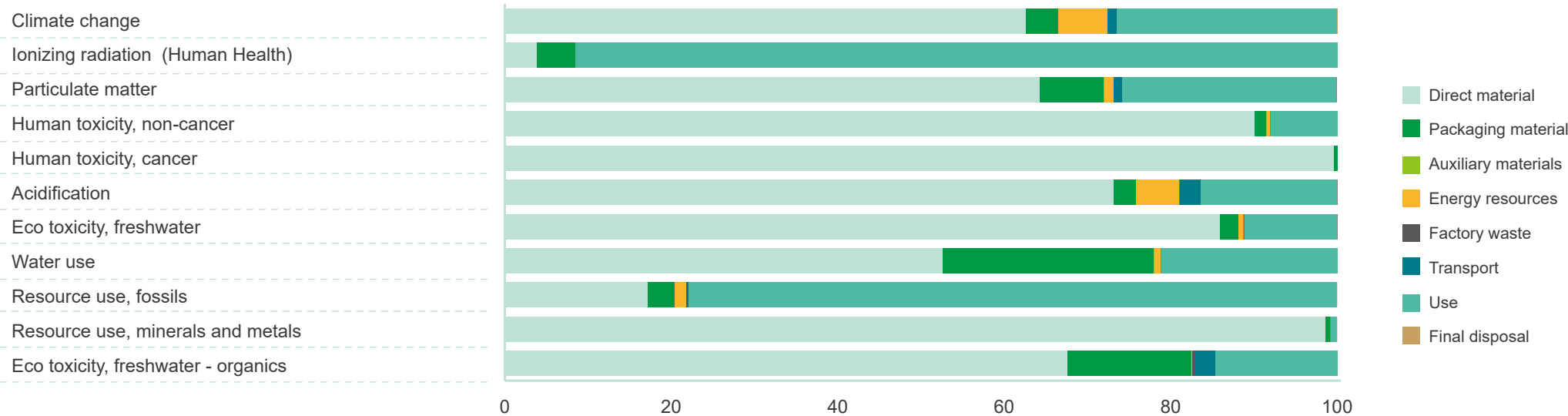
Carbon Footprint Distribution by Life Cycle Stage
(Example: Products Sold to Europe)

Life Cycle Stages	Climate Change %
Direct material	39%
Electricity	3%
Transport	1%
Use	57%
Final disposal	0.2%

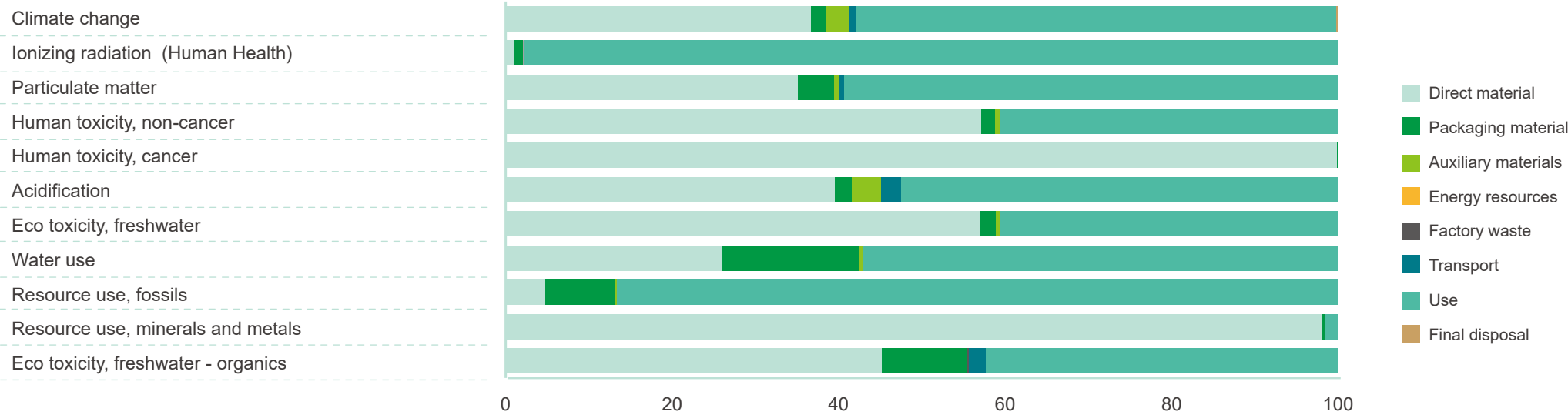
Environmental Impact Assessment Across the Product Life Cycle
–Set-Top Boxes and Routers

Impact Categories	Unit	STB (Set-Top Box)	GATEWAY (Router)
Climate Change	kg CO ₂ eq	24.75	58.41
Ionizing Radiation (Human Health)	kBq U-235 eq	46.53	224.73
Particulate Matter	kg PM _{2.5} eq	<0.001	<0.001
Human Toxicity, Non-cancer	CTUh	<0.001	<0.001
Human Toxicity, Cancer	CTUh	<0.001	0.00297
Acidification	mol H ⁺ eq	0.297	0.396
Eco Toxicity, Freshwater	CTUe	2,615	3,693
Water Use	m ³ depriv.	13.86	25.74
Resource Use, Fossils	MJ	1,197	5,575
Resource Use, Minerals and Metals	kg Sb eq	0.0297	0.099
Eco Toxicity, Freshwater - Organics	CTUe	9.9	16.83

Life Cycle Assessment Results for Set-Top Box (STB) Products

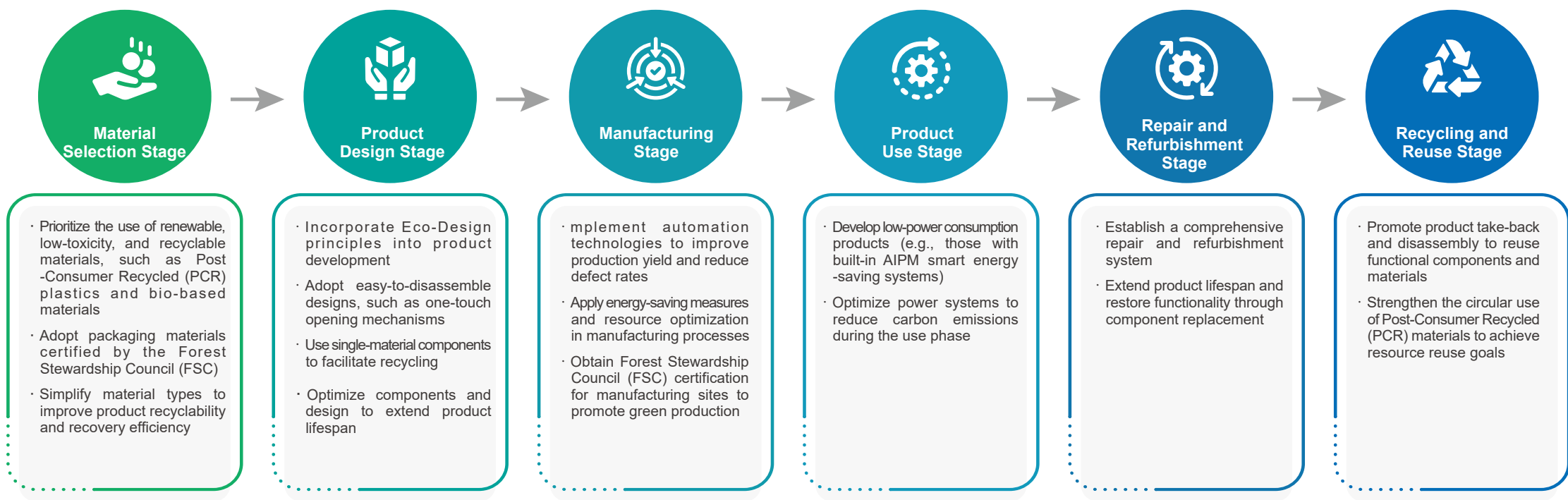


Life Cycle Assessment Results for GATEWAY Products



3.2.3 Arcadyan's Sustainability Strategy for Green Design and Circular Economy

In response to global challenges such as climate change and resource depletion, Arcadyan adopts Product Life Cycle Management (PLCM) as a core strategy. The company integrates environmental considerations into every stage of the “Cradle to Cradle” approach—including material selection, product design, manufacturing, usage, repair and refurbishment, and end-of-life recycling. Through this systematized and integrated sustainable design process, Arcadyan implements carbon reduction, energy efficiency, and resource circulation strategies to enhance product recyclability and environmental value.



Use of Post-Consumer Recycled (PCR) Plastics

Arcadyan actively promotes the circular use of plastic materials by developing high-recyclability plastic compounds and increasing the proportion of recycled content in its products. Since 2015, Arcadyan has incorporated 65% to 99% post-consumer recycled (PCR) plastic into product plastic components. For materials such as ABS or ABS+PC, a clip-fit structure is used in place of traditional screw-fastening methods to reduce screw usage, improve structural strength, and facilitate recyclability. In 2024, approximately 72% of Arcadyan's shipped products included recycled plastics, achieving its target of exceeding 70%. This reflects Arcadyan's strong commitment to advancing material circularity. The company will continue to enhance the development and application of recycled materials, aiming to reach a 75% adoption rate in customer products by 2025, thereby deepening the implementation of circular economy practices.

Historical Use of PCR Plastics	2020	2021	2022	2023	2024
Recycled Plastics Specifications	65~99% ABS 或 ABS+PC				
Customer Adoption Rate	9.8%	25%	50%	65%	72%

Use of Post-Consumer Recycled (PCR) Metals

To reduce reliance on virgin metal resources and support material circularity, Arcadyan is actively exploring the use of post-consumer recycled (PCR) metals in product design. Using PCR metals is estimated to reduce carbon emissions by 50% to 90%. However, due to a 15%–20% cost increase compared to virgin metals, these materials have not yet been applied to mass production. Arcadyan will continue evaluating and expanding the use of recycled metals to strengthen the low-carbon performance of its products.

Material	Total Usage (Ton)	Recycled Content (%)
Plastic	4,789.4	11.3
Aluminum	11,273.6	0
Steel/ Iron	3,655.5	0
Copper	8,972.5	0
Cobalt	0.5	0
Nickel	1,711.4	0
Lithium	27	0
Titanium	<0.01	0

Eco-Friendly Packaging Design

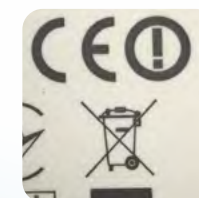
Arcadyan is committed to reducing the use of packaging materials by optimizing packaging structure to improve transportation efficiency and reduce carbon emissions. In material selection, the company prioritizes recycled paper and Forest Stewardship Council (FSC)-certified materials, and uses plant-based inks instead of traditional petroleum-based inks to reduce environmental impact. In 2024, over 84% of shipped products used recycled paper, and 80.6% were packaged with FSC-certified materials. Additionally, Arcadyan's Vietnam manufacturing site obtained FSC certification, further strengthening traceability and quality control of packaging sources.

Arcadyan also uses biodegradable materials such as industrial starch, plant fibers, and molded pulp foam for internal packaging components, enabling composability and natural degradation. However, in 2024, due to customer demands, these materials were replaced with more cost-effective and readily available paper-based alternatives. Going forward, Arcadyan will continue to monitor developments in sustainable materials and seek solutions that balance environmental and economic performance, supporting its circular economy and carbon reduction goals.

Proportion of Renewable Materials Used Over the Years	2020	2021	2022	2023	2024
Biodegradable Packaging Materials	0%	0.3%	0.3%	0.3%	0%
PCR Recycled Paper Packaging Materials	55%	55%	80%	82%	84.7%

Material Simplification and Improved Recycling Efficiency

To enhance product recyclability, Arcadyan simplifies material composition by prioritizing single-material designs and reducing the use of mixed materials. For packaging, product information is printed directly on the outer box to minimize paper usage. Accessory bundling has shifted from traditional plastic ties to paper-based alternatives to reduce environmental impact. The product foot pads are designed to be replaceable, improving repair and refurbishment convenience and extending product lifespan. Additionally, electronic directive icons and EU compliance markings are integrated directly into the product housing, streamlining the manufacturing process and facilitating recycling. These measures reflect Arcadyan's comprehensive implementation of sustainable design and its strong commitment to environmental responsibility.



Adhesive Label



Embossed Marking

Component Reduction Design Strategy

Arcadyan incorporates component optimization strategies during the product design phase. By improving thermal conduction structures, the use of heat dissipation components (such as heat sinks) and other parts is reduced, thereby lowering overall product weight and raw material consumption. This design approach not only reduces production costs and bill-of-material (BOM) complexity, but also contributes to lower carbon emissions throughout the product life cycle. The estimated maximum carbon reduction potential from this strategy is up to 3%. By simplifying components, Arcadyan enhances product disassembly and recyclability, aligning with circular economy principles and strengthening product sustainability performance.

Eco-Design of Products

Arcadyan was certified to ISO 14006 in 2018 and adopted a structured approach to eco-design. This includes life cycle data collection and carbon assessment through four steps: goal and scope definition, Life Cycle Inventory Analysis, impact assessment, and interpretation. This systematic method enables a comprehensive understanding of environmental impacts across all product stages, with environmental disclosure reports used as the basis for third-party verification. The ISO 14006 eco-design standard has been applied to the development of Arcadyan's router and set-top box (STB) product lines. For example, the latest generation of routers achieves a reduction of approximately 4 kgCO₂e per unit—around 7% of the total product emissions—and has received TÜV Green Mark carbon footprint verification. For STBs, the carbon reduction is approximately 2 kgCO₂e per unit, or 5% of total emissions, with verified carbon footprint certification also obtained. Arcadyan will continue to expand the application of restricted substance management for raw materials, deepen the development of low-carbon products, and actively advance its environmental sustainability goals.

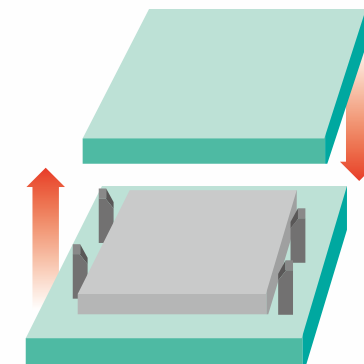
Improving Printed Circuit Board (PCB) Utilization

Arcadyan has implemented a high-efficiency PCB design strategy by reducing the distance between components and board edges to just 1 mm, increasing material utilization to over 85%. This reduces raw material use, lowers carbon emissions, and cuts procurement costs. Although this design requires overcoming challenges such as fixture limitations and edge stress risks, it significantly improves resource efficiency. Preliminary estimates suggest a potential carbon reduction of about 0.03%, supporting Arcadyan's green manufacturing and carbon reduction goals.

Design for Easy Disassembly (One-Hand Opening Structure)

To meet customer needs for product refurbishment and recycling, Arcadyan has introduced a one-hand opening structure in product design to improve maintainability and repairability. The design replaces traditional screw-fastening with a screwless snap-fit mechanism, enabling quick and damage-free disassembly using specialized tools.

This approach shortens disassembly and repair time while eliminating the need to sort screws during recycling. The product housing uses a single plastic material to simplify recycling and avoid contamination from mixed materials. In 2024, four product models adopted this design. Through structural and process optimization, Arcadyan demonstrates its strong commitment to circular economy principles and environmentally friendly, serviceable product design.



Energy Efficiency Optimization in Manufacturing

Arcadyan has implemented multiple energy-saving measures in its production processes. High-energy-consuming equipment, such as chillers, HVAC systems, and cooling towers, have been upgraded with smart controls and Variable Frequency Drives (VFD) to improve energy efficiency. A real-time energy monitoring system is used to track consumption trends and dynamically adjust scheduling and operations, minimizing standby energy use and idle losses. Additional efforts include energy-efficient lighting, air compressor optimization, and waste heat recovery projects. These initiatives enhance overall energy utilization and support Arcadyan's goal of low-carbon manufacturing. (For detailed measures, see Section [4.4: Carbon Reduction Actions and Results](#).)

Arcadyan Intelligent Power Management (AIPM)

Arcadyan has independently developed the Arcadyan Intelligent Power Management (AIPM) system, which uses smart microcontrollers (MCUs) to precisely manage product operation modes. The system automatically detects load conditions and dynamically adjusts power states in real time. In 2024, approximately 2.2% of Arcadyan's key customer shipments adopted AIPM. Testing showed that AIPM can reduce overall product energy consumption by 20% to 30%, significantly improving energy efficiency and supporting the company's low-carbon transition goals.

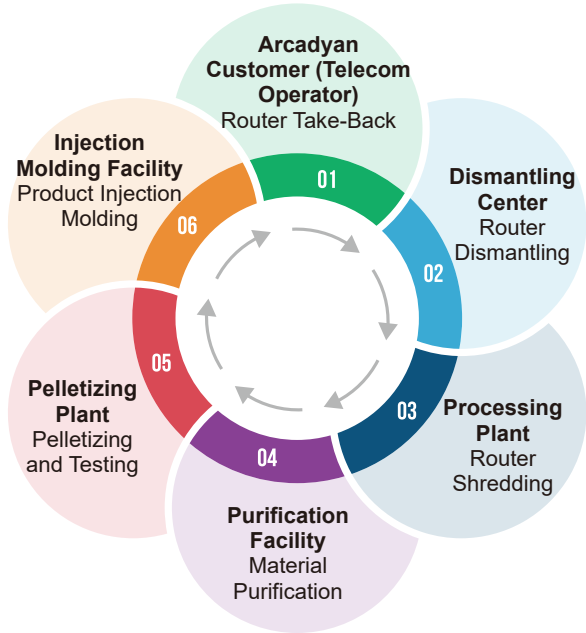
Circular Economy-Waste Recycling and Program

Arcadyan has established a closed-loop recycling model in collaboration with customers and supply chain partners. This model covers the full product life cycle—from market product recovery and material dismantling to purification and reintegration into new products. In 2024, Arcadyan recycled 3,909 kg of plastic, converting it into post-consumer recycled (PCR) material for reuse in manufacturing. This effort reduced approximately 28 metric tons of CO₂e emissions and lowered reliance on virgin plastics.

Arcadyan will continue to strengthen partnerships with customers, recyclers, dismantlers, and suppliers to expand the types and applications of recovered materials. Through the “recover–reprocess–reuse” model, the company supports green supply chain transformation and demonstrates its commitment to circular resource use and greenhouse gas reduction.

Six-Stage Process of Closed-Loop Recycling and Reuse

- **Product Take-Back Stage** : Partner telecom operators collect end-of-life products from the market and transport them to designated dismantling centers.
- **Dismantling Stage** : Professional third-party recyclers dismantle the products into individual components, which are then sorted by material type—such as plastics, metals, and circuit boards—to ensure maximum resource recovery.
- **Initial Shredding Stage** : Disassembled plastic parts are crushed into small flakes to facilitate the subsequent purification process.
- **Purification Stage** : The shredded plastic is sent to purification facilities in Taiwan, where magnetic separation removes iron filings, screws, and other metallic impurities. This improves the purity and performance stability of the recycled material.
- **Pelletizing and Material Testing Stage** : The purified plastic is melted and reprocessed into pellets. These undergo physical property tests—including tensile strength, impact resistance, and melt flow index—to ensure the material meets structural and durability requirements for reuse.
- **Injection Molding and Product Reuse Stage** : Qualified recycled plastic is injection-molded by Arcadyan's manufacturing partners into new product housings and reintegrated into customer product lines—completing the full cycle of “recovery–recycling–reuse.”



Refurbishment of Power Supplies and Cables

Arcadyan emphasizes product life cycle management by refurbishing returned products through its reverse logistics and repair teams, extending product lifespan and reducing resource consumption. In 2024, a total of 62,059 units were refurbished, restoring functionality and quality through component repair and reassembly. This effort contributed to an estimated 434.4 metric tons of CO₂e emissions reduction.

To further increase accessory reuse, Arcadyan also refurbished over 7,800 power supplies and cables in 2024, achieving a reuse rate of 70%. These efforts led to an additional reduction of approximately 13.5 metric tons of CO₂e, lowering emissions from raw material procurement and packaging processes. Through these actions, Arcadyan actively applies circular economy principles—extending the value of products and accessories while contributing to global low-carbon transition goals.



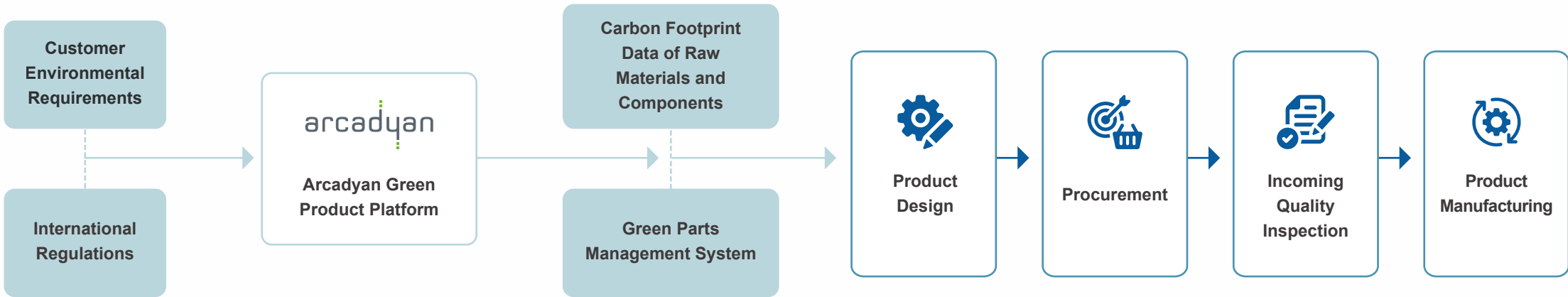
3.3 Restricted Substances and Material Management

Arcadyan maintains strict compliance with global environmental regulations, customer green product standards, and the latest requirements of environmental management systems by incorporating hazardous substance control mechanisms from the product design and development stage, ensuring conformity throughout the product lifecycle. Material and substance investigations are conducted using the GP Data Application Form and the Arcadyan Green Parts Material Substance Declaration Checking List to comprehensively ensure product environmental compliance. The Vietnam Manufacturing Center has implemented the QC080000 Hazardous Substance Process Management System to strengthen material testing and risk control at the source. In addition, efforts are made to develop halogen-free products and utilize conflict-free mineral sources, aiming to reduce potential risks to human health and the environment while ensuring customer health and product safety.

3.3.1 Restricted Substances Control Measures

In light of heightened international attention on Per- and Polyfluoroalkyl Substances (PFAS), Arcadyan began requiring suppliers to sign the Survey of Level 1 Reportable Substances PFAS Declaration in 2024. As of that year, a total of 260 declarations had been collected, achieving a 99% response rate. To enhance restricted substance management and compliance awareness across the supply chain, 80 online training and communication sessions were conducted for suppliers, resulting in a 100% training rate among key suppliers.

In response to European regulatory controls on Mineral Oil Aromatic Hydrocarbons (MOAH) and Mineral Oil Saturated Hydrocarbons (MOSH), Arcadyan has required suppliers to sign the Declaration of Non-Use of Mineral Oil since 2023. This measure ensures that all materials and packaging comply with applicable standards, supporting global environmental protection policies.



Arcadyan ensures that all products comply with international environmental regulations and customer-specific requirements by fully implementing hazardous substance management and environmentally friendly design principles. As of 2024, the applicable major regulations and product compliance statuses are summarized in the following table. To maintain a competitive edge in global environmental compliance, Arcadyan continues to strengthen real-time regulatory tracking and conformity control through its internal material management systems and close collaboration with the supply chain. These efforts also actively support customers in advancing sustainable supply chain management goals.

Regulation / Directive	Arcadyan Products
EU Restriction of Hazardous Substances Directive (RoHS) -Restriction of hazardous substances	100% compliant
EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) -SVHC compliance	100% compliant
EU Waste Electrical and Electronic Equipment Directive (WEEE) -Electronic and electrical waste recycling	100% compliant
California Proposition 65 -Hazardous substance warning requirements for California market	100% compliant for products entering the U.S. market
EU Persistent Organic Pollutants (POPs) Regulation -Control of persistent organic pollutants	100% compliant for products entering the EU market
France Mineral Oil Regulation (MOAH/MOSH) -Control of Mineral Oil Aromatic and Saturated Hydrocarbons	100% compliant for products entering the French market

3.3.2 Waste Electrical and Electronic Equipment Directive (WEEE)

From the product design stage, Arcadyan incorporates sustainability considerations such as customer requirements, waste reduction, and resource reuse. Environmentally friendly materials and low-pollution alternatives are actively adopted to promote design practices that reduce natural resource consumption and improve recyclability. In 2024, the total weight of recyclable materials—including paper, cardboard, wood, and plastics—used in the production and packaging of Arcadyan's major products reached 22,361 metric tons, accounting for approximately 67% of total material usage. This meets the EU WEEE Directive's product recyclability requirements. Arcadyan continues to enhance product designs focused on resource efficiency and circular economy principles, with a strong commitment to reducing environmental impact. The following green design principles are implemented:

- Prohibit or reduce the use of hazardous chemicals, fully complying with the EU Restriction of Hazardous Substances Directive (RoHS) standards.
- Design using single-type plastics to improve post-use material recycling efficiency.
- Prioritize the use of recycled plastics and biodegradable plastics to support resource circularity.
- Ensure compatibility between plastic materials and surface treatment technologies to facilitate material recovery.
- Adopt structures that are easy to disassemble and recycle, streamlining end-of-life product processing.
- Promote modular product design, allowing for easy replacement and upgrading of key components, thereby extending product lifespan and reducing electronic waste generation.

3.3.3 Promotion of TÜV Green Product Mark

To meet EU requirements on environmental performance and energy efficiency, Arcadyan has adopted the TÜV Green Product Mark since 2018. This voluntary certification assesses the product's entire life cycle—from design and manufacturing to use and disposal—focusing on energy efficiency, environmental impact, and sustainability. Certification is pursued based on customer needs and includes energy performance testing and carbon footprint verification. Certified products comply with EU directives and receive both the green label and carbon certificate, reflecting Arcadyan's commitment to environmental responsibility. The TÜV mark strengthens regulatory compliance, enhances Arcadyan's green brand image, and builds market trust through verifiable sustainability credentials.

3.3.4 Restriction of Hazardous Substances Directive (RoHS)

To reduce risks from electronic waste, the EU issued Directive (EU) 2015/863 as an amendment to RoHS, adding four phthalates (DEHP, BBP, DBP, DiBP) to the list of restricted substances. This enhanced controls over hazardous materials in electronic products. Arcadyan fully supports substance reduction policies. All products comply 100% with the limits set by EU RoHS Directive 2011/65/EU, with no records of customer complaints or returns due to non-compliance—demonstrating strong regulatory commitment.

Arcadyan has further required its supply chain partners to incorporate phthalate substances (DEHP, BBP, DBP, and DiBP) into the risk assessment of homogeneous materials. In parallel, the company has strengthened control over the sources of raw materials and components to mitigate environmental and regulatory risks at the source, ensuring continued compliance with EU regulations and other relevant requirements in target markets.

3.3.5 Substances of Very High Concern (Registration, Evaluation, Authorization and Restriction of Chemicals, REACH)

In line with its commitment to environmental responsibility and regulatory compliance, Arcadyan has established the Guidelines for the Management of Environmentally Hazardous Chemicals based on international environmental regulations and customer green procurement requirements. These guidelines specify restrictions on hazardous substances used in components, packaging, and auxiliary materials, supported by a comprehensive control list and monitoring mechanisms to reduce potential environmental risks in products. Since 2020, Arcadyan has complied with the EU REACH regulation by disclosing information on Substances of Very High Concern (SVHC) contained in finished products. In accordance with the Substances of Concern In articles as such or in complex objects (SCIP) notification system, product information has been registered in the EU SCIP database to ensure transparency and regulatory conformity regarding SVHC content. Arcadyan also collaborates with suppliers to strengthen supply chain information management and fulfill its legal obligation to disclose SVHC information to downstream recipients. Through systematic data collection, registration, and regulatory communication mechanisms, Arcadyan is committed to ensuring the safety of final products and reinforcing customer and consumer trust.

3.3.6 Hazardous Substance Reduction Initiatives

Guided by its core commitment to environmental sustainability, Arcadyan is dedicated to providing eco-friendly, low-toxicity, and regulation-compliant electronic products. All shipped products have passed testing under the EU Restriction of Hazardous Substances Directive (RoHS) for restricted substances including metals (lead, cadmium, mercury, hexavalent chromium), brominated flame retardants (PBBs, PBDEs), and phthalates (DEHP, BBP, DBP, DiBP). All test results meet regulatory thresholds, ensuring full compliance with international environmental laws.

As an electronics assembly manufacturer, Arcadyan's operations do not involve high-risk sectors such as agriculture, chemical production, or heavy industry, and do not use or generate any Persistent Organic Pollutants (POPs). Mercury and related substances are not used in its processes, eliminating any risk of mercury emissions. Procurement and use of materials and components strictly follow RoHS and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) limits. Suppliers are required to provide compliance declarations to ensure all materials are mercury-free.

Through robust supply chain management, Arcadyan enforces comprehensive source control and promotes shared green responsibility across its supplier network. Internal environmental audits are conducted regularly, and third-party agencies are commissioned to perform environmental emission monitoring. To date, Arcadyan has no records of violations related to POPs regulations. The company remains committed to reducing hazardous substances and developing environmentally responsible products that balance performance with sustainability, in alignment with global trends and stakeholder expectations.

3.4 Customer Health and Safety

Arcadyan prioritizes the impact of its products on user health and safety. To minimize potential legal and financial risks, safeguard brand reputation, and meet global regulatory requirements, strict control over raw material selection is implemented from the early stages of product development. This ensures compliance with the company's internal hazardous substance standards and mitigates health and safety risks during product use.

All materials and components used by suppliers must comply with the latest standards of international environmental regulations, including the EU Restriction of Hazardous Substances Directive (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Source control and substance testing mechanisms are reinforced to ensure full regulatory compliance throughout product design and manufacturing. In 2024, 100% of Arcadyan's mass-produced products for the European and U.S. markets passed the IEC 62368 electronic product safety certification and complied with EN IEC 63000:2018 (RoHS) requirements for hazardous substances in electrical and electronic equipment. Arcadyan will continue to enhance health and safety design processes and strengthen overall risk management performance to deliver safer, more reliable products for users worldwide.

3.4.1 Electromagnetic Compatibility (EMC) Testing

All Arcadyan products undergo Electromagnetic Compatibility (EMC) testing to ensure that they do not emit excessive electromagnetic interference (EMI) during normal operation and are resistant to external electromagnetic disturbances. This ensures both user health and operational safety. The main testing items include:

- **Electromagnetic Interference (EMI) Testing** : Conducted in accordance with international standards to verify that products do not generate interference exceeding regulatory limits, preventing disruption to surrounding electronic devices.
- **Electromagnetic Susceptibility (EMS) Testing** : Simulates external electromagnetic events such as lightning strikes, radio frequency signals, and electrostatic discharge to verify that product functionality and operation remain stable under such conditions.

Through rigorous testing procedures, Arcadyan ensures product reliability and compliance with market-specific safety regulations, demonstrating its commitment to user safety and equipment integrity.

3.4.2 Product Safety Standards

To ensure high safety performance under normal usage conditions, Arcadyan integrates stringent safety verification procedures at the product design and development stage. These procedures follow international standards, including IEC 62368 for electronic product safety and IEC 63000 for hazardous substance assessment. Independent, accredited third-party testing laboratories are commissioned to conduct on-site witnessed testing. This process is designed to prevent risks associated with materials or components that may lead to electric shock, energy release, fire, mechanical injury, radiation, chemical hazards, or burns—ensuring that all products meet national safety standards before market release. In 2024, all newly developed products passed relevant safety tests and obtained regulatory certifications, enhancing both market competitiveness and consumer safety assurance.

3.4.3 Recycled Plastics and Circular Material Use

In response to global concerns over plastic pollution, the United Nations Environment Assembly has established an international agreement urging nations to reduce plastic use and improve waste management. The European Union has also legislated restrictions on single-use plastic products—such as bags, utensils, food packaging, and other non-essential plastic items—to mitigate long-term environmental impacts. Aligning with global anti-plastic trends, Arcadyan fully adopted post-consumer recycled (PCR) plastic materials in 2024, achieving a 71% adoption rate. In addition, plastic components from defective or scrapped products are recovered, sorted, and reprocessed for reintegration into manufacturing—effectively closing the material loop and enabling circular production management.

Through a dual strategy of plastic reduction and reuse, Arcadyan actively promotes circular economy development, offering customers low-carbon, eco-friendly, and sustainable material alternatives while reducing plastic pollution and manufacturing-related carbon footprints.

3.4.4 Halogen-Free Material Management

Halogenated materials may release highly toxic substances such as dioxins when incinerated, posing serious risks to ecosystems and human health. The EU Restriction of Hazardous Substances (RoHS) Directive includes commonly used brominated flame retardants, such as PBBs and PBDEs, under strict regulation to minimize environmental and health risks during product use and disposal. In line with global “halogen-free components and processes” initiatives and customer expectations for green manufacturing, Arcadyan enforces strict source control of hazardous substances. The company has established clear environmental substance control standards that define allowable limits for chlorine and bromine content, while continuously promoting the research and substitution of halogen-free materials to enhance supply chain compliance management.

Arcadyan launched a halogen-free material assessment and substitution program in 2010, gradually phasing out high-risk substances. As of 2024, over 88% of materials used in Arcadyan products are halogen-free, while the remaining 12% remain fully compliant with environmental regulations and restrictions. The company continues to advance toward full halogen-free implementation, enhancing environmental friendliness in material selection and fulfilling its commitment to low-pollution, low-risk sustainable product design.



3.4.5 Mineral Oil-Free Material Policy

In response to growing global concerns over environmental protection and consumer health, Arcadyan has proactively aligned with EU regulations on mineral oil content by establishing a clear Mineral Oil-Free Material Policy. This policy aims to reduce the release of substances with potential risks to human health and the environment throughout the product life cycle. Mineral oils and their derivatives—such as Mineral Oil Aromatic Hydrocarbons (MOAH) and Mineral Oil Saturated Hydrocarbons (MOSH)—are known for their persistence and bioaccumulation potential, and studies have indicated possible hazards to ecosystems and human health. Since 2023, Arcadyan has prohibited the use of mineral oil-containing substances in product packaging, printed materials (including boxes, manuals, and brochures), and related components. The following management mechanisms have been implemented to ensure policy compliance:

- **Strengthened Supply Chain Management :** All packaging and printing suppliers are required to sign a Declaration of Non-Use of Mineral Oil to collectively uphold environmental standards.
- **Raw Material Review and Verification:** A source audit mechanism has been established for raw materials. Suppliers may be required to submit third-party test reports based on risk assessment. In 2024, a 100% report collection rate was achieved.
- **Internal Training and Awareness:** The policy has been integrated into environmental and compliance training programs to enhance employee awareness of environmental regulations, internal requirements, and corporate responsibility.
- **Ongoing Monitoring and Optimization:** Regulatory updates are continuously tracked, and current material usage is reviewed to optimize green material procurement strategies and substitution plans.

Arcadyan will continue to reinforce its mineral oil-free material management system to reduce chemical risks and promote environmentally responsible, health-conscious, and legally compliant sustainable product development.

4

Environmental Sustainability

- 4.1 Environmental Sustainability Strategy
- 4.2 Climate Risk Management
- 4.3 Energy and Greenhouse Gas Management
- 4.4 Carbon Reduction Actions and Effectiveness
- 4.5 Water Resource Management
- 4.6 Waste Management
- 4.7 Air Pollution Control
- 4.8 Biodiversity



Topic	Strategy	2024 Target	2024 Performance / Results	2025 Target	2030 Long-Term Target
Energy and GHG Management	GHG reduction (Scope 1, 2, 3) aligned with SBTi 1.5°C pathway.	Scope 1 & 2: 12.5% absolute reduction from 2022 baseline.	51% absolute reduction; outperformed target. Total Scope 1 & 2 emissions: 15,368.72 tCO ₂ e	Scope 1 & 2: 18.75% absolute reduction from 2022 baseline	Scope 1 & 2: 50% absolute reduction from 2022 baseline.
		Scope 3: 21.5% intensity reduction from 2022 baseline. (CO ₂ e per million gross profit)	22% intensity reduction; outperformed target. Total Scope 3 emissions: 3,036,318.05 tCO ₂ e.	Scope 3: 31.5% intensity reduction from 2022 baseline.	Scope 3: 66.47% intensity reduction from 2022 baseline.
	Improve energy efficiency; reduce energy intensity annually	Reduce energy intensity by 5% vs. 2023 baseline	15% reduction in energy intensity vs. 2023 Energy use: 40,251 kWh	Reduce energy intensity by 5% vs. 2024 baseline	Reduce energy intensity by 5% vs. 2029 baseline
	Achieve RE100 (100% Renewable Energy)	40% renewable energy share	Achieved 40% ; exceeded target On-site solar: 3.84 million kWh I-REC: 12.24 million kWh	50% renewable energy share	100% renewable energy share
Water Resource Management	Implement water recycling and wastewater control	1% reduction in per capita water use vs. 2023	16.3% reduction in per capita use Total withdrawal: 112,440 m ³	1% reduction in per capita water use vs. 2024	1% reduction in per capita water use vs. 2029
	Ensure compliant wastewater discharge	Wastewater discharge compliant with local regulations	Compliant with local standards (2024 inspections)	Compliant with local standards	Compliant with local standards
Waste Management	Increase recycling rate; reduce waste intensity annually	1% reduction in waste intensity vs. 2023	Waste intensity increased by 38.5% vs. 2023 Generation of waste (including landfill and incineration without energy recovery): 1,748.4 metric tons	Increase recycling rate; reduce waste intensity annually	1% reduction in waste intensity vs. 2023
	Ensure compliant air emissions	Air emissions compliant with local regulations	Compliant with local standards (2024 inspections)	Compliant with local standards	Compliant with local standards

4.1 Environmental Sustainability Strategy

Recognizing the finite nature of Earth's resources and the urgency of sustainable development, Arcadyan has implemented the ISO 14001 Environmental Management System across all major operational sites since 2005. The company has also established the Environmental, Occupational Safety, Energy, and Eco-Design Policy to enforce comprehensive measures in environmental protection and eco-design. Committed to the highest standards of environmental management, Arcadyan continuously optimizes systems and processes to enhance environmental performance, advance green transformation, and realize its sustainability vision.

Environmental, Occupational Safety, Energy, and Eco-Design Policy :

- Comply with domestic environmental, safety and health, and energy regulations and effectively implement the environmental, safety and health management system.
- All staff participate in product ecological design, environmental protection and energy management, and promote continuous improvement for sustainability.
- Improve resource recycling and energy efficiency, and reduce the impact of carbon emissions in supply chain.
- Promote education and publicity on environmental safety, energy and product eco-design.
- Implement employee health management, proactively prevent occupational disasters, and create a safe workplace with zero disasters.



4.1.1 ISO Management System Certification and Risk Control

To manage environmental impacts across operational sites, Arcadyan's headquarters and Vietnam manufacturing center are certified to ISO 14001 Environmental Management System and ISO 50001 Energy Management System. Annual internal audits and third-party verifications are conducted to ensure compliance and drive continuous improvement. Environmental risk assessments are carried out each year to evaluate potential hazards—such as waste, wastewater, air emissions, and noise—associated with operational activities. Mitigation measures are prioritized based on risk levels to ensure effective controls are in place. Arcadyan continues to monitor and reduce environmental risks while integrating energy management performance to promote decarbonization and resource circularity, aiming to minimize the environmental footprint of its operations.

Environmental Risk Identification and Management

In 2024, Arcadyan conducted systematic environmental risk assessments at both its headquarters and Vietnam manufacturing center, focusing on five key dimensions: energy use, wastewater management, waste treatment, air emissions, and noise control. Risks were evaluated based on frequency, impact scope, severity, and recoverability. Given its R&D and office-based operations, the headquarters did not involve high-risk processes; the main focus was placed on energy management. A smart energy monitoring system was deployed to track high-consumption areas in real time and improve energy efficiency. At the Vietnam manufacturing center, higher-risk environmental aspects were addressed through improvements in energy management, wastewater treatment, and waste handling, with an emphasis on upstream control and process efficiency. The 2024 environmental risk assessment covered 94.3% of all Arcadyan operational sites, ensuring comprehensive risk identification and enabling targeted improvement actions based on the findings.

Site	Category	Potential Risk Scenario	Mitigation Measures
Arcadyan Headquarters	Energy Management	Increase in energy consumption due to workforce growth or additional testing equipment	Collaborate with external energy service providers to implement smart power monitoring and manage high-consumption equipment
	Energy Management	Power supply interruption caused by aging or poorly maintained equipment	Strengthen maintenance and inspection of electrical systems; install energy monitoring systems to ensure stable operations
Vietnam Manufacturing Center	Wastewater Treatment	Excessive discharge due to improper operation or equipment failure	Improve wastewater treatment systems and conduct regular discharge quality testing
	Waste Management	Improper classification or handling of waste may lead to long-term environmental impact	Optimize waste segregation and recycling mechanisms to improve resource recovery and reuse efficiency

Note: Risk coverage is calculated based on facility area and employee count at each Arcadyan operational site.

4.1.2 Environmental Investments and Outcomes

In 2024, Arcadyan actively invested in a variety of environmental initiatives to advance its climate action and resource sustainability goals. These efforts spanned areas such as renewable energy adoption, water conservation, energy management, and participation in international sustainability platforms. Through energy-saving, carbon reduction, and resource efficiency projects, Arcadyan has improved operational energy and water efficiency, reduced long-term costs, and contributed to green transformation and circular economy development. The table below summarizes the major environmental investment projects in 2024 and their estimated environmental outcomes, demonstrating Arcadyan's tangible commitments to sustainability.

Project Category	Investment Description	Investment Amount (NTD)	Environmental Benefits
Solar Power Systems	Installed rooftop solar photovoltaic systems at the Vietnam manufacturing center to increase renewable energy generation.	\$9,800,000	Estimated annual output of 6 million kWh, reducing approximately 4,000 tons CO ₂ e per year.
International Renewable Energy Certificate (I-REC)	Procured I-RECs to increase the share of renewable electricity and reduce Scope 2 GHG emissions in line with the Science-Based Targets initiative (SBTi).	\$304,000	Reduced Scope 2 GHG emissions by approximately 8,000 tons CO ₂ e.
Participation in Carbon Disclosure Project (CDP)	Upgraded to CDP Enhance Level membership to strengthen engagement and access to best practices for climate risk, decarbonization, and disclosure across the value chain.	\$244,600	Enhanced capabilities in climate change response and carbon management, aligning with global sustainability strategies.
Water-saving Toilets	Replaced all headquarters toilets with MOEA-certified Grade 1 water-saving toilets.	\$312,000	Reduced water consumption through high-efficiency fixtures.
Smart Energy-saving Devices	Installed smart energy-saving devices in the headquarters' air conditioning systems in collaboration with energy tech partners.	\$274,000	Enabled real-time adjustments to reduce energy waste.
Rainwater and Wastewater Recovery Systems	Installed rainwater harvesting and gray water recycling systems at the Vietnam manufacturing center.	\$990,000	Improved water conservation by 50%.
Total		\$11,924,600	

Note: The above NTD amounts were calculated based on the following exchange rates:
1 Vietnamese Dong (VND) ≈ 0.0013 NTD
1 USD ≈ 33 NTD



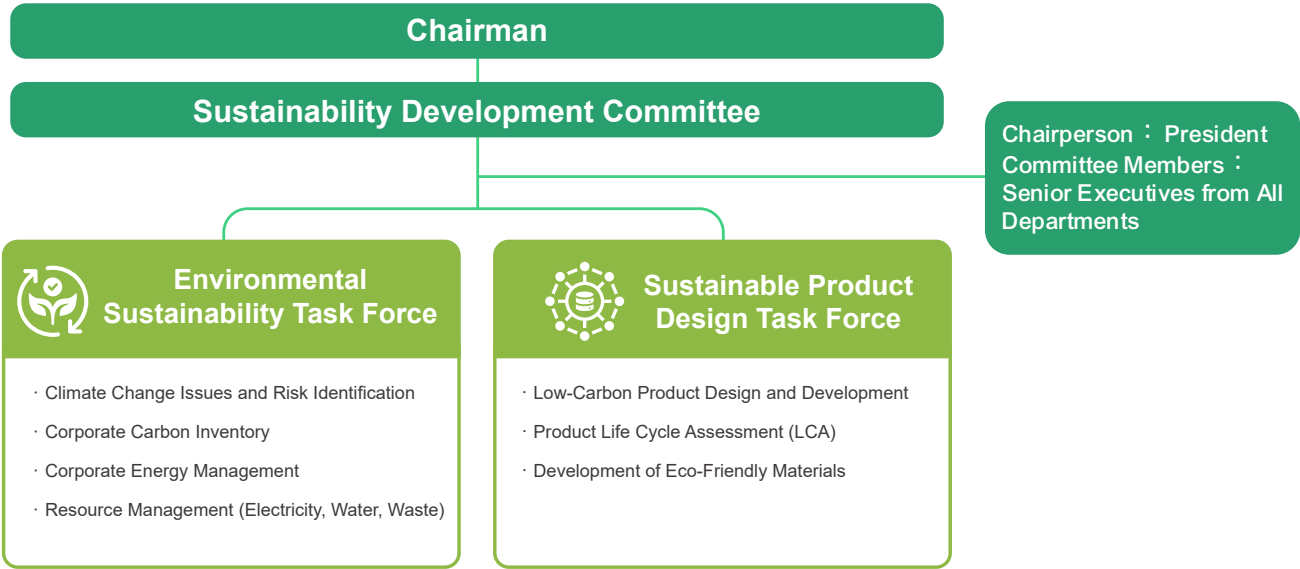
4.2 Climate Risk Management

In response to the increasing challenges posed by global climate change—such as extreme weather events, rising energy costs, tightening regulations, and shifting market dynamics—Arcadyan has established a comprehensive climate risk management framework to enhance its climate risk sensitivity and adaptive capacity. Arcadyan aligns its climate governance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, addressing four key pillars: governance, strategy, risk management, and metrics and targets. Based on climate risk assessments, Arcadyan formulates response strategies for material risks and uses scenario analysis to quantify the potential financial impacts of climate-related risks and opportunities. These insights support the development of appropriate mitigation and adaptation measures to strengthen organizational resilience and climate preparedness. The company also regularly discloses its climate risk management progress through public platforms, including the Carbon Disclosure Project (CDP), the TCFD-aligned climate disclosure report, and its annual sustainability report. Arcadyan continuously refines its response strategies to ensure long-term sustainable development and competitiveness.

4.2.1 Establishing Climate Governance Strategy

To align with the global target of limiting temperature rise to 1.5°C and to achieve long-term net-zero emissions, Arcadyan obtained Science Based Targets initiative (SBTi) approval for its reduction targets in 2024, committing to achieving net-zero emissions at its major operational sites by 2040–2050.

To enhance climate governance, Arcadyan established a Sustainability Development Committee under the Board of Directors as the highest decision-making and supervisory body for sustainability. The committee reviews and oversees climate strategies, targets, and progress, allocating annual budgets for greenhouse gas (GHG) reduction. Executive performance and compensation are directly linked to GHG reduction goals to strengthen accountability. Chaired by President and Director Mr. Chao-Peng Tseng, the committee appoints cross-functional senior executives as task force leaders for areas such as corporate governance, green products, and sustainable procurement, ensuring sustainability is integrated into business strategy. The Environmental Sustainability Task Force serves as the core unit for climate action, managing carbon inventories, energy use, renewable energy deployment, and climate risk assessments. It prepares annual GHG reduction budgets and reports progress regularly to the committee and the Board, ensuring effective climate governance and achievement of climate targets.



To ensure the effective implementation of sustainability goals, Arcadyan integrated key performance indicators (KPIs) related to sustainability into the performance evaluation of senior executives in 2024. Through an incentive and assessment mechanism, the company strengthened ESG (Environmental, Social, and Governance) strategy execution at the governance level. Executive compensation is determined based on individual contributions to sustainability objectives—including GHG reduction, renewable energy usage, and international certifications—subject to CEO review and submitted to the Chairperson, Compensation Committee, and Board of Directors for deliberation. This mechanism ensures that senior leadership balances economic outcomes with environmental and social responsibility, facilitating Arcadyan’s long-term sustainable transformation.

4.2.2 Climate Strategy

Arcadyan has established a comprehensive climate governance framework, placing ultimate accountability for climate action at the Board level. The Sustainability Development Committee is tasked with reviewing and supervising climate-related strategies and actions. At the operational level, a cross-functional Environmental Sustainability Task Force—comprising representatives from business, operations, R&D, procurement, and IT—coordinates the implementation of carbon management initiatives to ensure climate risks and opportunities are incorporated into decision-making processes. Based on the 2024 climate risk assessment, Arcadyan consolidated input from relevant departments and formulated four key environmental strategies, each with defined performance targets, to drive climate adaptation initiatives and enhance organizational resilience.

Strategy	Description
GHG Emission Reduction	Arcadyan signed the Science Based Targets initiative (SBTi) commitment in 2022 to initiate carbon management transformation planning. In 2023, the company completed its net-zero target roadmap and passed SBTi review in 2024, confirming that its decarbonization pathway aligns with the 1.5°C global warming limit.
Energy Transition	In response to parent company Compal Group's RE100 commitment, Arcadyan is actively increasing the proportion of renewable energy used at operational sites. The company aims to reach 100% renewable energy usage by 2030, supporting its GHG reduction goals.
Low-Carbon Product Innovation	Arcadyan's green product design focuses on three core strategies: energy efficiency, ease of disassembly for recycling, and extended product lifespan. The company integrates energy-saving IC components and lightweight, high-efficiency technologies, develops an intelligent energy management platform (Arcadyan Intelligence Project Management, AIPM), and extensively adopts post-consumer recycled (PCR) plastics and metals to reduce product lifecycle emissions and meet client expectations for low-carbon solutions.
Sustainable Supply Chain Management	In 2023, Arcadyan launched the "Go Green with Arcadyan" supply chain decarbonization program, partnering with 14 key suppliers. The program includes carbon reduction training, carbon inventory support, and technology introduction, helping suppliers implement organizational and product carbon footprint management. Through value chain collaboration, Arcadyan amplifies its positive environmental impact and advances climate goals.

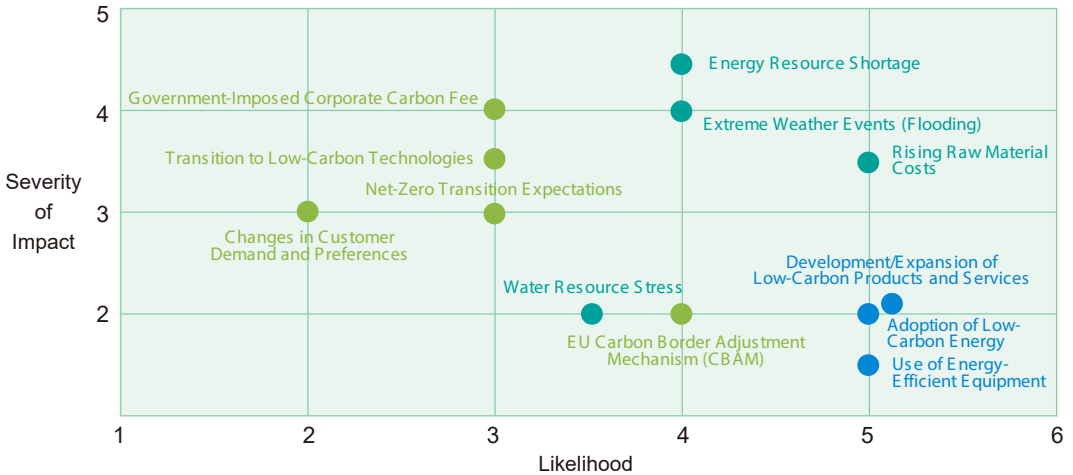
4.2.3 Climate Risk Identification

Arcadyan's Environmental Sustainability Task Force conducts annual information gathering and systematic assessments to evaluate risks and opportunities arising from climate change. Through effective identification and management, Arcadyan aims to mitigate risks, capture green transition opportunities, and enhance long-term competitiveness. In 2024, Arcadyan identified 6 transition risks, 3 physical risks, and 3 climate opportunities across short-term (1–3 years), medium-term (3–5 years), and long-term (5–10 years) timeframes. Key transition risks are translated as follows:

Type	Risk/Opportunity Item		Timeframe	Description	Financial Impact
Transition Risk	Policy and Regulation	Government Carbon Fee Implementation	Long-term	Taiwan passed the “Climate Change Response Act” in 2023, setting a net-zero target for 2050. A carbon fee is expected to be levied starting 2025 on companies emitting over 25,000 tons CO ₂ annually. The initial rate may start at NT\$300 per ton and could increase over time.	(Negative) With global momentum toward a low-carbon economy and rising client expectations for low-carbon products and renewable energy use, Arcadyan may face increased costs in decarbonization and energy. To meet targets, the company might purchase carbon credits or adjust its operations to account for new expenses such as energy or carbon taxes.
		Net-Zero Emissions Trend	Short-term	Clients are increasing expectations for early net-zero commitments and proactive carbon reduction.	Not yet estimable.
		EU Carbon Border Adjustment Mechanism (CBAM)	Long-term	The EU launched CBAM in 2023, requiring importers of high-carbon products (steel, aluminum, cement, hydrogen, electricity) to declare emissions. Starting 2026, carbon fees will apply. CBAM also covers downstream products like screws and bolts, which relate to Arcadyan's supply chain.	If Arcadyan's exported products to the EU fall under CBAM regulation, the company may face additional carbon taxes, increasing operational costs. As carbon pricing continues to rise, carbon cost will become a major financial risk factor for Arcadyan in the mid-to-long term.
		Renewable Energy Regulation	Medium-term	Article 12 of Taiwan's Renewable Energy Development Act requires large electricity users to either install renewable generation or storage systems, or purchase a mandated volume of renewable power and certificates. Non-compliance results in a fee payable to the authority for renewable energy development.	Not yet estimable

Type	Risk/Opportunity Item		Timeframe	Description	Financial Impact
Transition Risk	Market	Changing Client Demand and Preferences	Short-term	1. Decline in market sales leading to reduced revenue. 2. Increasing customer demand for low-carbon products.	Changing Client Demand and Preferences
		Transition to Low-Carbon Technologies	Long-term	In response to customer requirements for low-carbon products, increased use of renewable energy, advancements in energy storage technologies, and improvements in process energy efficiency, Arcadyan must invest in corresponding development and implementation costs.	(Positive) Arcadyan's leadership in green product development enables the launch of low-carbon products to meet market demand, increasing market share.
		Rising Raw Material Costs	Short-term	Raw material production costs may increase due to EU and national carbon reduction and energy-saving policies as well as supply chain decarbonization transitions. In addition, climate-related disasters may disrupt transportation, leading to higher logistics costs for raw materials and an increased risk of supply chain interruptions.	(Negative) Rising global energy prices and carbon reduction policies may drive up raw material costs or disrupt production across the supply chain. Suppliers may pass on additional costs incurred from decarbonization measures to Arcadyan, increasing product costs. In cases where suppliers fail to meet decarbonization requirements and suitable alternative suppliers cannot be secured in time, material shortages could occur.
Physical Risk	Acute Physical Risks	Extreme Weather (Flooding)	Short-term	Extreme events (e.g., typhoons, torrential rain) may damage equipment, flood facilities, and disrupt operations.	(Negative) Natural disasters may halt operations, delay shipments, and increase operational costs while reducing revenue.
	Chronic Physical Risks	Water Resource Pressure	Medium-term	Drought events may interrupt operations or disrupt supply chains.	Not yet estimable.
		Energy Resource Shortages	Short-term	Climate-induced droughts and heatwaves drive up electricity demand while reducing hydropower supply. For example, in northern Vietnam (May–June 2023), power outages occurred due to energy shortages.	(Negative) Local power rationing or shortages in Vietnam may interrupt production, delay shipments, and increase operational costs while reducing revenue.
Climate Opportunity	Energy Source	Use of Low-Carbon Energy	Short-term	Solar power installations can reduce electricity costs and potential future carbon fees.	(Positive) Growing global demand for renewables drives solar adoption, reducing electricity costs and mitigating power shortage risks.
	Resource Efficiency	Use of Energy-Efficient Equipment	Short-term	By implementing various energy performance management measures—such as upgrading lighting systems and replacing or retrofitting air conditioning and equipment—Arcadyan improves energy efficiency, thereby reducing electricity expenses and mitigating potential future carbon fee obligations.	Not yet estimable.
	Products and Services	Low-Carbon Product / Service Development	Short-term	Arcadyan's commitment to sustainable product development aligns with market trends and client expectations, increasing revenue.	Not yet estimable.

Arcadyan analyzes operational, strategic, climate, and other emerging risks by considering company size, industry characteristics, business nature, and key sustainability regulations. The Risk Management Task Force defines risk categories based on industry traits and activities, holds meetings with business units to identify and assess risks, and proposes response strategies. At least once a year, management and risk control reports are submitted to the Audit Committee and the Board of Directors for supervision and review to strengthen organizational resilience. The Environmental Sustainability Task Force evaluates the likelihood and impact of climate risks and opportunities to develop a risk-opportunity matrix. Prioritized response measures are then established to mitigate potential impacts on financial performance and operations.



Transition Risk	ID	Risk Issue	Likelihood	Severity of Impact
	R1	Government-Imposed Corporate Carbon Fee	3	4
	R2	Net-Zero Transition Expectations	3	3
	R3	EU Carbon Border Adjustment Mechanism (CBAM)	4	2
	R4	Changes in Customer Demand and Preferences	2	3
	R5	Transition to Low-Carbon Technologies	3	3.5
Physical Risk	R6	Rising Raw Material Costs	5	3.5
	R7	Extreme Weather Events (Flooding)	4	4
	R8	Water Resource Stress	3.5	2
	R9	Energy Resource Shortage	4	4.5
Climate Opportunity	ID	Opportunity Issue	Likelihood	Impact Level
	O1	Adoption of Low-Carbon Energy	5	2
	O2	Use of Energy-Efficient Equipment	5	1.5
	O3	Development/Expansion of Low-Carbon Products and Services	5	2

Resilience Assessment Under Climate Change Scenarios

To analyze the impact of major climate-related risks and opportunities on operational strategies, Arcadyan adopts climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to evaluate energy-related net-zero transition pathways. In 2024, Arcadyan conducted a scenario-based financial impact assessment using the IPCC's high-emission scenario (SSP5-8.5) and low-emission scenario (SSP1-2.6). These scenarios model various trajectories of climate change development to understand the potential risks and opportunities under different climate futures and ensure the company's continued competitiveness despite future uncertainties.

Category		Scenario		Estimated Financial Impact
Transition Risk	Carbon Price	RCP 8.5 (High Emissions)	The world fails to implement effective decarbonization policies or actions, and carbon emissions continue to rise with limited response to climate change. (Global carbon price: USD 2.63/ton)	Increase in annual operating cost <0.01%
		RCP 2.6 (Low Emissions)	Countries adopt aggressive carbon control measures and enforce strict policies to meet global climate targets (e.g., Paris Agreement), leading to high carbon pricing. (Global carbon price: USD 268.13/ton)	Increase in annual operating cost <0.1%
	Material Cost	RCP 8.5	1. Low demand for low-carbon materials keeps costs high. 2. Raw material extraction becomes difficult, increasing unit prices and lead times.	Increase in total procurement cost <0.01%
		RCP 2.6	1. Carbon pricing and transition increase material costs. 2. Increased use of post-consumer recycled (PCR) plastic and metal raises procurement costs.	Metal procurement cost increase by 15%
Physical Risk	Extreme Weather	RCP 8.5	Frequent, large-scale typhoons and floods may damage facilities. Repair/insurance costs rise. Downtime results in productivity and labor cost loss.	Increase in annual operating cost <0.5%
		RCP 2.6	Milder storms and weather conditions allow for scheduled maintenance to suffice.	Increase in annual operating cost <0.001%
	Power Shortage	RCP 8.5	Severe power shortages in operational locations. Historical data shows 25% increase in electricity price over 5 years.	Increase in annual operating cost <1.5%
		RCP 2.6	Stable energy supply in operational areas, with continued purchase of solar energy certificates.	Increase in annual operating cost <0.01%

4.2.4 Climate Management Metrics and Targets

Arcadyan actively adheres to risk management processes, comprehensively assessing the probability and impact of various climate-related risks and opportunities. Based on the risk grading, Arcadyan has established short-, medium-, and long-term climate management indicators for 2024 as follows:

Short-term, 1–3 years	Mid-term, 3–5 years	Long-term, 5–10 years
2024~2026	2027~2029	2030~2034
- Follow the SBTi science-based emissions reduction pathway - Implement intelligent monitoring systems to improve energy efficiency - Procure International Renewable Energy Certificates (I-REC) - Practice product eco-design and develop low-carbon products - Collaborate with suppliers to increase the use of post-consumer recycled (PCR) materials in components	- Continue implementing energy efficiency upgrades in production facilities - Install solar power systems at Arcadyan HQ - Apply green building concepts (e.g., eco-friendly, energy-saving, sustainable) in new construction or renovation projects at production sites - Collaborate with clients to develop high-efficiency and low-carbon products - Evaluate long-term Power Purchase Agreements (PPAs)	- Achieve 100% renewable electricity usage by 2030 - Expand low-carbon technologies to value chain partners - Invest in low- or negative-carbon technologies

Science Based Targets initiative (SBTi)

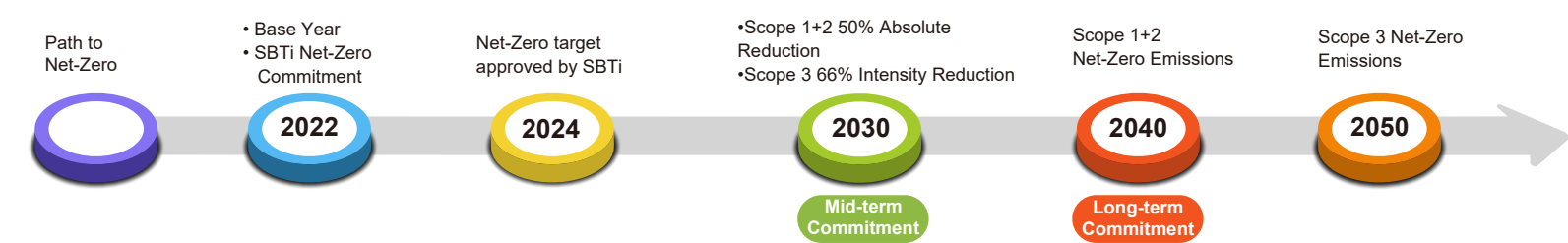
In July 2024, Arcadyan's greenhouse gas (GHG) reduction targets were approved by the Science Based Targets initiative (SBTi). Aligned with the Paris Agreement's goal of limiting global temperature rise to 1.5°C , the company evaluated the potential impacts of climate change and set corresponding emission reduction targets. These targets cover Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions), and include specific near-term and long-term decarbonization plans. The year 2022 is defined as the baseline year.

Scope 1 & 2 (direct & energy indirect emissions):

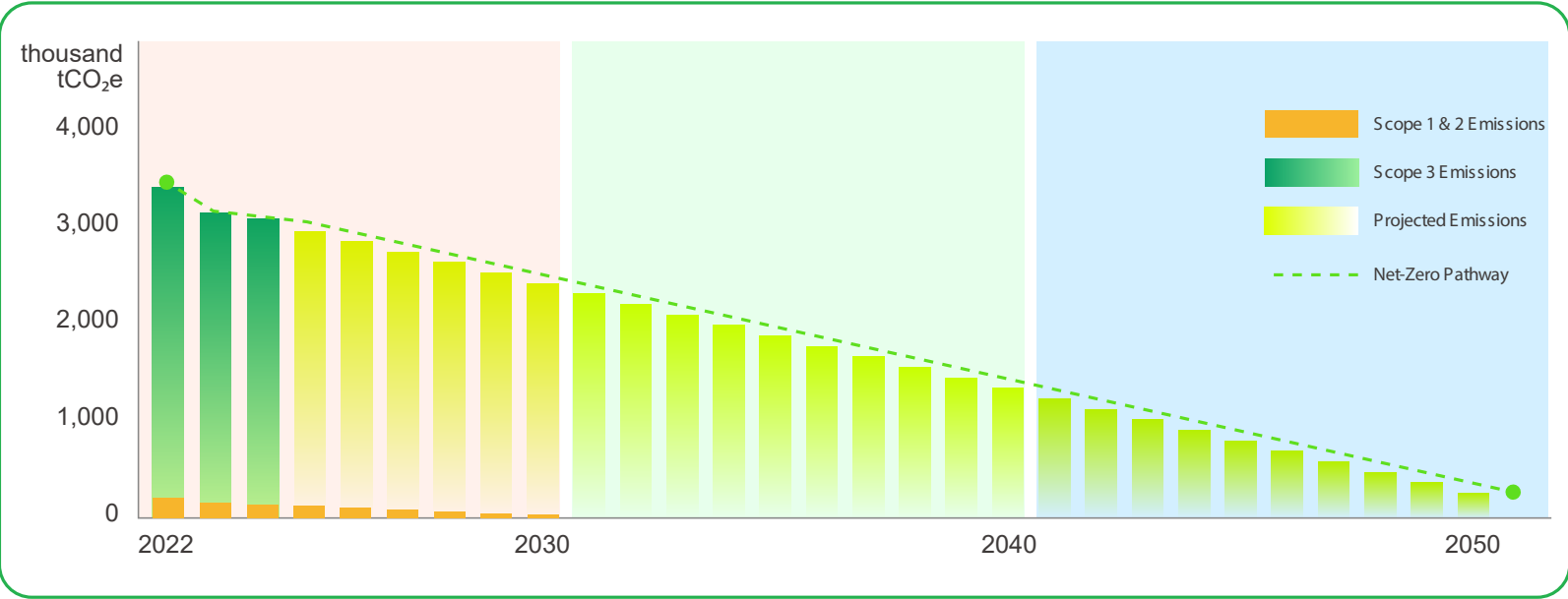
- Scope 1 & 2 (direct & energy indirect emissions):
- Near-term target: 50% absolute reduction by 2030
 - Long-term target: 90% absolute reduction by 2040 to reach net-zero
- Scope 3 (other indirect emissions):
- Near-term target: 66% intensity* reduction by 2030
 - Long-term target: 98% intensity* reduction by 2050 to reach net-zero

*Note: Intensity reduction refers to GHG emissions per million NT dollars of gross profit.

Science Based Targets initiative (SBTi) Pathway and Achievements



Year	SBTi Target		Performance	
	Scope 1 & Scope 2	Scope 3	Scope 1 & Scope 2	Scope 3
2022 (Base Year)	-	-	-	-
2023	6.25% Absolute Reduction	10.16% Intensity Reduction	20% Absolute Reduction	14.5% Intensity Reduction
2024	12.5% Absolute Reduction	21.51% Intensity Reduction	50.95% Absolute Reduction	22.24% Intensity Reduction



Arcadyan adopts a diversified carbon reduction strategy by utilizing renewable energy, improving energy efficiency, developing low-carbon products, and promoting supplier decarbonization initiatives, all aligned with the 1.5°C reduction pathway. Despite continuous business expansion and global capacity growth, Arcadyan has effectively reduced greenhouse gas emissions through various decarbonization projects, demonstrating resilience and commitment in its low-carbon transition.

In 2024, Arcadyan's global operations reported combined Scope 1 direct emissions and market-based Scope 2 indirect emissions of 15,368.72 metric tons of CO₂e, representing a 50.95% reduction compared to the 2022 base year. This achievement was driven by continued energy efficiency projects and a significant increase in renewable energy use at the Vietnam Manufacturing Center. In addition to expanding its solar photovoltaic installations, Arcadyan procured approximately 12.24 million kWh of International Renewable Energy Certificates (I-RECs), raising the share of renewable energy use at the manufacturing center to 40% and advancing its decarbonization goals.

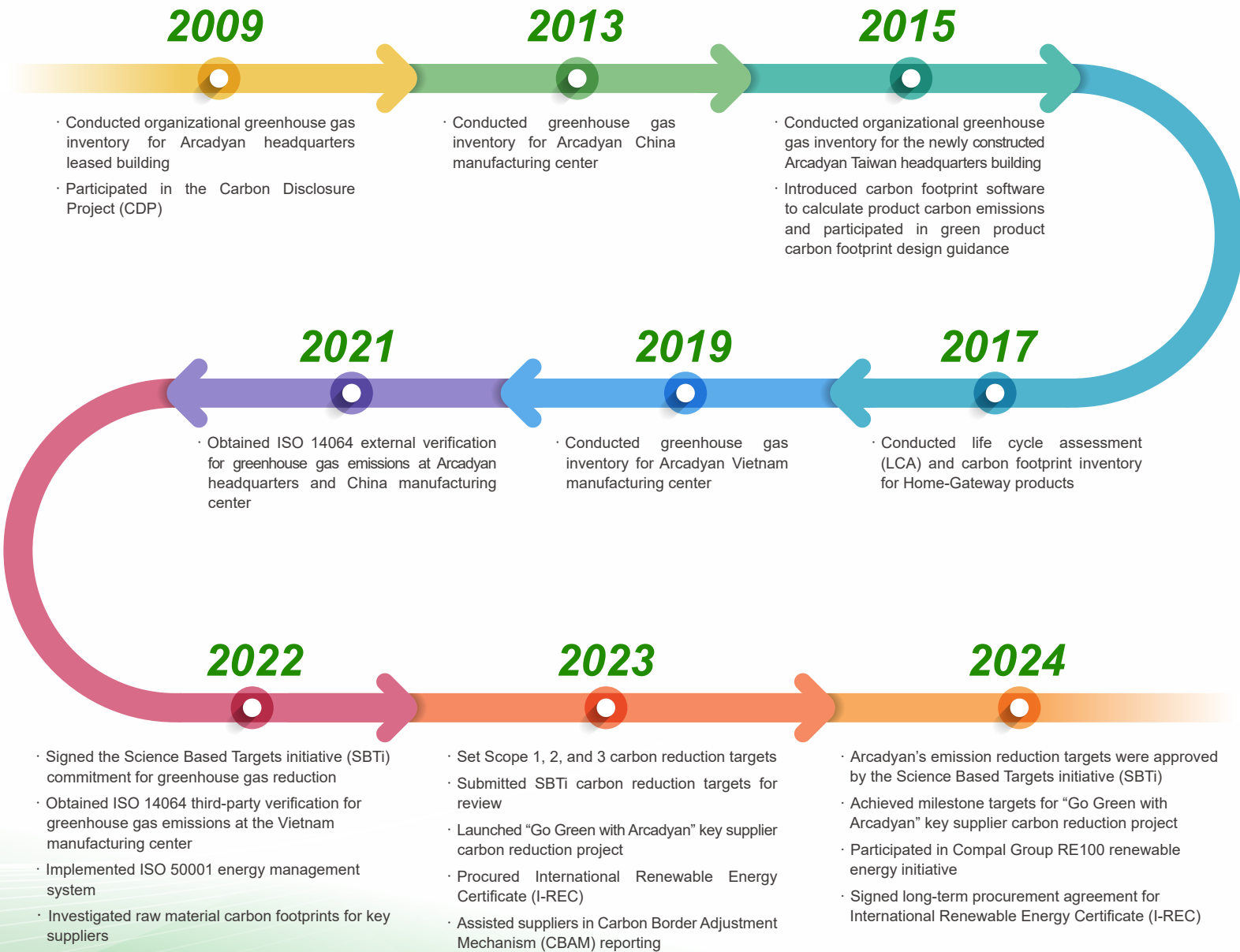
Within the value chain, other indirect emissions (Scope 3) decreased by approximately 12.44% compared with the baseline year, while carbon intensity dropped by 22.24%. The primary drivers of this reduction were adjustments in the product mix and optimization of shipping allocation within the “Purchased Goods and Services” category, reflecting the growing client demand for low-carbon products, which in turn positively influenced procurement patterns.

While advancing its own decarbonization efforts, Arcadyan works closely with customers and suppliers—ranging from knowledge exchange and carbon footprint surveys to joint reduction projects—to accelerate net-zero progress across the value chain. Although the company has not yet implemented an internal carbon pricing mechanism, it continues to monitor climate-related trends and regulatory developments, as well as mitigation initiatives beyond the value chain. Arcadyan plans to invest in forest carbon sink projects and acquire carbon credits, either through direct investment or market purchases, that are recognized under the SBTi framework as valid offsets for residual emissions. These measures form a key part of the company's strategy to achieve its net-zero target.

4.3 Energy and Greenhouse Gas Management

Arcadyan is committed to addressing global climate change issues and actively responds to major international agreements, including the Kyoto Protocol, the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement, and other international treaties and energy efficiency regulations. Since 2009, Arcadyan has participated annually in the Carbon Disclosure Project (CDP), publicly and transparently disclosing its carbon emissions performance, staying informed of the latest climate change trends and policies, and transforming environmental risks into opportunities for green circular economy growth, thereby strengthening the company's sustainability capabilities.

Arcadyan supports the carbon reduction targets outlined in the Special Report on Global Warming of 1.5°C by the Intergovernmental Panel on Climate Change (IPCC). In 2022, the company signed the Science Based Targets initiative (SBTi) commitment letter, joining the Business Ambition for 1.5 °C Campaign as an active member. This not only reinforced Arcadyan's commitment to climate action but also expanded the company's Scope 3 (other indirect emissions) hotspot identification and management efforts, including conducting product carbon footprint assessments for key suppliers. In 2024, Arcadyan's carbon reduction targets successfully passed the SBTi validation, laying a solid foundation for the company's future net-zero strategies.



4.3.1 Greenhouse Gas Emissions

To effectively manage and reduce greenhouse gas (GHG) emissions, Arcadyan conducted its 2024 emissions inventory in accordance with the Greenhouse Gas Protocol (GHG Protocol). Scope 1 and Scope 2 emissions from key operational sites were accounted for using the control approach. All emission data were third-party verified annually based on the ISO 14064-1:2018 standard, and disclosed transparently on Arcadyan's sustainability website (<https://csr.arcadyan.com>) and in the Carbon Disclosure Project (CDP) climate report. To raise internal awareness, Arcadyan incorporates updates on emission reduction progress in its annual ESG training sessions for all employees, enhancing organizational understanding of climate issues and driving action toward energy efficiency and emission reduction measures.

In addition to direct emissions from its operations, Arcadyan also conducted a Scope 3 emissions inventory. Following the GHG Protocol Scope 3 Standard, 15 emission categories were identified, with major sources of emissions monitored. The three largest categories—Category 1: Purchased goods and services, Category 3: Fuel- and energy-related activities not included in Scope 1 or 2, and Category 11: Use of sold products—accounted for over 90% of the company's total emissions. These key categories are verified and monitored by third-party assurance providers, and associated reduction targets have been established. Other Scope 3 categories, which are not considered major emission sources for Arcadyan Group, are not externally verified at this stage.

Arcadyan's headquarters and Vietnam manufacturing center are ISO 50001-certified for energy management. Since 2022, rooftop solar photovoltaic systems have been installed at the Vietnam site, and International Renewable Energy Certificates (I-REC) have been procured to offset electricity usage at facilities in China and Vietnam. In 2024, Arcadyan's total Scope 1 and Scope 2 GHG emissions amounted to 15,368.72 metric tons of CO₂e, representing a 50.95% reduction compared to the 2022 base year—exceeding the Science Based Targets initiative (SBTi) near-term absolute reduction target of 6.25%. The company's Scope 1 and 2 carbon intensity in 2024 was 0.314 tons per million revenue, a 35.87% decrease from 2023.

Scope 1 and 2 Emissions (metric tons CO ₂ e)	Arcadyan Headquarters	Vietnam Manufacturing Center	China Operations Office	Other Operating Sites	Total Emissions
Direct Greenhouse Gas Emissions (Scope 1)	81.68	223.60	7.30	3.68	316.27
Indirect Greenhouse Gas Emissions (Scope 2) – Location-Based	1,601.56	21,239.34	176.03	245.78	23,262.72
Indirect Greenhouse Gas Emissions (Scope 2) – Market-Based	1,601.56	13,450.89	0.00	0.00	15,052.45
Total Scope 1 and 2 Emissions – Location-Based	1,683.24	21,462.94	183.34	249.46	23,578.98
Total Scope 1 and 2 Emissions – Market-Based	1,683.24	13,674.49	7.30	3.68	15,368.72

Note: Scope 2 electricity emission factors for Arcadyan's operational sites: Taiwan 0.474 kgCO₂e/kWh, Shanghai 0.5849 kgCO₂e/kWh, Kunshan 0.5978 kgCO₂e/kWh, Guangzhou 0.4403 kgCO₂e/kWh, and Vietnam 0.6592 kgCO₂e/kWh.

Historical Scope 1 and 2 GHG Emissions

(Unit: metric tons CO₂e)

Scope		2022	2023	2024
Scope 1	Stationary Combustion	15.88	33.02	42.21
	Process Emissions	0.00	0.00	0.00
	Mobile Combustion	38.61	35.38	11.01
	Fugitive Emissions	945.08	670.20	263.05
Scope 2	Location-based	30,332.53	27,359.59	23,262.72
	Market-based	30,332.53	24,397.19	15,052.45
Scope 1 & 2	Location-based Total	31,332.11	28,098.19	23,578.98
	Market-based Total	31,332.11	25,035.79	15,368.72

Historical Scope 1 and 2 GHG Emissions by Gas Type

(metric tons CO₂e)

Type	2022	2023	2024
CO ₂	30,414.0	27,427.3	23,315.98
CH ₄	882.8	670.3	262.22
N ₂ O	0.2	0.5	0.39
HFC	34.7	0	0.39
PFC	0	0	0
SF ₆	0	0	0
NF ₃	0	0	0
Total	31,332.1	28,098.1	23,578.95

Scope 3 Greenhouse Gas Emissions

In 2024, total Scope 3 greenhouse gas (GHG) emissions amounted to 3,036,318.05 metric tons. The major emission sources were Category 1: Purchased goods and services, Category 3: Fuel- and energy-related activities not included in Scope 1 or 2, and Category 11: Use of sold products. The emissions intensity was 409.43 metric tons per million in gross profit, reflecting a 22.24% decrease from the 2022 level of 526.5 metric tons per million in gross profit. This reduction meets the Science Based Targets initiative (SBTi) target of a 21.51% decrease in emissions intensity.

(metric tons CO₂e)

GHG Protocol Category	ISO 14064 Classification	Category Name	Description of Emission Scope	2022	2023	2024
01	4	Purchased goods and services	GHG emissions associated with raw materials procured by Arcadyan Group	362,668.9	346,600.1	203,994.00
02	4	Capital goods	Procurement of IT and production testing equipment by Arcadyan	480.90	429.8	483.53
03	4	Fuel- and energy-related activities not included in Scope 1 or 2	GHG emissions from upstream transportation and distribution to Arcadyan's main operating sites	12,782.98	4,238.1	3,072.12
04	3	Upstream transportation and distribution	Emissions from upstream transportation mileage to main operating sites	13,389.91	6,755.8	2,065.57
05	4	Waste generated in operations	GHG emissions from treatment of operational waste at primary sites	65.53	0.1	0.14
06	3	Business travel	GHG emissions from employee business air travel throughout the year	196.88	171.3	209.12
07	3	Employee commuting	GHG emissions from annual commuting of employees to main operating sites	1,790.59	500.4	341.38
08	4	Upstream leased assets	GHG emissions from fuel consumption of upstream leased vehicles	22.44	7.3	6.92
09	3	Downstream transportation and distribution	Emissions from outbound shipment mileage from main operating sites	0.00	8,821.5	5,259.50
10	5	Processing of sold products	Not applicable to Arcadyan's operational model	-	-	-
11	5	Use of sold products	GHG emissions from use phase of sold products globally	3,070,755.23	2,953,795.5	2,817,018.67 (Note)
12	5	End-of-life treatment of sold products	GHG emissions from end-of-life treatment of sold products	5,235.31	3,819.8	3,866.67
13	5	Downstream leased assets	Arcadyan does not have downstream leased assets	-	-	-
14	5	Franchises	Not applicable to Arcadyan's operational model	-	-	-
15	5	Investments	GHG emissions from investees not under operational control	138.96	95.2	0.44
Total				3,467,527.64	3,325,234.8	3,036,318.05

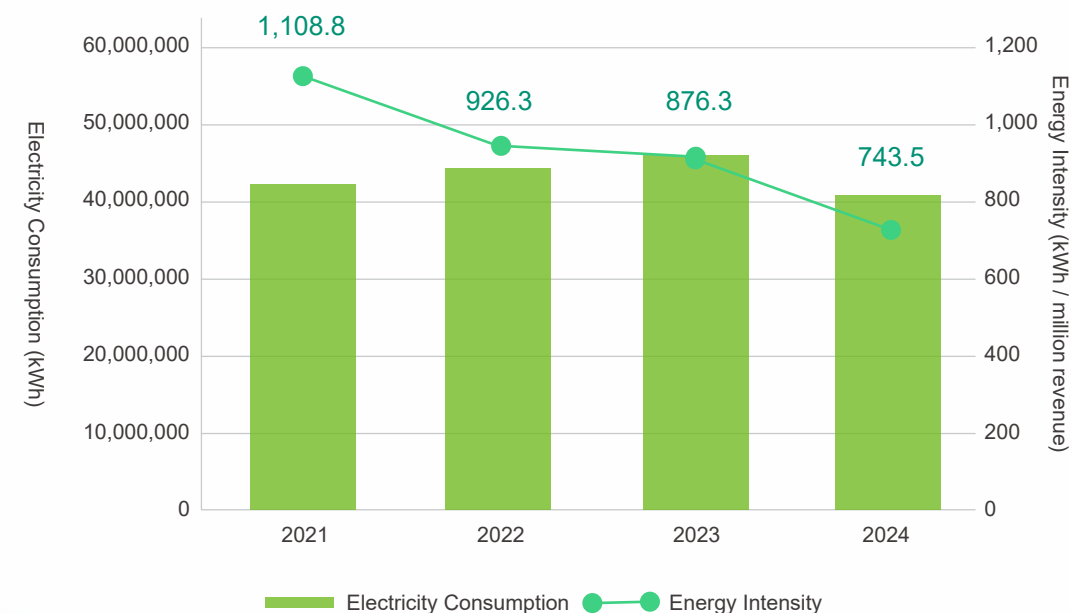
Note: The organization's external energy consumption refers to the energy used during the use phase of sold products, with an estimated usage period of five years. The total energy consumption is 292.7 GJ.

4.3.2 Energy Use

The primary energy consumption at Arcadyan's operational sites comes from purchased electricity. To support the Group's net-zero emissions target, strengthening energy management has become a top priority in its decarbonization strategy. In order to systemically monitor and optimize energy use, Arcadyan has fully implemented the ISO 50001 Energy Management System across its headquarters and manufacturing center. Through standardized processes and real-time energy monitoring mechanisms, the company conducts in-depth analysis of energy hotspots within its facilities. Based on the analysis results, targeted strategies for electricity management and demand control are executed to enhance energy efficiency and achieve the combined benefits of energy conservation, cost reduction, and carbon emission reduction. In 2024, Arcadyan's energy intensity reached 743.5 kWh per million in revenue, representing a 15.2% reduction compared to 2023. This exceeded the annual target of a 1% reduction in energy intensity, demonstrating Arcadyan's firm commitment and tangible progress in improving energy efficiency.

Historical Electricity Consumption by Site

Type	Site	Energy Consumption (kWh)			
		2021	2022	2023	2024
Purchased Electricity (kWh)	Arcadyan Headquarters	3,256,629	3,557,028	3,617,920	3,765,667
	China Operations Office (formerly China Manufacturing Center)	27,946,292	24,027,676	19,184,667	294,470
	Vietnam Manufacturing Center	11,088,129	15,994,692	21,914,180	32,219,870
	Other Operating Sites	110,081	113,638	113,467	127,885
Solar Power	Vietnam Manufacturing Center	0	1,546,044	2,527,210	3,843,516
Total Electricity Consumption (kWh)		42,401,130	45,239,078	47,357,444	40,251,408
Purchased Renewable Electricity (kWh)		0	0	5,500,000	12,239,000
Renewable Energy (%)		0%	3.4%	17.0%	40.0%
Energy Intensity (kWh / million revenue)		1,108.8	926.3	876.3	743.5



4.4 Carbon Reduction Actions and Effectiveness

To strengthen energy governance mechanisms, Arcadyan has established energy management teams at each site. These teams are composed of facility management personnel and relevant specialized departments, jointly responsible for monitoring current energy usage and implementing energy-saving initiatives. Through a structured meeting mechanism, the teams regularly track the progress and effectiveness of each energy project. Updates on carbon reduction target achievements at each site are reported quarterly during the meetings of the Sustainability Executive Task Force. In addition, Arcadyan promotes internal knowledge sharing by facilitating cross-site exchange of project outcomes and best practices. This has helped to embed energy-saving awareness across the organization and has supported the deployment of high-efficiency operational equipment and office energy conservation measures, thereby reinforcing the company's energy management objectives.

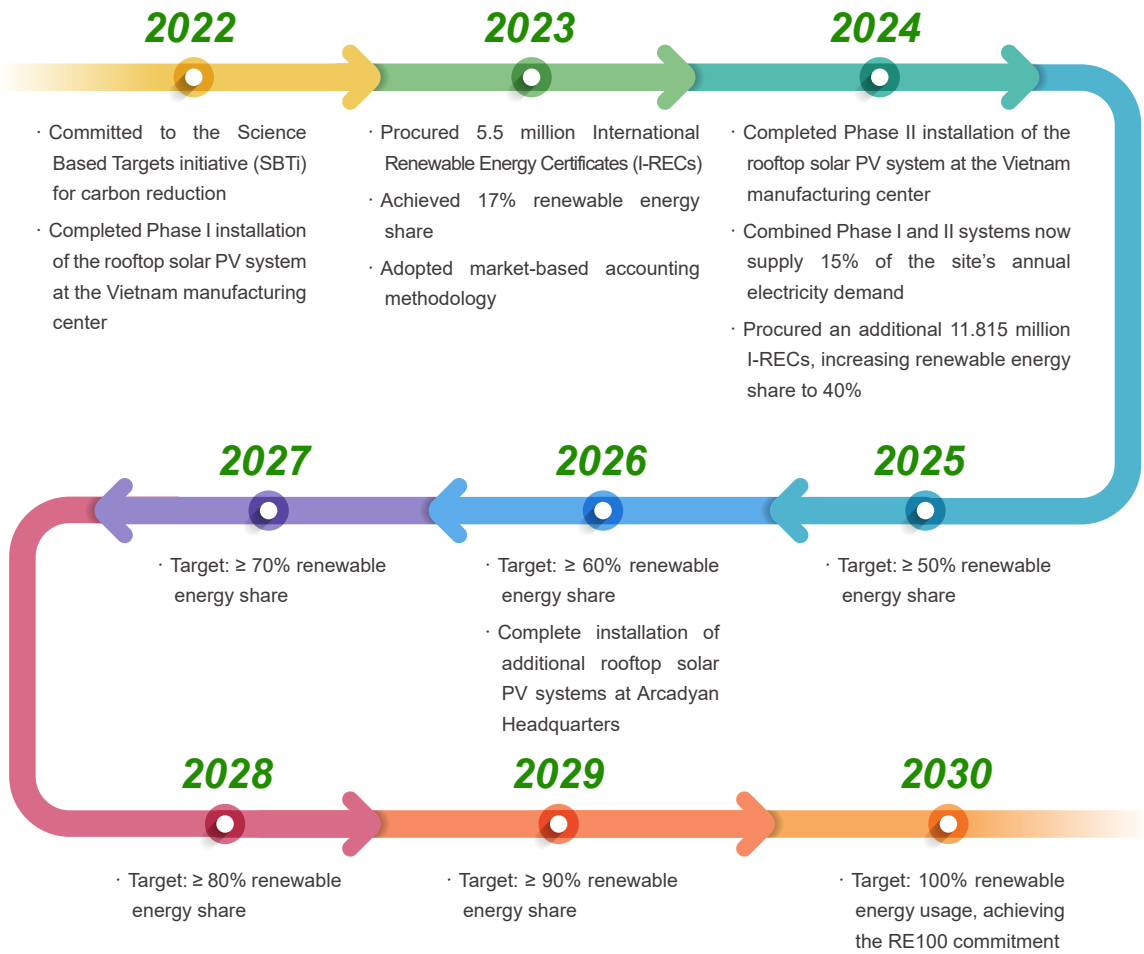
4.4.1 Energy Transition

Driven by the dual forces of global net-zero commitments and the rising demand for green supply chains, energy transition has become a core strategy for sustainable business development. As climate-related risks intensify and energy cost volatility increases, industries around the world are accelerating the deployment of renewable energy solutions and joining initiatives such as RE100, pledging to power their operations with 100% renewable energy to reduce environmental impact. Although Arcadyan is not classified as a high energy-consuming enterprise and does not meet the minimum energy usage threshold required to apply for RE100 membership, the company actively aligns with Compal Group's sustainability policies and net-zero commitments as a key member of the Group. In 2024, Compal Group announced a unified commitment across all its subsidiaries to transition toward 100% renewable energy use. In response, Arcadyan has formulated a practical and actionable energy transition roadmap to demonstrate its dedication to sustainability. To support the RE100 objective, Arcadyan has developed a diversified renewable energy adoption strategy, which includes:

- Installing on-site solar photovoltaic (PV) systems to enhance energy autonomy.
- Gradually increasing the share of International Renewable Energy Certificates (I-RECs) purchased each year, aligning its renewable energy footprint with international standards.
- Evaluating the feasibility and investment benefits of signing Power Purchase Agreements (PPAs) to secure stable and cost-effective long-term sources of renewable electricity, advancing toward a low-carbon operational model.

In 2024, Arcadyan completed the Phase II installation of solar PV systems at its Vietnam manufacturing center. Together with Phase I, the systems now supply approximately 15% of the site's annual electricity demand, serving as a key measure for decarbonizing operational electricity use. To accelerate the pace of renewable energy adoption, Arcadyan also significantly increased its procurement of I-RECs, resulting in renewable electricity accounting for 40% of total electricity use in 2024. Starting in 2024, Arcadyan is committed to increasing its renewable energy usage share by 10% annually, with the medium- to long-term goal of achieving 100% renewable energy usage at all operational sites by 2030. This reflects Arcadyan's proactive efforts toward renewable energy adoption and lays a solid foundation for the Group's net-zero emissions vision.

In addition, Arcadyan has implemented energy intensity tracking to continuously monitor energy and carbon performance per unit of operational output. This ensures that, even as the company expands its operations, it can steadily reduce carbon emissions per unit and advance in parallel toward both sustainable growth and climate responsibility.



4.4.2 Energy Management and Green Manufacturing

To address climate change and support sustainable operations, Arcadyan has implemented the ISO 50001 Energy Management System at both its Taiwan headquarters and Vietnam manufacturing center. Annual energy audits and equipment assessments are conducted to establish performance indicators, define baselines, and collect data for monitoring and verification. Through systematic energy management and targeted energy-saving projects, Arcadyan continues to improve electricity efficiency in its processes and production. The company has adopted an energy-efficient procurement policy that prioritizes certified high-efficiency equipment to ensure immediate energy-saving impact. Infrastructure upgrades are ongoing, including the replacement of outdated systems and installation of variable-frequency drives (VFDs) to boost energy performance, along with regular maintenance of heating, ventilation, and air conditioning (HVAC) ductwork and filters to maintain system efficiency. A real-time energy monitoring system is also in place to track energy usage and emissions as a basis for continuous improvement. Moving forward, Arcadyan will continue optimizing both hardware and software configurations to enhance resource efficiency and build a smarter, greener manufacturing model.

2024 ISO 50001 Energy Management System – Vietnam Manufacturing Center: Energy-Saving Project Results

Category	Major Implementation Projects	Annual Energy Saved (MWh)	Annual Emissions Reduced (tCO ₂ e)
Lighting	Use of energy-saving LED lighting with automatic sensor-based control systems	364	123
	Solar-powered street lights	36	24
Air Conditioning	Automated frequency control for chilled water pump systems	318	210
	Installation of high-efficiency heat recovery units for HVAC systems	1,713	1,129
Equipment	Heat recovery system for air compressors	789	520
	Exhaust gas heat recovery system for nitrogen generation	266	175
Others	Real-time energy monitoring system	360	237
Total		3,846	2,535

Arcadyan's Hsinchu headquarters launched an intelligent energy management initiative targeting major energy-consuming systems such as chillers and cooling towers. The program includes automated energy monitoring and frequency control technology. By capturing real-time temperature data and adjusting key equipment accordingly, the system improves energy efficiency and operational stability, reduces unnecessary equipment operation, and minimizes energy waste and load-related costs.

Comprehensive high-energy equipment diagnostics (chillers, cooling towers)



Deployment of automated energy monitoring system



Installation of variable-frequency drives and temperature control interfaces



Real-time temperature feedback for dynamic chiller control



- ✔ Temperature stability
- ✔ Improved system efficiency
- ✔ Extended equipment lifespan
- ✔ Reduced energy loss and operating costs

Arcadyan Vietnam manufacturing center has implemented a 24-hour centralized energy monitoring system equipped with functions such as energy consumption analytics, anomaly alerts, and energy-saving tracking. The system enables real-time monitoring of electricity usage and optimizes energy dispatch. In 2024, it achieved an estimated energy savings of 360 MWh and a carbon reduction of approximately 237 tCO₂e, significantly strengthening the site's energy management and environmental performance.

Advanced Centralized Energy Monitoring System (24/7 Operation)



- ① Real-time energy usage analytics
- ② Instant abnormality detection and alert notification
- ③ Root cause diagnosis and corrective energy strategies

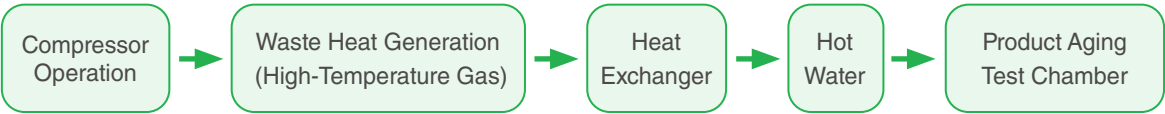


- ✔ Estimated annual energy savings: 360 MWh
- ✔ Annual carbon reduction: 237 tCO₂e
- ✔ Improved energy efficiency and alignment with green factory goals

4.4.3 Waste Heat Recovery

To enhance energy efficiency at its manufacturing sites, Arcadyan began implementing waste heat recovery systems at its Vietnam manufacturing center in 2022, actively promoting high-efficiency energy management and reuse technologies. The system utilizes heat recovery units installed on chillers to capture the thermal energy from high-temperature, high-pressure refrigerant vapor that would otherwise be discharged. Cooling water at ambient temperature is circulated through the heat recovery unit, where it undergoes heat exchange with the refrigerant vapor, resulting in a temperature rise. The heated water is then delivered to the terminal units of the HVAC system, serving as a thermal source for air dehumidification. This design not only stabilizes the temperature and humidity required for the production environment but also reduces the additional energy otherwise needed for dehumidification, thereby improving process energy efficiency and overall system performance.

In 2024, Arcadyan expanded the application of this technology by capturing waste heat generated during the operation of air compressors. Through a heat exchange system, this heat is converted into hot water and used in product aging test environments, replacing part of the original heating energy demand. This innovative application achieves dual benefits: energy reuse and energy savings in test equipment. It results in annual energy savings of approximately 2,502 MWh, significantly reducing operational carbon footprint while ensuring the environmental precision required for product testing—demonstrating Arcadyan's commitment to combining environmental responsibility with sustainable manufacturing management.



4.4.4 High-Efficiency and Low-Carbon IT Operations

Arcadyan is committed to promoting energy-efficient digital operations. At its headquarters data center, the company has deployed 12 high-efficiency physical servers and integrated approximately 118 virtual machines using virtualization technology. This approach significantly enhances hardware computing efficiency while reducing overall energy consumption. To further optimize energy use, the server room adopts a hot and cold aisle containment design, which improves airflow circulation and thermal dissipation direction, thereby enhancing the performance of the cooling system and minimizing energy waste. Through this integrated energy-saving infrastructure, the combined operation of servers and cooling systems achieves annual electricity savings of approximately 552 MWh, equivalent to a carbon emissions reduction of around 273 metric tons of CO₂e.

IT Energy-Efficient Server Deployment Overview	2022	2023	2024
Number of Physical Servers	10	13	12
Number of Virtual Machines	100	105	118

IT Equipment Refurbishment and Reuse: Extending Asset Value through Electronic Resource Circularity

To reduce electronic waste and extend equipment lifespan, Arcadyan has implemented an IT refurbishment and reuse program. In 2024, the MIS department consolidated a total of 179 decommissioned computers from various departments. These units underwent disassembly, reassembly, component reconfiguration, and performance testing. As a result, 29 refurbished computers were successfully restored, passing all functional tests and system clean-ups to ensure reliable and continued use of both hardware and software. Based on an estimated average laptop lifespan of four years, this refurbishment effort not only reduced the need for new equipment procurement but also lowered the associated life cycle carbon footprint. The program is projected to achieve a carbon reduction of approximately 240 kgCO₂e. Through this resource circularity initiative, Arcadyan demonstrates its proactive approach to electronic asset management efficiency, while embodying the principles of reduce, extend, and reuse as part of its commitment to environmental sustainability.



4.4.5 Low-Carbon Commuting and Transportation

In response to global trends in transport decarbonization and increasing demands for net-zero commitments, Arcadyan is promoting a dual transition in both employee commuting and raw material transportation. By integrating environmentally friendly low-carbon technologies and solutions, the company aims to mitigate climate impact and enhance environmental performance across its value chain.

Electrification of Employee Commuting

To facilitate the shift toward low-carbon commuting, Arcadyan has installed four dedicated electric vehicle (EV) charging stations at its headquarters, providing convenient access to charging infrastructure and actively encouraging employees to adopt low-emission transportation options. The company plans to conduct ongoing assessments based on utilization rates to expand charging infrastructure in the future, further promoting electrified and decarbonized internal mobility.

Low-Carbon Transformation of Raw Material Transportation

In its logistics operations, Arcadyan has introduced biofuel-powered transportation to replace conventional fossil-fuel vehicles. As a form of renewable energy, biofuels offer carbon-neutral properties and can reduce carbon emissions by up to 80% compared to traditional diesel, while also mitigating the negative air quality impacts associated with transport activities. This fuel transition, combined with circular reuse strategies, improves the carbon efficiency of logistics processes and strengthens the sustainable use of resources. Looking ahead, Arcadyan will continue to explore the potential of sustainable alternative energy technologies in the transportation sector, integrating innovative low-carbon solutions with operational energy-saving strategies to advance transportation decarbonization and significantly enhance supply chain carbon management performance.

4.4.6 Green Procurement and Sustainable Supply Chain

In support of government-led green consumption policies and to reinforce its commitment to environmental sustainability, Arcadyan has optimized its internal procurement processes to actively promote green product development and responsible production. In routine administrative purchases, the company prioritizes environmentally friendly products that carry eco-labels or energy-saving certifications. Green procurement principles are also embedded in supplier selection and purchasing standards to reduce the environmental impact of operations at the source. Through continuous internal communication and employee awareness initiatives, Arcadyan encourages widespread participation in green procurement practices and fosters a culture of environmentally conscious consumption in daily work and life. In 2024, the company's total green procurement expenditures reached NT\$27,184,610, accounting for 82% of overall administrative procurement spending. Arcadyan remains committed to advancing toward an environmentally responsible and sustainable supply chain.

To further reduce resource consumption and promote operational digitization, Arcadyan introduced digital gift vouchers in 2023 to replace traditional paper-based coupons as part of employee holiday and welfare benefits. In 2024, this initiative reduced the use of approximately 2,631 paper vouchers, resulting in an estimated carbon reduction of 290 kgCO₂. The program effectively minimized resource usage and packaging waste while aligning environmental sustainability with employee well-being.

Product Type ^{Note}	Quantity	Amount (NTD)
Energy-efficient notebook computers with eco-label certification	200	\$10,172,920
Personal desktop computers (PC)	126	\$5,121,630
Energy-saving computer monitors with green label	134	\$923,340
Energy-efficient servers	1	\$200,000
Energy-saving IT equipment	4	\$8,959,720
Water-saving toilets with Water Efficiency Label certification	20	\$312,000
Total		\$27,184,610

Note: Arcadyan's definition of green procurement follows the scope recognized by Taiwan EPA's "Declaration Guidelines for Green Products by Private Enterprises and Organizations". Eligible items may include: Type I and Type II Green Marks, Energy Label, Water Conservation Label, Green Building Material Label, Carbon Footprint Reduction Label, and recognized international green labels such as those related to recycled resources certified by the Industrial Development Bureau, MOEA.

4.4.7 Environmental Sustainability Training

To strengthen employee understanding and engagement with environmental issues, Arcadyan conducts annual company-wide training programs focused on environmental sustainability. These programs cover topics such as energy and GHG management, net-zero transition trends, corporate energy-saving and carbon reduction strategies, product carbon footprint and eco-design, and circular economy principles, providing learning resources that are closely aligned with employees' day-to-day work. In 2024, Arcadyan's corporate sustainability training series achieved a 100% completion rate for new employees and a 95.5% completion rate among 3,534 existing employees who completed refresher courses. Through ongoing training and capacity building, Arcadyan empowers its workforce with greater environmental awareness and practical skills, fostering a shared green mindset and reinforcing the company's core capabilities in sustainable development.

2024 Environmental Sustainability Training Programs

Course Title	Duration (hrs)	Participants
Arcadyan Group Employee Awareness Training Series – Climate Change Response and Low-Carbon Management	1	3,534
Carbon Management Trends and Strategies – Product Carbon Footprint Inventory	28	4
Carbon Management Trends and Strategies – GHG Emissions Inventory	24	4
Carbon Neutrality and Emissions Trading Workshop	12	4



4.5 Water Resource Management

Water is an essential natural resource that supports both business operations and employees' daily needs. Although Arcadyan's headquarters and manufacturing centers do not involve high water-consuming processes, the company is committed to sustainable water use and sound water resource management to alleviate water stress and ensure operational resilience. Across all operating sites, the primary water sources include municipal tap water, rainwater harvesting, and greywater reuse, with no direct extraction from surface or groundwater sources. Arcadyan's operations do not pose any significant impact on local water resources.

4.5.1 Water Conservation Initiatives and Discharge Risk Management

Arcadyan installs appropriate water treatment and management facilities based on the specific water usage patterns and wastewater characteristics at each operating site. These systems ensure that discharged water complies with regulatory standards while minimizing potential environmental impact. At headquarters, the kitchen is equipped with a grease separation system, effectively reducing the discharge of oily waste into the sewage system and the environment. All wastewater and discharge water across sites consistently meet or exceed local environmental standards. Ongoing water quality monitoring and risk management mechanisms are in place to further strengthen environmental protection efforts. Following the relocation of manufacturing capacity from China to Vietnam, the former China manufacturing center, now operating solely as the logistics and administrative office, no longer engages in production activities. Daily water consumption is limited to basic domestic use, resulting in a significant reduction in both water intake and discharge volumes, and thereby lowering environmental impact.

The Vietnam manufacturing center, which operates as an assembly-type facility, primarily uses water for domestic purposes. In 2024, approximately 77,719 cubic meters (m³) of wastewater were treated and reused through the on-site wastewater treatment system, achieving a 50% water recycling rate, effectively reducing reliance on municipal water supplies. Unrecycled wastewater is discharged into the municipal sewer system and processed at local wastewater treatment plants. Third-party testing is conducted annually to monitor water quality parameters including pH, chemical oxygen demand (COD), suspended solids (SS), ammonia nitrogen, total phosphorus, and total nitrogen. All test results complied with local discharge standards, with no instances of direct contamination to water bodies or soil. In 2024, no environmental violations, major spills, or lawsuits exceeding NT\$2 million related to water discharge occurred at any Arcadyan site.

Site	Water Withdrawal (m³)			Water Discharge (m³)	Net Water Consumption (m³)
	Municipal	Surface Water	Groundwater	Excluding seawater, discharge pathways include municipal wastewater systems, on-site treatment facilities, and third-party treatment providers.	Used to quantify the actual amount of water consumed that does not return to the original water body.
Arcadyan Headquarters	24,710	0	0	18,255	6,455
Vietnam Manufacturing Center	86,808	0	0	77,719	9,089
China Operations Office*	922	0	0	Data not available for calculation	-

Note: The China Operations Office was formerly the Arcadyan China Manufacturing Center. Production functions were transferred to Vietnam in 2023; the site now serves only administrative functions and no longer generates wastewater.

Wastewater Discharge Sources and Standards

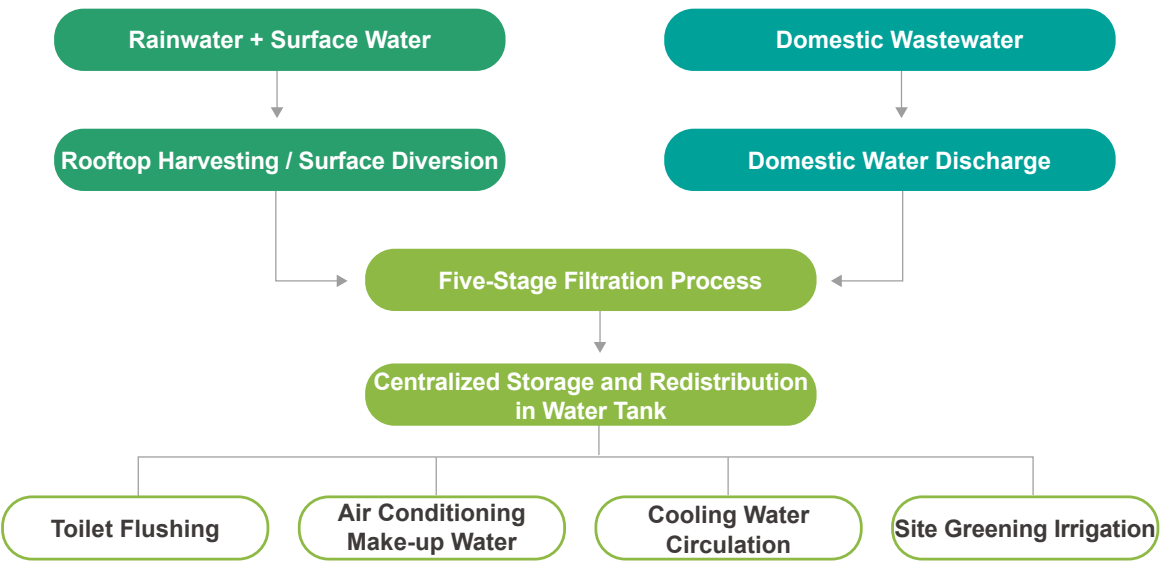
Site	Water Source	Receiving Body	Treatment Unit	Effluent Water Quality			
				PH	Suspended Solids (SS) (mg/L)	Chemical Oxygen Demand (COD) (mg/L)	Test Date
Arcadyan Headquarters	Touqian River	Touqian River	On-site wastewater treatment facility	7.7	24	96	2023.9.19
Vietnam Manufacturing Center	Da River (Sông Đà)	May River (Sông Mây)	Vinh Phuc Drainage and Urban Development Co., Ltd.	7.8	52	60	2024.2.22
China Operations Office	Yangtze River	Gehu Lake	Jiangsu Environmental Protection Co., Ltd.	7.2	48	143	2023.5.8

In 2024, Arcadyan Group's average monthly water consumption per capita was 2.1 cubic meters/person, representing a 16.3% decrease compared to 2023. This achievement surpassed the annual water conservation target of a 1% reduction, demonstrating the effectiveness and consistency of water-saving efforts. The primary contributor to this improvement was the full implementation of a domestic wastewater recycling system at the Vietnam Manufacturing Center in 2024, which significantly improved reclaimed water efficiency and reduced dependence on municipal water supply. This system recycles domestic wastewater through a multi-stage filtration process, enabling water reuse. The initiative not only reduces overall water costs but also enhances the resilience and flexibility of wastewater management at the site, reflecting Arcadyan's strong commitment to water sustainability and environmental responsibility in its operations.

Historical Performance Indicator – Per Capita Water Consumption (m³/person)

Site	Total Water Withdrawal (m³)				Per Capita Water Use (m³/person)			
	2021	2022	2023	2024	2021	2022	2023	2024
Arcadyan Headquarters	20,021	23,157	23,126	24,710	2.02	2.17	2.08	2.18
Vietnam Manufacturing Center	61,880	71,022	106,499	86,808	3.06	2.11	2.48	2.13
China Operations Office	95,667	72,112	28,578	922	2.60	2.67	3.21	0.60
Total	177,568	166,291	158,203	112,440	2.65	2.33	2.51	2.10

4.5.2 Water Conservation and Recycling Measures



Arcadyan implements a variety of water conservation and recycling initiatives based on the function and water usage characteristics of each operating site. These efforts aim to improve overall water efficiency, reduce reliance on municipal water supplies, and strengthen the company's commitment to sustainable water resource management. The Arcadyan Headquarters, which serves as a research and development-focused office building, primarily consumes water for domestic purposes, with no use of process water. All wastewater is discharged into the municipal sewage system, causing no direct impact on local water bodies. To enhance water efficiency, the headquarters has adopted a rainwater harvesting system, automated irrigation equipment, and high-efficiency water-saving fixtures—maximizing the benefits of resource use through infrastructure upgrades.

Since its establishment in 2021, the Vietnam Manufacturing Center has been equipped with a rainwater harvesting system that collects rainwater and surface runoff through rooftop and ground catchment systems. After initial filtration, the water is reused for toilet flushing and landscape irrigation, effectively reducing the use of tap water. At the end of 2023, the site further implemented a domestic wastewater recycling system. Using a five-stage filtration process, the system treats and reuses both rainwater and domestic sewage collected in a central storage tank, and redistributes the water for various uses including toilet flushing, air conditioning makeup water, cooling circulation, and green area irrigation. In 2024, the rainwater and wastewater recycling systems together reclaimed 77,719 cubic meters of water, accounting for 50% of the site's total water usage. This significantly increased the proportion of recycled water and delivered substantial water-saving results. Arcadyan will continue to evaluate water usage patterns across its operations, gradually expand recycling system capacity, and optimize water management strategies to achieve more efficient and environmentally responsible water use.

4.6 Waste Management

Arcadyan adheres to the principles of “reduction first, accurate classification, and lawful disposal” to comprehensively implement air pollution prevention policies. These efforts aim to eliminate environmental risks, improve resource efficiency, and minimize the environmental impact of operations. Waste flows are carefully planned from the source, with waste reduction, recycling, and classification measures in place to advance toward a circular economy and sustainable operations at all production sites. In 2024, the waste intensity across all sites was 0.036 metric tons per million in revenue, representing a 38.5% increase from 0.026 metric tons per million in revenue in 2023. This result did not meet the annual target of reducing waste intensity by 1%. The increase was primarily due to the expansion of production capacity at the Vietnam Manufacturing Center, where the construction and setup of new production lines generated a significant volume of construction-related waste, thereby driving up the overall waste volume and impacting intensity performance.

The waste data for Arcadyan Headquarters in both 2023 and 2024 has been independently verified by TÜV, confirming the completeness and reliability of the data. Looking ahead, Arcadyan will continue to optimize waste handling mechanisms during construction phases and strengthen resource recovery efficiency, with the goal of continually improving overall waste intensity and aligning with its long-term sustainability objectives.

4.6.1 Regulatory Compliance in Waste Management

Arcadyan categorizes waste generated at its headquarters into three main types:

- General Waste:** Combustible waste generated from daily activities.
- Recyclable Waste:** Paper, plastics, plastic casings, metals, glass, and other recyclable materials.
- Hazardous Industrial Waste:** Scrapped electronic materials and non-recyclable specialty items.

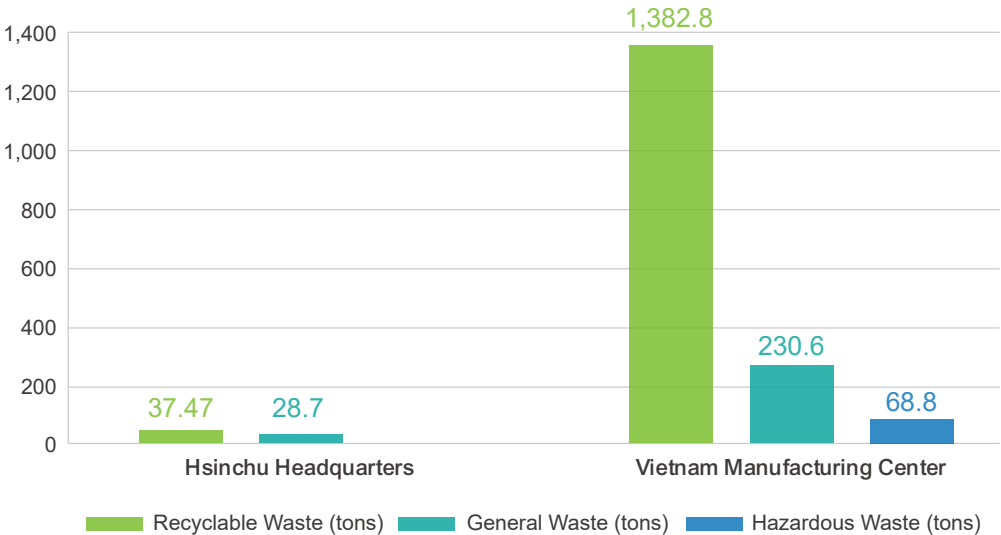
A dedicated and compliant waste storage area is established at the Arcadyan Headquarters to facilitate proper sorting, storage, and transfer. All treatment processes—including incineration and recycling—are outsourced to licensed and certified waste management contractors to ensure full compliance with environmental regulations. In addition to internal waste audits, Arcadyan Headquarters has engaged TÜV Rheinland for third-party verification since 2019. Waste generation and treatment data are reported annually to ensure transparency and traceability.

At the Vietnam Manufacturing Center, waste is centrally sorted and managed, with disposal and recycling entrusted to qualified local environmental service providers. Hazardous industrial waste—though accounting for a small portion—includes specialized materials such as cleaning agents, alcohol-based wipes, spent cleaning liquids, used fluorescent tubes, and PCB board trimmings. These are all disposed of in accordance with legal requirements through certified contractors. In 2024, Arcadyan Group reported no import or export of hazardous waste, and no violations or penalties related to environmental regulations.

Waste Management Process Flow



Waste Generation by Arcadyan Facilities in 2024



4.6.2 Waste Reduction and Recycling

Arcadyan recognizes that waste segregation at source and resource reuse are critical actions for achieving sustainable development. Waste sorting and recycling bins are deployed across all facilities, with ongoing expansion of collection points to improve accessibility and encourage employee participation. These measures have strengthened the tangible impact of the company's internal waste reduction initiatives. To effectively track waste reduction performance, in 2024 Arcadyan adopted the “Waste Intensity” indicator—waste generated per unit of revenue—as a management metric, with a clear annual reduction target of 1% to reinforce the link between sustainability and operational performance. In addition, employee training and awareness campaigns are conducted to deepen understanding and embed practices in waste reduction, energy conservation, and resource circularity, fostering a workplace that is both resource-efficient and environmentally responsible.

Waste Generation (Metric Tons)

Category		2021	2022	2023	2024
Non-hazardous	Resource Recycling (a)	795.5	814.1	1,006.4	1,420.3
	Landfill (b)	0.0	0.0	0.0	0.0
	Incineration with Energy Recovery (c)	0.0	0.0	0.0	0.0
	Incineration without Energy Recovery (d)	70.0	182.4	208.3	259.4
Subtotal		865.4	996.5	1,214.7	1,679.6
Hazardous	Off-site Transport – Recycling (e)	63.3	41.0	49.6	27.6
	Off-site Transport – Disposal (f)	97.0	80.5	70.8	41.2
Subtotal		160.3	121.5	120.3	68.8
Total Waste Generation (a+b+c+d+e+f)		1,025.7	1,118.0	1,335.1	1,748.4
Recycling & Reuse (a+e)		858.8	855.1	1,056.0	1,447.8
Recycling & Reuse Rate (a+e) / (a+b+c+d+e+f)		83.72%	76.49%	79.10%	82.81%
Data Coverage Rate		95.39%	95.89%	97.66%	94.37%

With the rapid advancement of technology and the diversification of market demands, the replacement cycle of consumer electronics continues to shorten, leading to the large-scale disposal of electronic devices and posing potential environmental impacts. In response to this challenge, Arcadyan actively embraces the principles of the circular economy, extending product lifespans, enhancing resource reuse efficiency, and striving to build a sustainable value chain. In handling end-of-life products, Arcadyan recovers reusable materials such as plastic housings, processing them into recycled plastics for reintegration into production to close the material loop and reduce reliance on virgin resources. For client returns, the company prioritizes repair or refurbishment to restore products to usable condition, while reusing original packaging materials and accessories. This approach effectively extends the lifecycle of products and components, reducing overall waste generation.

To further improve product recyclability at the end of its lifecycle, Arcadyan leverages in-house R&D expertise alongside input from external recycling partners to develop a Product Recyclability Framework encompassing five key dimensions. By designing for “ease of repair, disassembly, and recycling,” the company maximizes material recovery and reuse, minimizes resource waste, and reinforces its commitment to the circular economy and environmental sustainability.

Five Key Dimensions of Product Recyclability Assessment

- 1.Material Selection: Avoid designs using mixed materials or materials that are difficult to separate.
- 2.Modular Design: Enhance the ease of disassembly and replacement of components.
- 3.Assembly Method: Simplify assembly processes and minimize the use of adhesives or complex joints.
- 4.Label Clarity: Clearly indicate materials and disassembly instructions to facilitate identification and sorting.
- 5.Ease of Disassembly: Ensure that the disassembly process can be completed quickly and with minimal risk.



4.7 Air Pollution Control

Arcadyan's manufacturing centers have minimal air emissions, primarily from volatile organic compounds (VOCs) generated by process flux and isopropanol (IPA), along with small amounts of nitrogen oxides (NOx) and sulfur oxides (SOx) from equipment testing and emergency generator operation. Since 2019, Arcadyan has strengthened air pollution control at the Vietnam Manufacturing Center by installing additional exhaust gas treatment systems and adopting multi-stage filtration and activated carbon adsorption technologies. These measures ensure that treated emissions meet — and in many cases exceed — local regulatory standards. To further improve VOC management, Arcadyan has implemented several source-control and reduction measures:

Low-VOC process chemicals: Using low-VOC formulations for flux and cleaning agents to reduce emissions at the source.

Multi-stage filtration and adsorption: Installing primary filters, activated carbon units, and precision filters to capture trace pollutants.

Training and operational management: Conducting regular training on air quality management and equipment maintenance to strengthen operational skills.

Third-party monitoring and compliance checks: Partnering with accredited environmental agencies for routine monitoring and regulatory verification to ensure data transparency and accuracy.

As of 2024, no Arcadyan facility has recorded any air emission leaks or violations of air quality regulations, demonstrating strong environmental risk management. Monitoring data for the year showed total VOC emissions at the Vietnam Manufacturing Center were 13.04 metric tons — well below local regulatory limits. Arcadyan will continue investing in R&D and equipment upgrades, following a “beyond compliance and preventive management” approach to further enhance air pollution control and minimize environmental impact.

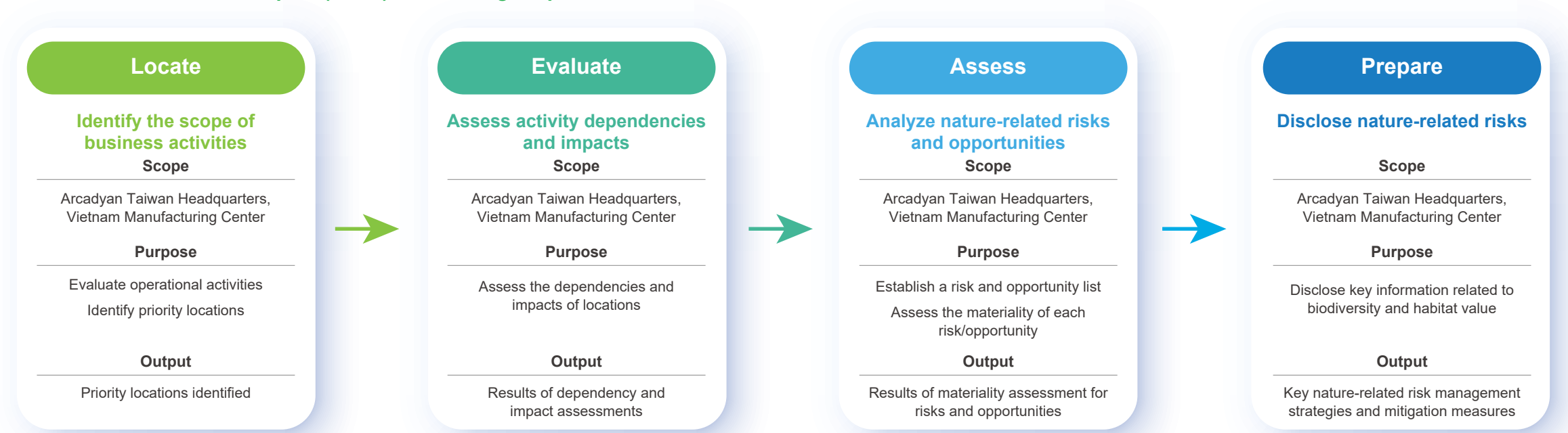
4.8 Biodiversity

Arcadyan is committed to conserving natural capital and advancing sustainable development. Following the Taskforce on Nature-related Financial Disclosures (TNFD) framework released in September 2023, the company identifies and manages nature-related risks and opportunities. Arcadyan adopts the Locate, Evaluate, Assess, and Prepare (LEAP) approach to systematically assess its dependency on natural resources, potential impacts, and biodiversity-related risks, which informs the formulation of targeted management strategies and response mechanisms.

Recognizing the differences in geographic conditions and operational characteristics across its sites, Arcadyan evaluates the specific nature-related risks faced by each location. The Hsinchu Headquarters, situated in an urban development zone, faces minimal direct risk to natural habitats. In contrast, the Vietnam Manufacturing Center, located near agricultural land and surface water bodies, is more sensitive to water resource and ecological conservation issues. To reduce reliance on natural water sources and alleviate potential pressure on surrounding ecosystems, the Vietnam facility has fully implemented rainwater harvesting and domestic wastewater reuse systems, with reclaimed water accounting for approximately 50% of total annual water consumption.

To strengthen governance-level involvement and oversight of nature-related issues, Arcadyan plans to integrate TNFD assessment results into its overall risk management and sustainability governance framework. The Board of Directors authorizes the Sustainability Development Committee to lead these initiatives, enhancing the company's ability to identify, manage, and respond to nature-related matters. Arcadyan will continue to expand the geographic scope and depth of its biodiversity risk assessments, develop location-specific response strategies, and promote nature conservation awareness through employee education and training. By ensuring transparent information disclosure, the company strives toward the goal of sustainable operations that coexist and thrive with nature.

Locate, Evaluate, Assess, and Prepare (LEAP) methodological process:



Taskforce on Nature-related Financial Disclosures (TNFD)

Aspects	Disclosure Item	Content
Governance	Board oversight of nature-related dependencies, impacts, risks, and opportunities	Arcadyan plans to formally incorporate nature-related issues into the “Sustainability Development Committee” under Board authorization by 2030. Through climate and nature-related risk reporting mechanisms, the company will annually review each operation site’s risk exposure and dependency in terms of water resources, land use, etc., to strengthen risk management and resource allocation efficiency.
	Role of management in assessing and managing nature-related dependencies, impacts, risks, and opportunities	The “Environmental Sustainability Task Force” is responsible for cross-departmental promotion of nature-related issues, including identifying natural resource dependencies, promoting the use of recycled water, ecological-friendly land design, and compliance with environmental regulations. Related actions are integrated with climate change adaptation strategies and sustainable supply chain management to maximize effectiveness.
	Organization’s human rights policies and engagement in assessing and addressing nature-related dependencies, impacts, and risks, including Board and management oversight of Indigenous Peoples, local communities, affected stakeholders, and other relevant parties	• Arcadyan currently has no operations in Indigenous Peoples’ territories or ecologically sensitive areas. • The Vietnam Manufacturing Center obtained legal land use permits during construction and engaged third-party agencies for environmental compliance audits to ensure operations meet relevant regulations and standards. • The company continuously monitors potential impacts on local communities and employee well-being, strengthening stakeholder communication and response mechanisms to ensure sustainable and inclusive local development.
Strategy	Identified short-, medium-, and long-term nature-related dependencies, impacts, risks, and opportunities	• Short-term (1–3 years): Water stress and drought risk from climate change. • Medium-term (3–5 years): Stricter environmental regulations, with increasing requirements for material recycling and reuse. • Long-term (5–10 years): Increasing instability of natural resource supply and greater requirements for climate resilience due to global resource constraints and climate change.
	Impact of nature-related dependencies, impacts, risks, and opportunities on the organization’s business model, value chain, strategy, financial planning, and any transition plans or analyses	• Arcadyan’s operations depend on water and land resources; to reduce related risks, the Vietnam Manufacturing Center has installed rainwater and wastewater recycling systems, effectively lowering operational risks and tap water usage costs. • At the product level, Arcadyan incorporates Post-Consumer Recycled (PCR) materials to meet supply chain expectations for reducing natural resource consumption.
	Resilience of nature-related risk and opportunity strategies under different scenarios	• Arcadyan has implemented risk scenario simulations and completed a water resource stress inventory. • The Vietnam Manufacturing Center’s recycled water accounted for 50% of total water use in 2024, improving adaptability to natural resource constraints. • The Vietnam Manufacturing Center has installed a solar power system and actively promotes energy-saving and emission-reduction measures.
	Disclosure of assets and/or activities at direct operation sites that may meet priority location criteria, and possible involvement in related upstream and downstream value chains	• Arcadyan headquarters is an R&D office building located outside ecologically sensitive areas, with limited impact on the natural environment. • The Vietnam Manufacturing Center is located in a development zone near agricultural land and water catchment areas, with potential ecological linkages. • Upstream suppliers are required to adopt recycled materials and environmentally friendly packaging to reduce environmental impact during production. • Facing the global consumer electronics market, Arcadyan actively promotes green packaging and resource circularity strategies, incorporating product lifespan extension considerations at the design stage to realize sustainable product lifecycle management.

Aspects	Disclosure Item	Content
Risk and Impact Management	(i) Identification and assessment process for nature-related dependencies, impacts, risks, and opportunities	Arcadyan follows the TNFD-LEAP methodology framework to identify nature dependencies, pollution impacts, and water resource risks for each operation site, incorporating the results into a risk-and-opportunity matrix for comprehensive evaluation.
	(ii) Process for identifying and assessing nature-related dependencies, impacts, risks, and opportunities in upstream, own operations, and downstream/investment activities	- Upstream: Require suppliers to adopt recycled materials and environmentally friendly packaging to reduce the environmental impact of raw materials. - Operations: Enhance the efficiency of recycled water use and strengthen the control of volatile organic compound (VOC) emissions. - Downstream: Actively promote recyclable packaging design, extend product lifespan, and strive to reduce overall resource consumption.
	Integration of identification, assessment, and management processes into the organization's overall risk management framework	Arcadyan incorporates nature-related risks and climate risks into a unified governance framework, integrating them into the sustainability risk identification process and quantitative risk grading model, with plans to regularly report assessment results to the Board of Directors and the Sustainability Development Committee for review.
	How the organization considers and responds to stakeholders when assessing nature-related dependencies, impacts, risks, and opportunities	Arcadyan values engagement with clients, employees, and local communities, strengthening communication and consensus-building on environmental issues through information disclosure, ESG ratings participation, and internal education and training.
Metrics and Targets	Indicators used to assess and manage nature-related risks and opportunities in alignment with strategy and risk management processes	- Total annual volume of recycled water (m³) - Percentage of recycled water in total site water consumption (%) - Total VOC emissions (metric tons) - Third-party test results of wastewater discharge - Percentage of post-consumer recycled (PCR) material used (%)
	Indicators for assessing and managing nature-related dependencies and impacts	- Water intensity at each operation site (per capita water use) - Annual rainwater and domestic water recycling rate
	Targets and performance against targets for managing nature-related dependencies, impacts, risks, and opportunities	- By 2025: Vietnam Manufacturing Center to have recycled water account for 50% of total water consumption. - By 2030: Achieve 50% usage of recycled plastics and 10% usage of recycled metals.

5

Social Inclusion

- 5.1 Human Rights Management
- 5.2 Talent Attraction and Retention
- 5.3 Talent Cultivation and Development
- 5.4 Occupational Safety and Health
- 5.5 Social Participation



Introduction

In a rapidly changing world, people remain the core driver of sustainable development. Arcadyan believes that a workplace built on respect for human rights, equality, and inclusion is key to long-term success and social impact.

This section outlines our efforts to foster social inclusion through human rights protection, employee well-being, diverse hiring, and educational support—aligned with SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work), and SDG 10 (Reduced Inequalities).

From implementing living wages and health programs to supporting female leadership and underserved communities, Arcadyan is committed to building a more inclusive, people-centered workplace.



Annual Highlights

Zero reported human rights violation complaints.

At Arcadyan headquarters, the average annual salary for full-time, non-managerial employees was **NT\$1.882 million**, with a median salary of **NT\$1.603 million**.

In 2024, **no incidents of child labor, forced labor, gender discrimination, or other human rights violations** were reported.

100% of new hires completed **human rights awareness training**.

Over **18.88 million hours** of **zero-accident work hours** accumulated.

Over **98%** of managerial positions are held by local employees.

5.1 Human Rights Management

Arcadyan Human Rights Policy

Arcadyan is committed to fostering a workplace that respects human rights and protects employees' fundamental rights. We follow international human rights frameworks, including the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the Responsible Business Alliance (RBA) Code of Conduct, and the SA8000 Standard.

We also comply with all applicable labor laws in the regions where we operate. In line with these commitments, Arcadyan has developed and published a [Human Rights Policy Declaration](#), which has been approved by the Board of Directors and serves as the foundation for our human rights management and implementation practices.

- **Respect for Human Rights:** We integrate respect for economic, social, cultural, and civil rights into our operations, eliminating any form of unlawful discrimination and ensuring equal employment opportunities.
- **Health and Safety:** We provide a safe, healthy, and harassment-free workplace, ensuring the physical and mental well-being of employees.
- **Prohibition of Child and Forced Labor:** We strictly prohibit the employment of child labor, any form of forced labor, and human trafficking, ensuring all employees are voluntarily employed without exploitation or restrictions on freedom of movement.
- **Fair Compensation and Working Hours:** We comply with wage and working hour regulations, ensuring timely payment of fair and adequate living wages while clearly listing any deductions.
- **Sustainable Supply Chain:** We prohibit suppliers from using raw materials sourced from conflict minerals and ensure the supply chain meets human rights and environmental protection standards.
- **Open Communication and Management:** We foster a culture of open communication and implement transparent management, encouraging employees to express their opinions freely.
- **Protection of Vulnerable Groups:** We safeguard the labor rights of vulnerable groups and ensure equal opportunities for all.
- **Privacy Protection:** We respect and protect employees' personal information, ensuring that data collection and usage comply with relevant regulations.
- **Continuous Improvement and Supervision:** We regularly review the human rights policy and its implementation effectiveness, optimizing management measures to ensure ongoing enhancement of human rights protection.

Commitment to Upholding Labor Rights

Arcadyan is committed to protecting the fundamental labor rights of all employees. In line with international standards and our [Human Rights Policy Declaration](#), we promote fair, safe, and respectful working conditions.

Labor rights are a core part of human rights and essential to sustainable operations. To uphold this commitment, we have established the following labor practices:

Living Wage Assessment:

Ensure employee compensation meets basic living needs, supporting quality of life and dignity.

Equal Pay for Equal Work:

Continuously review and improve salary structures to reduce gender pay gaps and ensure fair compensation for all.

Healthy Work Hours:

Established alert systems and controls to prevent excessive overtime, promoting work-life balance and safeguarding employee well-being.

Leave Policies for Work-Life Balance:

Provide legally mandated paid leave and encourage flexible time off, supporting employees' well-being and work-life balance.

Legal Compliance in Working Hours:

Set clear weekly work hour limits in line with local labor laws at each operational site to ensure legal and fair labor practices.

Responsible Workforce Management:

In cases of major workforce adjustments, provide clear communication and reasonable notice to ensure employees' right to information and support a smooth transition.

Through these measures, Arcadyan continues to strengthen its people-centered approach, fostering a workplace rooted in respect, care, and fairness—fulfilling our commitment to social responsibility and sustainable development.

Human Rights Policy Implementation and Outcomes

Arcadyan strengthens human rights governance by aligning with international standards and enhancing risk management across operations and the supply chain. In 2024, our Vietnam manufacturing center earned Platinum certification under the Responsible Business Alliance Validated Assessment Program (RBA VAP) and scored 95 out of 100 in the Joint Alliance for CSR (JAC) audit, demonstrating excellence in labor, environmental, and ethical practices.

No major human rights violations were reported across global sites in 2024, reflecting the effectiveness of our preventive controls, risk assessments, and grievance mechanisms. Human rights principles are embedded in daily operations and decision-making.

5.1.1 Human Rights Management

Arcadyan follows the United Nations Guiding Principles on Business and Human Rights (UNGPs) and other international standards, while complying with local labor laws across all operating regions. We are committed to embedding human rights policies throughout our global operations. To proactively manage potential risks, Arcadyan has established a human rights risk assessment framework that integrates internal audits, external reviews, grievance mechanisms, and stakeholder feedback. This framework is a core element of our sustainability governance, strengthening our ability to prevent, identify, and address human rights risks, while informing ongoing improvements in business strategy and supply chain management.

We conduct annual human rights risk assessments covering both internal operations and the supply chain, ensuring that fundamental rights are respected and upheld throughout our business activities.

Human Rights Due Diligence Process



Human Rights Risk Issues

In 2024, Arcadyan conducted a human rights issue mapping and risk analysis in line with international standards and due diligence principles. Eight key human rights topics were identified and incorporated into Arcadyan’s human rights risk management framework as a foundation for preventive and mitigation measures. Based on the assessment of potential impact and stakeholder concerns, three issues were prioritized: legal working hours, freedom of association, and health and safety.

For these priorities, Arcadyan established actionable prevention, mitigation, and remediation measures, including enhanced internal procedures, training programs, and management systems. These efforts were also extended to our supply chain to minimize adverse human rights impacts from business operations. Arcadyan will continue to strengthen its Human Rights Due Diligence process, improve risk identification and response, and demonstrate transparency and commitment through regular reviews and disclosures.

Topic Category	Human Rights Issues	Risk Level	Management Approach and Control Mechanism	Current Status
Priority Issues	Legal Working Hours Management	High	- Establish a working hours early warning and monitoring system. - Regularly review work scheduling mechanisms and overtime regulations. - Define maximum working hours in accordance with local regulations at each site.	Continuously strengthening
	Freedom of Association		- Establish a labor union and labor-management meeting system. - Labor representatives are democratically elected by employees. - Hold regular consultation meetings to widely gather employee opinions.	Stable operation
	Health and Safety		- Regularly conduct occupational safety education, training, and audits. - Conduct workplace environment risk assessments. - Implement emergency response drills and promote health promotion programs.	Actively implemented
Potential Risk Issues	Forced Labor	Medium	- Formulate and announce a policy prohibiting forced labor. - Require suppliers to sign a human rights commitment. - Regularly conduct internal and supply chain audits.	No clear risk events
	Human Trafficking		- Review the legality of employee recruitment sources. - Prohibit charging workers agency fees. - Strengthen identity and contract document review procedures.	No clear risk events
	Child Labor		- Establish an age verification mechanism before employment. - Strictly adhere to the minimum employment age regulations in all locations.	No clear risk events
	Fair Compensation		- Promote equal pay for equal work and transparent salary structures. - Track gender pay gaps and disclose progress on improvements.	Under continuous monitoring
	Anti-Discrimination		- Provide education and training on diversity and inclusion. - Establish an employee complaint and investigation mechanism. - Adopt a fair promotion and performance evaluation system.	No significant disputes



Protecting Human Rights and Practicing Diversity and Inclusion

Arcadyan is committed to respecting and protecting human rights, adhering to international human rights standards and the laws of our operating locations. We strive to create a workplace that is respectful, equitable, and inclusive. Through the establishment of robust systems, training, and a grievance mechanism, we have integrated a number of core human rights issues into our risk management and governance framework. Our practices and systems are detailed as follows:

Prohibition of Child Labor

Arcadyan strictly adheres to regulations on minimum employment age, prohibiting the employment of individuals under the age of 16. This policy is explicitly stated in the "[Arcadyan Human Rights Policy Declaration](#)." To strengthen our management mechanisms, our internal "Recruitment and Employment Management Procedures" and "Control Procedures for Child, Juvenile, and Student Workers" require all new hires to provide valid identification for age verification upon onboarding. In 2024, there were no cases of child labor at any of Arcadyan's operating locations, maintaining a 100% compliance record.

Prevention of Forced Labor and Human Trafficking

Upholding its commitment to respecting and protecting human rights, Arcadyan adheres to international human rights standards and the labor laws of all its operating locations to implement human rights protection measures. To strengthen human rights risk management, Arcadyan explicitly prohibits all forms of forced labor and human trafficking in accordance with the UK Modern Slavery Act 2015. We are dedicated to safeguarding employees' personal freedom and fundamental labor rights, including voluntary employment, freedom to resign, reasonable overtime, and freedom of movement. We strictly prohibit practices such as contract-bound labor, debt bondage, and the retention of employees' personal documents (e.g., passports, work permits). Furthermore, we do not tolerate employees being forced to provide labor under any pressure of retaliation, coercion, or debt.

To reinforce the enforcement of these policies, Arcadyan has established an internal audit and oversight mechanism. We regularly review human resource management practices at all our operating locations to ensure there are no violations of forced labor-related regulations. In 2024, there were no reported cases of forced labor or human trafficking violations across all of Arcadyan's global sites.

Promoting a Diverse, Inclusive, and Equitable Workplace

Arcadyan fosters a workplace culture that embraces diversity, inclusion, and equality, respecting individual differences and supporting employees' physical and mental well-being. To promote gender equality and inclusion, all-gender restrooms have been installed at headquarters, providing a safe and accessible space for employees of all gender identities and those with physical or mental needs—reflecting our commitment to diversity and dignity in the workplace.

As part of its talent development strategy, Arcadyan promotes gender diversity and equal opportunity, with a focus on increasing female participation in the technology sector. During campus recruitment events, female managers represent the company in dialogues with students, sharing their career journeys in tech to inspire women with STEM backgrounds to pursue careers in the industry and support greater gender balance in the workplace.

Arcadyan's headquarters also supports equal employment opportunities for people with disabilities in accordance with the People with Disabilities Rights Protection Act. Accessible facilities such as ramps, designated restrooms, parking spaces, and equipment with voice guidance and braille labeling are provided to create an inclusive work environment that meets diverse needs. In 2024, Arcadyan employed a total of eight individuals with disabilities (five with mild, two with severe, and one with profound disabilities), fully meeting legal employment requirements and demonstrating a strong commitment to inclusion and human rights.

Year	2022		2023		2024	
	Number of persons with disabilities employed	Proportion of employees (%)	Number of persons with disabilities employed	Proportion of employees (%)	Number of persons with disabilities employed	Proportion of employees (%)
Persons with Disabilities	6	0.7%	7	0.8%	8	0.8%

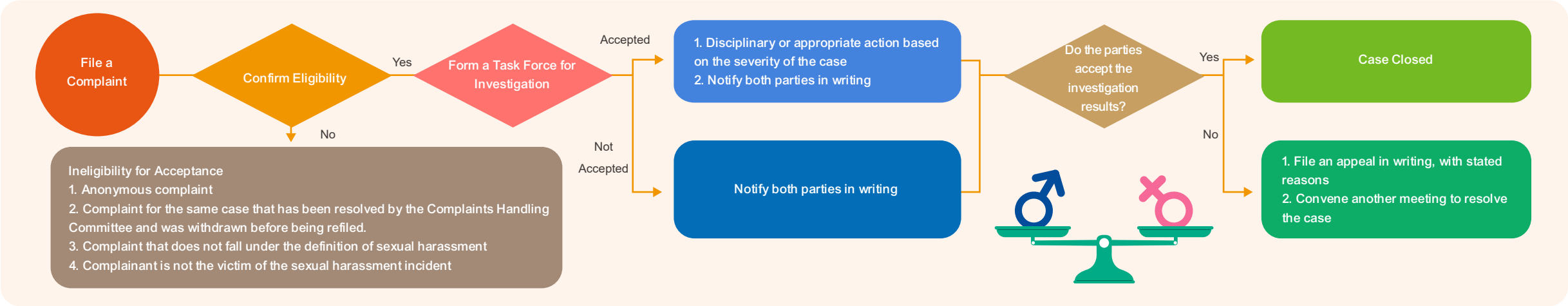
Prevention of Discrimination, Harassment, and Workplace Misconduct

Arcadyan strictly prohibits all forms of discrimination and is committed to fair and equitable treatment throughout the employee lifecycle—including recruitment, compensation, training, promotion, and retirement. We do not tolerate bias based on nationality, race, ethnicity, social background, religion, disability, gender, sexual orientation, gender identity, pregnancy, age, appearance, political views, or union membership. Through clear policies and daily practices, we uphold a workplace that respects human rights and protects employee dignity.

To prevent and address workplace sexual harassment, Arcadyan has implemented the Guidelines for the Prevention, Complaint, and Disciplinary Measures of Sexual Harassment in the Workplace, in accordance with the Act of Gender Equality in Employment. These guidelines aim to ensure a safe, respectful, and fear-free environment where all employees are protected through a fair and transparent process.

Arcadyan provides anonymous and named reporting channels to ensure safe, confidential complaint handling, with protections against retaliation. An impartial team investigates all cases. In 2024, no reports of discrimination, harassment, or workplace misconduct were received, reflecting the effectiveness of our prevention and response mechanisms.

Sexual Harassment Handling Procedure



Arcadyan Headquarters Complaint and Whistleblowing Channels		Number of Whistleblowing Cases	Number of Cases Accepted	Number of Cases Concluded
Email Address	hr_hq@arcadyan.com	0	0	0
Hotline	03-5727000#14499			
Fax Number	03-5727969			
Complaint and Whistleblowing Channels at Vietnam Manufacturing Center		Number of Whistleblowing Cases	Number of Cases Accepted	Number of Cases Concluded
Email Address	HR_AVC@arcadyan.com.vn	0	0	0
Hotline	HR Hotline: 0397-580197 / 0911-893228 HR Manager Hotline: 02113-858666 (Ext: 32161)			
Social Media	Zalo app			
Suggestion Box	Suggestion Box			
Complaint and Whistleblowing Channels at China Operations Office		Number of Whistleblowing Cases	Number of Cases Accepted	Number of Cases Concluded
Hotline	57028888-22018 /22088	0	0	0

Note: The statistics for Arcadyan headquarters include other overseas operating locations.

Freedom of Association and Labor-Management Communication

Arcadyan respects and safeguards the right of employees to freedom of association. We provide an open, transparent, and inclusive communication platform to foster positive interaction between labor and management. Across all of our global operating locations, employees can elect their representatives through formal organizations such as labor unions, employee groups, or labor-management conferences. These representatives can participate in relevant communication meetings to fully voice employees' opinions and suggestions. This system helps strengthen our two-way communication mechanism, ensuring that employees' voices are heard and considered in company decisions, thereby shaping a workplace culture of respect and cooperation.

Fair Disciplinary Action and Protection of Employee Rights

To ensure fair management and respect for employee dignity, Arcadyan prohibits any form of corporal punishment, psychological abuse, humiliating disciplinary actions, or other improper disciplinary behaviors. Our policies on rewards and punishments are clearly stipulated in the "Work Rules," and all disciplinary actions must be handled in accordance with the law and ensure a just and reasonable process. Employees also have the right to express their opinions and file complaints, utilizing the grievance system to protect their legitimate rights and prevent improper penalties from infringing upon their interests.

Working Hours Management and Rest Assurance

Arcadyan values the physical and mental well-being and labor rights of our employees. All our operating locations strictly comply with local labor laws and regulations to manage standard working hours and rest periods. We have established "Work Rules" and "Overtime Management Regulations," which clearly stipulate the maximum daily and weekly working hours, overtime procedures, and wage premium standards. Overtime arrangements are made on a voluntary basis. We have also implemented a working hours recording and monitoring system to track and prevent excessive overtime, ensuring that employees receive sufficient rest and maintain a healthy work-life balance. Through continuous internal audits and monitoring mechanisms, Arcadyan optimizes its working hours management to effectively uphold the fairness and legality of employee labor conditions.

5.1.2 Diverse Communication Channels

Adhering to a people-oriented management philosophy, Arcadyan values employee feedback and participation. We have established diverse and formalized communication and consultation channels to encourage employees to proactively provide opinions and suggestions, ensuring every piece of feedback is properly addressed. Our communication mechanisms include:

Communication Channels	Communication Frequency	Communication Content
Labor-Management Conference	Arcadyan Headquarters: Quarterly Vietnam Manufacturing Center: Annually	Operating performance, employee health and safety, working conditions, welfare committee initiatives, training and career development, and handling and follow-up on complaints and whistleblowing cases.
Welfare Committee Meeting	Arcadyan Headquarters: Every other month	Welfare policies, club activities, employee trips, and other employee events.
New Hire Orientation	Irregular	Work status, and integration and adaptation to the workplace.
Employee Town Hall Meeting	Vietnam Manufacturing Center: Annually	Senior management listens to the voices of frontline employees and communicates company developments.
Employee Satisfaction Survey	Annually	Work environment, job content, employee training, salary and benefits, management systems, etc.
Anti-Discrimination, Harassment, and Workplace Violence Complaint Channel	Irregular	Receiving complaints about discrimination, harassment, and workplace violence.
Integrity and Ethics Complaint Channel	Irregular	Receiving complaints about integrity and ethics cases.
BBS Electronic Bulletin Board	Irregular	Major internal announcements and employee communication.
Dining Committee	Quarterly	Menu topics, cafeteria hygiene management, and other catering-related matters.

Labor-Management Conference

Arcadyan has established a comprehensive labor-management communication mechanism at its headquarters, including a Labor-Management Conference, and at its Vietnam Manufacturing Center, where a formal labor union participates in negotiation meetings. Labor representatives are democratically elected by employees for a four-year term to ensure impartiality. Regular meetings are held to discuss talent development, operations, and policies, as well as to gather employee feedback. Additionally, we use various channels like an internal corporate Help email address to collect quarterly feedback for discussion and system improvements. In 2024, feedback covered a range of issues, all of which were compiled, addressed, and integrated into our improvement plans.

At our headquarters, six employees serve as labor representatives, accounting for 0.6% of the headcount. At the Vietnam Manufacturing Center, 3,398 employees signed collective bargaining agreements, representing a 100% union participation rate and 74% of the total group-wide headcount.

Through these institutionalized mechanisms, Arcadyan fosters a transparent, participatory, and responsive relationship, promoting mutual growth for both the company and its employees.

Composition of Labor-Management Negotiation Representatives

Site	Number of Labor Representatives	Number of Management Representatives	Percentage of Total Employees
Arcadyan Headquarters	6	6	0.6 %
Vietnam Manufacturing Center	35	6	1.0 %

Note: There are no labor-management negotiation conferences at the China Operations Office and other overseas operating locations.

Welfare Committee

In accordance with the law, Arcadyan headquarters has established the "Arcadyan Technology Employees' Welfare Committee" (hereinafter referred to as the Arcadyan Welfare Committee), which serves as a crucial platform for planning and promoting employee welfare policies. The Arcadyan Welfare Committee holds a regular meeting every other month, with participation from employee representatives and relevant departments to discuss and decide on welfare initiatives, annual plans, and various employee care activities. This demonstrates our commitment to the diverse well-being of our employees. The Arcadyan Welfare Committee provides various financial subsidies and care allowances, with welfare items tailored to employees' different life stages and actual needs, including:



- Regular Cash Gifts and Subsidies: Birthday, major holidays, and annual trip allowances.
- Caring Allowances: Special condolence allowances for marriage, childbirth, hospitalization, and funeral services.

In addition to financial support, the Arcadyan Welfare Committee is also dedicated to promoting club activities, partnerships with contracted vendors, and family days to meet the diverse lifestyle needs of our employees.



- Diverse Club Activities: To encourage employees to develop their interests and personal growth.
- Partnerships with Contracted Vendors: To expand lifestyle discounts and resources for employees.
- Employee Family Days and Holiday Events: To promote parent-child interaction and a sense of belonging to the company.

The Arcadyan Welfare Committee designs a flexible and diverse welfare system based on employee needs, aiming to create a caring, healthy, and happy work environment. By doing so, we strengthen the positive connection between Arcadyan and its employees, fostering a sustainable and mutually beneficial workplace culture.

New Hire Orientation Session

Arcadyan considers employee communication a vital tool for fostering internal unity. To cultivate an open, inclusive, and supportive workplace, our headquarters holds new hire orientation sessions as new employees join. These sessions provide a direct and timely feedback platform, helping newcomers acclimate to their new roles. We encourage them to share their initial challenges and experiences in a relaxed, interactive setting, providing them with timely advice and support. This approach helps new employees settle in faster, boosting their sense of belonging and increasing retention. In 2024, we held four such sessions, achieving a 78% participation rate and receiving positive satisfaction feedback. The Vietnam Manufacturing Center also hosts regular town hall meetings for frontline staff. Here, senior management directly addresses employee concerns and shares updates on the company's operational strategy and future vision, ensuring clear and consistent communication.

Through these structured and people-focused sessions, Arcadyan strengthens employee engagement and trust, building an inclusive and mutually supportive workplace.



▲ 2024 New Hire Orientation Session

New Hire Feedback Topics

Topics of Feedback	Response Methods
• Understanding needs regarding departmental responsibilities, procedural workflows, and work roles. • Observations and feedback on workplace culture and environmental adaptation. • Expectations and suggestions for training, welfare systems, and growth resources.	• Provide presentations to explain benefits, policies, and organizational structure. • Facilitate group discussions and consolidate common issues for a unified response. • Utilize an anonymous feedback mechanism to gather diverse opinions. • Establish a follow-up process to track resolution progress. • Refer representative suggestions to relevant departments for action.

Employee Satisfaction Survey

Arcadyan is committed to employee well-being and organizational cohesion. We conduct an annual Employee Satisfaction Survey to extensively gather feedback on the work environment, organizational support, and psychological well-being. This serves as a crucial basis for continuously optimizing our human resources policies. The survey covers seven core areas: corporate identity, organizational relationships, work environment, employee health, career advancement, learning and growth, and a sense of achievement. To gain a deeper understanding of employees' true feelings about their workplace and organizational support, the survey integrates psychological well-being concepts by including four key psychological indicators: satisfaction, purpose, happiness, and stress. This allows us to more comprehensively grasp employees' actual feelings and potential needs, providing a solid foundation for policy optimization.

Item	Survey Questions on Employee Satisfaction
Satisfaction	• Employee's overall satisfaction with their work. • The soundness of company policies and the positivity of the corporate image. • The transparency of career advancement opportunities and the convenience and safety of the work environment.
Purpose	• Whether employees feel a sense of achievement and value in their work. • Whether tasks have clear goals and long-term significance. • Whether there are opportunities for continuous learning and professional development.
Happiness	• Whether employees have positive interaction experiences in the workplace. • Whether the company organizes wellness activities or provides emotional support. • Whether the team atmosphere is positive and collaborative.
Stress	• Whether employees feel they can receive support when they feel stressed. • Whether the company provides flexible measures and mental health support. • Whether emotional and personal assistance is accessible through formal channels.

In 2024, a total of 763 employees participated in the Employee Satisfaction Survey, representing 16.6% of the company's total headcount. The average employee satisfaction score was 71%, with key areas of feedback including:

Location	Number of Respondents	Employee Satisfaction Score	Key Feedback Areas	Company Response
Arcadyan Headquarters	213	76%	- Career Advancement - Learning and Growth - Sense of Achievement	- Conduct regular reviews of talent allocation and career development to ensure our human resources align with business growth. - To meet diverse learning needs, we offer multiple training channels, including new hire training, professional skills courses, a Content Sharing System (CSS), and AI application courses, helping employees strengthen their skills and plan for career progression. - Enhance the connection between training and practical job tasks and optimize the communication mechanisms for career development between managers and employees, thereby improving employee participation, sense of belonging, and overall job satisfaction.
Vietnam Manufacturing Center	550	70%	- Work Environment, including hygiene and dining quality - Career Advancement	- Continuous maintenance of daily facilities and regular inspections ensure a safe and comfortable work environment. Catering services have also been enhanced with a "monthly enhanced menu" and regular engagement with vendors to improve meal quality and variety. - Establishing a clear and transparent workflow for promotion and advancement. Departmental managers provide timely communication on promotion channels and evaluation criteria to increase the predictability and credibility of employee career development.

Note: The Employee Satisfaction Survey was not conducted at the China Operations Office and Other overseas offices.

5.2 Talent Attraction and Retention

5.2.1 Employee Diversity

Adhering to principles of respect and equality, Arcadyan complies with the Labor Standards Act, the Act of Gender Equality in Employment, and the Employment Service Act, among other relevant regulations. The company ensures all employees are provided with equal opportunities in employment, compensation, and promotion, free from discrimination based on gender, age, race, or nationality, thereby fostering a fair and inclusive corporate culture. As of the end of 2024, our global workforce of 4,602 employees had a gender ratio of 48.2% male and 51.8% female. Demonstrating our commitment to gender diversity and female leadership, women hold 26% of our management positions, reflecting our dedication to a gender-equal workplace.

Arcadyan Headquarters : 945

China Operations Office : 196

Vietnam Manufacturing Center : 3,398

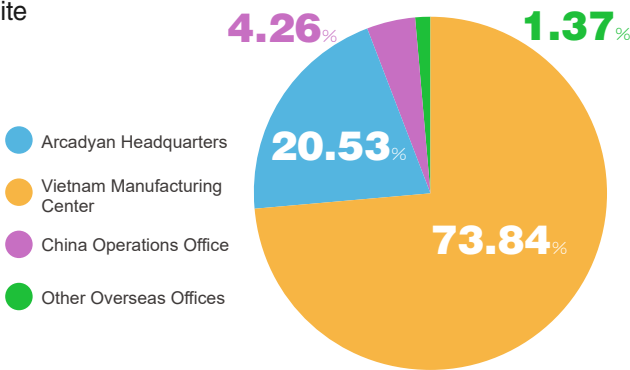
Other Overseas Offices : 63

As Arcadyan's global operational footprint expands, we actively recruit talent from diverse nationalities and cultural backgrounds to strengthen our international competitiveness. The current workforce composition by nationality is 20% Taiwanese, 74% Vietnamese, and 4% Chinese. The remaining 2% are from various regions including East Asia, Southeast Asia, South Asia, Europe, the Americas, and Oceania, showcasing our commitment to cross-cultural and talent diversity.

A detailed breakdown of our employee structure is shown in the table below.

2024 Global Employee Analysis

1.Global Employee Distribution by Site



2.Employee Distribution by Job Function

	Male							Female						
	Direct Employees	Indirect Employees		Part-time Employees	Non-employee Workers	Total Headcount by Gender	Percentage of Arcadyan's Total Workforce	Direct Employees	Indirect Employees		Part-time Employees	Non-employee Workers	Total Headcount by Gender	Percentage of Arcadyan's Total Workforce
		Management	General Employees						Management	General Employees				
Arcadyan Headquarters	0	165	492	10	13	657	69.5%	0	49	239	10	26	288	30.5%
Vietnam Manufacturing Center	1,035	7	332	0	24	1,374	40.4%	1,798	6	220	0	52	2,024	59.6%
China Operations Office	0	36	99	0	0	135	68.9%	2	20	39	0	0	61	31.1%
Other Overseas Offices	0	5	49	0	0	54	85.7%	0	0	9	0	0	9	14.3%

Note 1: Direct employees are on-site operational staff; indirect employees are all other staff. Management includes personnel holding positions at the level of section manager and above.

Note 2: Part-time employees, such as student interns and visually impaired masseurs, are not included in the total headcount. The disclosed employee total is based on official full-time personnel as of December 31, 2024.

Note 3: Non-employee workers (e.g., catering, security, and outsourced personnel) are not included in the total headcount. The disclosed employee total is based on official full-time personnel as of December 31, 2024.

Note 4: Other overseas operating locations include the United States, India, Germany, South Korea, the United Kingdom, Australia, Brazil, and Russia.

3.Employee Distribution by Age

Age/ Location/ Headcount	Male						Female					
	30 and under		31-50		51 and over		30 and under		31-50		51 and over	
	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Arcadyan Headquarters	89	1.9%	460	10.0%	108	2.3%	68	1.5%	191	4.2%	29	0.6%
Vietnam Manufacturing Center	1,034	22.5%	340	7.4%	0	0.0%	1,189	25.8%	820	17.8%	15	0.3%
China Operations Office	27	0.6%	101	2.2%	7	0.2%	9	0.2%	48	1.0%	4	0.1%
Other Overseas Offices	5	0.1%	45	1.0%	4	0.1%	3	0.1%	4	0.1%	2	0.0%

Note 5: Part-time employees and non-employee workers are included only in the "Employee Distribution by Job Function" section. All other subsequent data, including employee distribution by age and nationality, new hires, turnover, and training, excludes these groups.

4.Employee Distribution by Nationality

Nationality Distribution	Taiwan	Vietnam	China	Other
Percentage of Total Employees	20%	74%	4%	2%
Percentage of Management Positions	74%	5%	19%	2%

5.Employee Distribution by SASB Classification

Category	Management	Technical Staff	Other Employees	
Definition	Supervisory Roles (Manager and above)	Professional Technical Specialist (RD 、Engineer)	Administration	Direct Labor
Arcadyan Headquarters	214	560	171	0
Vietnam Manufacturing Center	13	310	242	2,833
China Operations Office	56	100	38	2
Other Overseas Offices	5	31	27	0

Localization of Management

To deepen local market understanding and promote cultural integration, Arcadyan implements a talent localization policy at all operating locations. We deploy Taiwanese managers to our Vietnam Manufacturing Center and China Operations Office to establish management systems and train promising local talent. In 2024, the percentage of local managers reached 100% in Vietnam and 96% in China. We will continue to invest in local management and management trainee programs to strengthen our talent pipeline and drive local economic development.

Location	Number of Managers	Number of Local Managers	Percentage
Arcadyan Headquarters	214	212	99.1%
Vietnam Manufacturing Center	13	13	100.0%
China Operations Office	56	54	96.4%

Note: The work location of managers is determined by the operating location from which their salary is issued.

5.2.2 Recruitment and Turnover

To maintain a competitive advantage, Arcadyan focuses on attracting and retaining exceptional talent. We leverage diverse recruitment channels, including job platforms, social media, and campus events, while adhering to the principles of "openness, fairness, and impartiality" in all hiring processes. To encourage internal talent mobility and career development, we also offer various paths such as overseas assignments, internal transfers, and job rotations. This comprehensive strategy not only enhances employee engagement but also strengthens the organization's overall resilience and innovation capabilities.

Campus Recruitment

To build a strong talent pipeline and attract the next generation of innovators, Arcadyan prioritizes campus recruitment. In 2024, we engaged with students at five university career fairs, where we showcased our corporate culture, outlined career development paths, and shared insights on the latest trends in the networking industry. Our goal is to inspire more young talent to join the technology sector, bringing new ideas and energy to Arcadyan and fueling our long-term growth.



▲ Female managers participate in campus recruitment events to encourage female students in Science, Technology, Engineering, and Mathematics (STEM) fields to realize their full potential.

Internship Programs and Youth Employment Support

Arcadyan believes that talent is the foundation of sustainable growth. We partner with academic institutions to nurture promising young talent, helping students transition into the workplace, build practical skills, and explore their career paths.

Long-term Internship Program

Arcadyan partners with universities like Yuan Ze University and National Yang Ming Chiao Tung University to offer year-long internships for graduate students. The program is designed to help students turn professional knowledge into practical experience through technical applications, project work, and cross-departmental collaboration. In 2024, our program hosted 10 students, providing them with a competitive salary, professional guidance, and a supportive environment for growth. Three of the interns performed exceptionally well and were offered full-time positions upon graduation, allowing them to immediately put their learning into practice at Arcadyan.

Summer Internships and Support for Disadvantaged Youth

In 2024, Arcadyan offered 10 summer internships to cultivate job-ready talent and promote social inclusion. Seven of these positions were reserved for youth from social welfare organizations, with the remaining three open to general university students. These internships helped students gain firsthand work experience, build practical skills, and enhance their employability.

This program demonstrates Arcadyan's commitment to social responsibility and youth employment, aligning with UN Sustainable Development Goal "SDG 8: Decent Work and Economic Growth."

New Employees

Age

Total New Hires for the Year	Male						Female					
	30 and under		31-50		51 and over		30 and under		31-50		51 and over	
	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Arcadyan Headquarters	28	3.0%	41	4.3%	5	0.5%	23	2.4%	26	2.8%	0	0.0%
Vietnam Manufacturing Center	791	23.3%	183	5.4%	0	0.0%	1,074	31.6%	435	12.8%	0	0.0%
China Operations Office	1	0.5%	1	0.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Overseas Offices	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Calculation Formula: Number of new hires in that age group / Total headcount at that location

Student Visitation Program

In partnership with the Department of Communications Engineering at National Central University, Arcadyan hosted the "2024 Communications Camp" visit. The event invited first- and second-year university students, along with high school students who have a strong interest in communications. The program drew a total of 71 participants, including 44 high school students, 21 university students, and 6 accompanying faculty members.

This on-site visit and exchange helped students gain a deeper understanding of the industry's operations, bridging the gap between classroom theory and real-world practice. By collaborating with key academic institutions, we are strengthening our campus partnerships and building a long-term talent strategy. This lays a solid foundation for recruiting and developing future talent.



New Employees - Job Level

Job Level	Headcount
Senior Management	0
Mid-level Management	1
Junior Management	2
General Staff	2,605

Senior Management: Managers at the Deputy Director level and above.

Mid-level Management: Managers at the Deputy Manager level and above.

Junior Management: Managers at the Section Manager level and above.

In 2024, the new hire rate at Arcadyan headquarters was 13.0%, and the internal job fulfillment rate was 1.60%. The average recruitment cost per new hire was NT\$18,943. Historical new hire rates are as follows:

Taiwan Employees - New Hire Rate

Year	2021	2022	2023	2024
Number of New Hires	197	171	115	123
New Hire Rate	23.8%	19.2%	12.4%	13.0%

New Hire Rate: Number of new hires for the year / Total number of employees for the year

New Employees - Nationality

Nationality	Headcount
Taiwan	123
Vietnam	2,483
China	2

Employee Turnover Analysis

In response to optimizing our global operational footprint, Arcadyan has gradually been relocating production from our China Manufacturing Center to our Vietnam Manufacturing Center since 2023 to strengthen our manufacturing flexibility and supply chain resilience in the Asia-Pacific. This strategic move resulted in a 12% headcount reduction at the China Manufacturing Center in 2023, relative to its overall workforce share in 2024. All personnel changes were managed in compliance with local regulations and with a commitment to respecting employee rights and ensuring proper communication.

Beginning in 2024, the China Manufacturing Center was transformed into the China Operations Office, focusing on supportive functions like accounting, procurement, and supply chain management. This functional transformation and workforce reallocation have enhanced operational flexibility and global resource integration, promoting sustainable and highly efficient management.

Turnover Rate

Year	2021	2022	2023	2024
Total Turnover Rate	59.1%	82.7%	65.4%	68.7%
Voluntary Turnover Rate	59.1%	69.5%	52.1%	46.3%

Note 1: For consistency, total and voluntary turnover rates are calculated based on the employee headcount at Arcadyan Headquarters, the Vietnam Manufacturing Center, and the China Operations Office. The 2024 total headcount for these three locations was 4,539.

Note 2: Total Turnover Rate = Total number of separations for the year ÷ [(Headcount at the end of the previous year + Headcount at the end of the year) ÷ 2].

Note 3: Voluntary Turnover Rate = Number of voluntary separations for the year ÷ [(Headcount at the end of the previous year + Headcount at the end of the year) ÷ 2].

Turnover Rate – Age

Age	Male						Female					
	30 and under		31-50		51 and over		30 and under		31-50		51 and over	
	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Arcadyan Headquarters	10	1.1%	34	3.6%	8	0.8%	16	1.7%	21	2.2%	1	0.1%
Vietnam Manufacturing Center	953	28.0%	242	7.1%	0	0.0%	1,041	30.6%	422	12.4%	0	0.0%
China Operations Office	84	42.9%	261	133.2%	10	5.1%	38	19.4%	207	105.6%	15	7.7%
Other Overseas Offices	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Note 4: Number of turnover for that age group / Total headcount at that location.

3. Turnover - Job Level

Job Level	Headcount
Senior Management	2
Mid-level Management	8
Junior Management	31
General Staff	3,322

Senior Management: Managers at the Deputy Director level and above.

Mid-level Management: Managers at the Deputy Manager level and above.

Junior Management: Managers at the Section Manager level and above.

4. Turnover - Nationality

Nationality	Headcount
Taiwan	86
Vietnam	2,659
China	615
Other	3

5.2.3 Remuneration and Benefits

Compensation and Rewards

Arcadyan's compensation policy is fair, transparent, and motivational, with a comprehensive system designed to ensure our pay is both competitive and compliant with all regulations. We allocate at least 5% of our pre-tax net profit as employee bonuses to share our operational success and foster mutual growth between our employees and the company.

All Arcadyan employees are entitled to basic protections as mandated by law, including labor and health insurance, and pension plans. We also implement the principle of fair compensation, ensuring salary treatment is not affected by factors such as race, nationality, age, social class, descent, religious belief, physical or mental disability, gender, sexual orientation, family responsibilities, marital status, or political affiliation. This commitment ensures that all employees can develop their full potential in a respectful and equitable work environment.

Arcadyan adopts a "total compensation" strategy, which includes a fixed monthly salary and diverse incentive programs such as year-end bonuses, holiday bonuses, project bonuses, and patent bonuses. The company also formulates annual salary adjustment plans based on operational performance and individual work contributions. Employees undergo performance appraisals twice a year, and the results are used as a key basis for compensation, promotion, and human resource decisions. This approach is designed to create a performance-driven culture that is both transparent and motivational.

Non-managerial salaries at Arcadyan grew modestly in 2024, with average wages up 0.05% and median salaries rising 0.88% year-over-year. This growth reflects annual pay adjustments, performance bonuses, and workforce expansion. The company benchmarks compensation against market standards to attract and retain talent.

Living Wage Commitment

Recognizing the growing focus on global social responsibility, Arcadyan believes that fair and competitive compensation is fundamental to employee well-being and sustainable growth. To that end, we are committed to providing all employees with a living wage—a salary sufficient to cover their basic needs. This commitment helps us enhance job satisfaction, respect labor dignity, and promote organizational cohesion and a positive social impact.

In continuous efforts to optimize our compensation policies, Arcadyan references the living wage definition from international organizations such as the Global Living Wage Coalition (GLWC) and the Fair Labour Association (FLA). We apply their principle—that a living wage should be sufficient to cover basic living expenses, including food, housing, healthcare, education, and savings—and align with UN Sustainable Development Goal "SDG 8: Decent Work and Economic Growth." Accordingly, we regularly review and adjust our compensation structure based on local minimum wage, cost of living, and inflation rates. To ensure our compensation system meets local economic conditions and employees' basic needs, we have also established the "[Arcadyan Technology Living Wage Commitment](#)."

In a commitment to fair pay and decent work, Arcadyan initiated a living wage review in 2024 at both its headquarters and the Vietnam Manufacturing Center, encompassing roughly 94.4% of our employees. The review established a living wage benchmark based on the local cost of living in key locations such as Taipei, Hsinchu, and Hanoi, ensuring it is sufficient to support the basic needs of employees and their families.

The review found that all employees at our Vietnam Manufacturing Center meet the local living wage benchmark, demonstrating our commitment to fair compensation at our overseas sites. In Taiwan, however, 0.8% of employees (8 people) did not yet meet this benchmark. This was primarily due to the limited work experience and market conditions of newly hired administrative support staff.

Arcadyan is committed to ensuring that all employee salaries exceed the local living wage standard by 2028, and will publicly disclose our progress. We will regularly optimize our compensation system to ensure all employees receive fair compensation, enabling them to achieve a dignified and high-quality life.

Salaries for Non-Management Employees at Arcadyan Headquarters (in NT\$ thousands)

Year	Average	Median
2022	1,780	1,518
2023	1,881	1,589
2024	1,882	1,603

Ratio of Entry-Level Salary to Local Minimum Wage

Operating Locations	Male	Female
Arcadyan Headquarters	1.2	1.2
Vietnam Manufacturing Center	1.1	1.1
China Operations Office	1.4	1

Note 1: Arcadyan Headquarters has no entry-level direct labor; therefore, the calculation is based on the lowest-paid male and female entry-level indirect employees.

Note 2: The salaries for both male and female employees at the Vietnam Manufacturing Center are based on entry-level direct labor.

Note 3: The China Operations Office has no male entry-level direct labor. The calculation for males is based on the lowest-paid entry-level indirect employees, while the calculation for females is based on the salary of entry-level direct labor.

Gender Pay Ratio

Operating Locations	Category		Male	Female
Arcadyan Headquarters	Direct Employees		No direct employees	No direct employees
	Indirect Employees	Management	1.22	1
		General Staff	1.27	1
Vietnam Manufacturing Center	Direct Employees		1.02	1
	Indirect Employees	Management	1.03	1
		General Staff	1.02	1
China Operations Office	Direct Employees		No direct employees	1
	Indirect Employees	Management	1.08	1
		General Staff	0.93	1

Note 4: Arcadyan's compensation is based on job nature, skills, and performance. As of the end of the reporting year, R&D employees—who account for 73% of the headquarters' workforce and are predominantly male professionals with a science and engineering background—receive higher overall compensation due to their technical complexity. This results in the average salary for all male employees being slightly higher than that of female employees.

Retirement System

Arcadyan is committed to protecting employees' retirement rights. We ensure sufficient pension contributions and financial stability through a Retirement Supervisory Committee, established regulations, and annual actuarial calculations by external professionals. In Taiwan, we adhere to the Labor Pension Act by contributing 2% of salaries for employees under the old system (with cumulative contributions of NT\$154,626 thousand as of year-end 2024) and 6% for those under the new system. For our overseas manufacturing sites, we follow local regulations, contributing 16% of salaries in China and 14% in Vietnam.

In 2024, the total pension expense recognized by subsidiaries within Arcadyan's consolidated financial statements was NT 99,231 thousand. Labor and health insurance costs combined with employee welfare expenses totaled NT 358,330 thousand. These figures reflect the company's management and implementation of retirement responsibilities, as well as our ongoing commitment and investment in employee well-being.

Supportive Parenting Measures

Arcadyan promotes a people-oriented human resources policy, strengthening family support initiatives and focusing on work-life balance for our employees. In response to government policies to encourage childbirth and support Taiwan's population growth, Arcadyan headquarters established a childbirth bonus system starting in 2011, providing eligible employees with an NT\$66,000 subsidy for each newborn. As of 2024, a total of 364 newborns have benefited from this program, with cumulative bonuses reaching NT24,024 thousand, which reflects the company's ongoing commitment to family values and demographic issues.

In addition to financial support, Arcadyan partners with childcare and preschool institutions to offer employees diverse and subsidized services. These initiatives reduce the childcare burden, improve quality of life, and help employees achieve a balance between their family and professional lives, realizing the dual goals of a happy workplace and enhanced productivity.

Arcadyan Headquarters Childbirth Bonus Program Outcomes

Year	2022	2023	2024
Number of Newborns	21	25	27
Subsidy Amount, NTD	1,386,000	1,650,000	1,782,000

Arcadyan values family care rights by providing all employees with gender-neutral parental leave without pay, in line with relevant local laws. For instance, at our headquarters, employees can take up to two years of leave and are supported with training upon their return. We also offer various family-friendly initiatives, including maternity and family care leaves, and provide lactation rooms to create a supportive work environment. Our overseas sites comply with local labor laws to offer similar support. The China Operations Office, however, saw a significant decrease in its 2024 retention rate due to workforce restructuring. Relevant maternity leave information is as follows:

Unpaid Parental Leave

2024 Parental Leave Statistics at Arcadyan Headquarters	Arcadyan Headquarters	
	Male	Female
Number of employees eligible to apply for parental leave in 2024	53	18
Number of employees who actually applied for parental leave in 2024	2	4
Number of employees expected to return to work in 2024 (A)	1	3
Number of employees who actually returned to work in 2024 (B)	1	3
Number of employees who returned from parental leave in 2023 and continued to work for one year (C)	0	4
Number of employees who actually returned from parental leave in 2023 (D)	1	4
2024 Return-to-Work Rate (E) = (B) / (A) * 100%	100.0%	100.0%
2024 Retention Rate (F) = (C) / (D) * 100%	0.0%	100.0%

2024 Maternity Leave Statistics at Overseas Sites	Vietnam Manufacturing Center	China Operations Office	
		Shanghai / Kunshan	Guangzhou
Number of regulated maternity leave days	180	158	178
Number of employees eligible to apply in 2024	146	6	
Number of actual applicants in 2024	146	6	
Number of employees expected to return to work in 2024 (A)	52	2	
Number of employees who actually returned to work in 2024 (B)	37	2	
Number of employees who returned from leave in 2023 and continued to work for one year (C)	36	2	
Number of employees who actually returned from leave in 2023 (D)	69	26	
2024 Return-to-Work Rate (E) = (B) / (A) * 100%	71.2%	100.0%	
2024 Retention Rate (F) = (C) / (D) * 100%	52.2%	7.7%	

Robust Insurance System and Employee Safeguards

Arcadyan prioritizes employee health and safety by providing insurance in accordance with local regulations at all global operating locations. At our headquarters, we go beyond statutory requirements by offering diverse plans, including life, accident, and medical insurance, which also extend to all employees and their dependents. Our overseas centers provide social, medical, and unemployment insurance in full compliance with local laws. This comprehensive approach creates a healthy, safe, and secure work environment, enhancing job stability and family support.

Diverse Employee Benefits

Benefits	Description
Flexible Working Hours and Leave	- Arcadyan implements a flexible working hours system, providing flexible arrival times from 8 am to 10 am and flexible departure times from 5 pm to 7 pm. Employees can adjust their personal work schedule based on factors such as commuting and family care to enhance work-life balance. - We offer 40 hours of full-pay sick leave, which is more than the legal requirement. - In alignment with the government's official holiday schedule, employees are not required to make up for missed work on adjusted workdays.
Employee Dining and Meal Subsidies	- Arcadyan headquarters has four on-site employee cafeterias, offering diverse meal options to meet employees' daily dining needs and enhance convenience. - We provide a lunch subsidy and offer free dinner for employees working overtime. In 2024, a total of NT\$2,480 thousand was subsidized.
Childcare Support	We provide a childbirth bonus of NT66,000 per new born. The Arcadyan Welfare Committee also provides a child care subsidy of NT1,600.
Birthday and Holiday Bonuses	We provide birthday bonuses and bonuses for two major holidays (Dragon Boat Festival and Mid-Autumn Festival).
Employee-Friendly Workspace	- A dedicated space is designated for female employees to use for breastfeeding. - An employee cafeteria and cafe are available for dining and relaxation during breaks. - Greenery has been added to the office to provide a relaxing environment for employees during breaks. - Exercise equipment is available for employees to strengthen their physique. - Free motorcycle parking is provided.
Club Activities	Arcadyan headquarters has 12 employee clubs, which allow employees to develop interests, showcase talents, expand their network, and achieve work-life balance. In 2024, a total of NT\$156 thousand was provided in club subsidies.
Other Benefits	- Assistance with ordering various tickets. - Free massage services are provided to help employees relieve stress. - Organizing domestic and international travel events, providing travel subsidies to enhance emotional connections among colleagues and promote parent-child harmony. - Organizing holiday events such as Family Day and Mother's Day to strengthen parent-child relationships. - Holding year-end banquets and lucky draw events.



▲ Employees join the kickboxing club to strengthen their physique.



▲ Free massage services by visually impaired therapists are regularly provided, offering employees stress relief and health support while creating employment opportunities for people with disabilities.



▲ Green Corridor Rest Area



▲ Employee Cafeteria



▲ In 2024, Arcadyan brought together 51 employees and their families for the International Coastal Cleanup event. Hosted by the Society of Wilderness on September 21 at Chang Qing Zhi Sen beach in Miaoli, the team demonstrated its commitment to protecting the ocean. Their enthusiastic participation, even in the pouring rain, highlighted our collective dedication to environmental stewardship.

Recognition of Senior and Outstanding Employees

Arcadyan values employees' long-term commitment and exceptional contributions. Through a recognition program, we acknowledge their performance throughout their careers and foster a positive and motivational corporate culture. To enhance employees' sense of honor and belonging, Arcadyan headquarters holds an annual recognition event for "Senior Employees" and "Outstanding Employees." Outstanding employees are nominated by their departments and selected through a comprehensive review by senior management. Their individual value and contributions are honored at a public awards ceremony, which encourages employees to utilize their expertise for stable growth and promotes the continuous deepening of a positive workplace culture.

Arcadyan Headquarters	2021	2022	2023	2024
Senior Employees, Headcount	57	37	44	54
Total Awards to Senior Employees, NTD	2,430,000	1,690,000	2,010,000	3,210,000
Outstanding Employees, Headcount	18	18	19	17
Total Awards to Outstanding Employees, NTD	840,000	840,000	910,000	830,000

Note: Senior employees are defined as employees at Arcadyan Headquarters with 15 or more years of service.

5.3 Talent Cultivation and Development

Arcadyan, guided by the values of “Innovation, Harmony, Excellence, and Service,” fosters a culture of continuous learning to enhance adaptability and resilience. We provide diverse career and learning opportunities through three core talent development strategies, supporting both individual growth and organizational competitiveness.

- Encourage internal talent development and cross-departmental collaboration.
- Regularly review and enhance talent development programs to ensure alignment with corporate strategy and market trends.
- Build a work environment that supports innovation and learning.

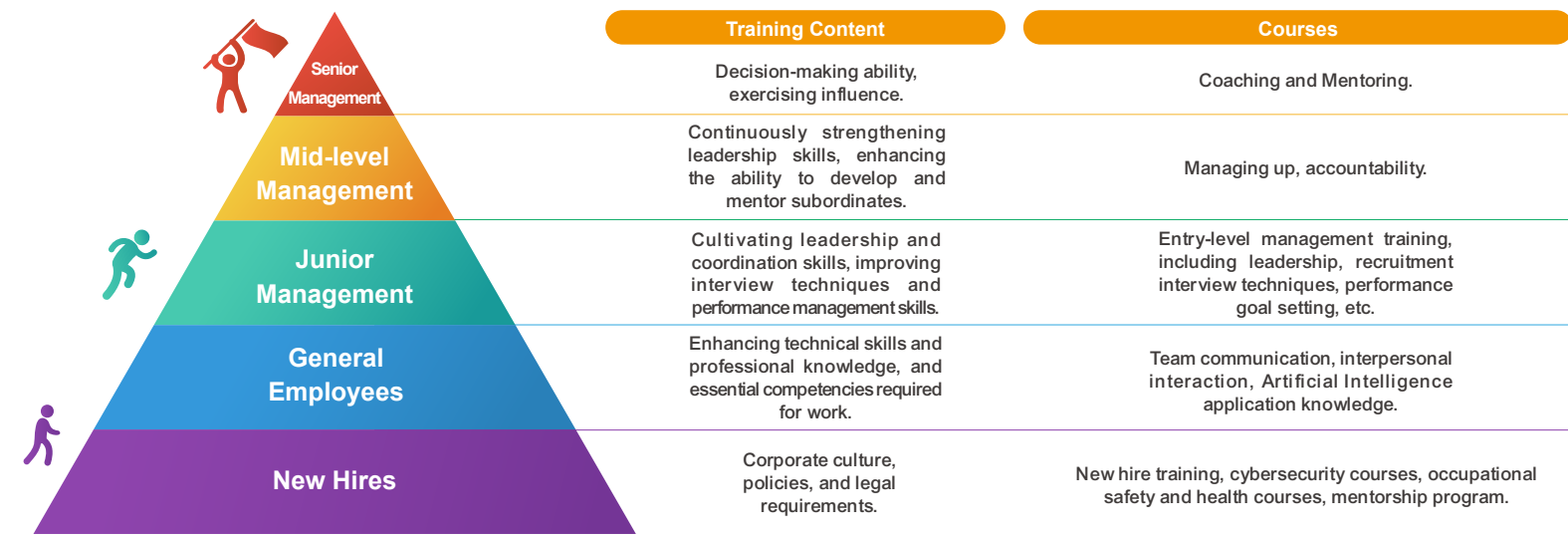
5.3.1 Training and Development Initiatives

Arcadyan allocates an annual training budget to strengthen employee skills and team effectiveness. Programs are aligned with operational goals and competency needs, supplemented by courses from external institutions. These initiatives help employees build expertise and innovation capacity, supporting the company's long-term competitiveness.

Arcadyan has developed a tiered training blueprint for all employees, from new hires to senior management, with clear learning paths and career development support. We also promote intergenerational learning to strengthen teamwork and organizational cohesion.

Through a comprehensive learning and development strategy, Arcadyan supports employee growth while aligning with SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth), highlighting our commitment to talent sustainability and social inclusion.

Training Roadmap



To systematically drive talent development and strengthen our talent competitiveness, Arcadyan headquarters has established key performance indicators. These are used to evaluate training effectiveness and continuously optimize our learning system. The key indicators are as follows:

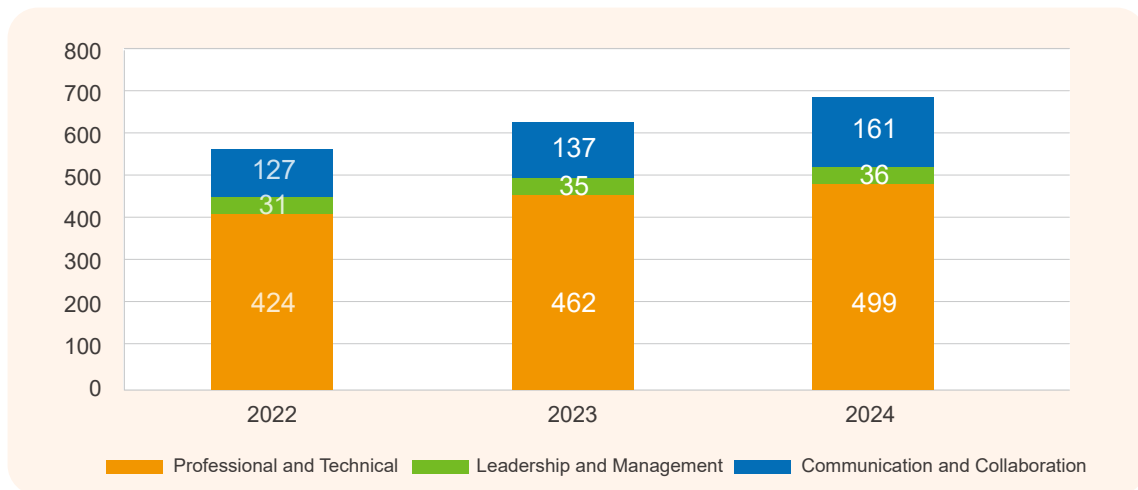
Training and Development Goals

Timeline	Goal Description
Short-term Goals (Target: End of 2025)	• Achieve 100% completion of onboarding training for all new hires, laying the foundation for career development and organizational cultural identity. • Ensure that over 80% of newly promoted managers complete new manager training, strengthening their fundamental leadership and management capabilities. • Offer at least two common core courses that are cross-departmental, supporting employees in developing fundamental competencies and enhancing their ability to collaborate across functions.
Mid-term Goals (Target: End of 2030)	• Cultivate excellent leadership and talent development capabilities in over 50% of mid-level managers, strengthening the effectiveness of our organizational succession team. • Optimize the internal digital learning platform to enhance the accessibility and engagement of employees' self-directed learning. • Establish a comprehensive allocation of learning resources, ensuring employees receive appropriate and diverse training support based on their competency needs.
Long-term Goals (Target: End of 2035)	• Shape an all-encompassing culture of lifelong learning, comprehensively enhancing organizational knowledge and adaptability. • Establish a talent development evaluation and tracking mechanism to ensure that our talent strategy is aligned with the company's long-term sustainability goals. • Fully implement digital transformation and innovation capability cultivation, improving employees' agility in responding to industrial changes and their technological application skills, thereby enhancing our corporate competitiveness.

Since 2016, Arcadyan has offered over 696 courses, including 499 professional courses, covering diverse fields from R&D technology to finance and accounting. This robust training framework is aimed at strengthening our talent competitiveness, as demonstrated by the 99.7% of employees who participated in work or career development-related training in 2024.

Course Categories	Course Content
Professional and Technical	Arcadyan actively collaborates with universities and professional institutions to offer diverse professional courses and expert lectures. These initiatives are designed to deepen R&D knowledge and innovative thinking, strengthening our team's technical leadership and ability to adopt new technologies and solve problems.
Leadership and Management	Arcadyan headquarters promotes leadership and management training to strengthen managerial capabilities and team effectiveness. Courses cover goal setting, communication, performance management, and employee care, enabling managers to lead effectively, build consensus, and foster a supportive workplace that enhances organizational stability and performance.
Communication and Collaboration	Project management and team communication courses are designed to help R&D and project managers collaborate more effectively across teams, thereby enhancing project execution and boosting problem-solving efficiency.
Digital Transformation Training	To strengthen employees' ability to adapt to digital transformation and improve work efficiency, Arcadyan headquarters has developed a "ChatGPT Application Training Course" to help employees master the practical application of generative Artificial Intelligence (AI). The curriculum covers an introduction to the tool's functions, sharing of application cases, and hands-on practice in tasks such as writing effective prompts, generating content, organizing data, and converting it into charts. The training is conducted online and is supplemented with a user manual and an internal exchange platform. This comprehensively enhances employees' understanding and application of AI tools, boosting their adaptability and resilience in a digital work environment.

Total Training Sessions Offered



Training and Development – Hours

General Training		Direct Employees		Indirect Employees			
				Management		General Staff	
		Male	Female	Male	Female	Male	Female
Arcadyan Headquarters	Headcount	No direct employees	No direct employees	165	48	490	239
	Training Hours	No direct employees	No direct employees	726	249	2,383	1,033
	Average Hours per Person	-	-	4.4	5.2	4.9	4.3
Vietnam Manufacturing Center	Headcount	1,854	2,691	10	7	459	303
	Training Hours	63,682.3	105,935.5	310	140	28,376	17,260.3
	Average Hours per Person	34.3	39.4	31.0	20.0	61.8	57.0

Note 1: The China Operations Office and other overseas operating locations did not conduct training activities; therefore, the training statistics do not include these operating locations.

Note 2: Arcadyan Headquarters has no direct employees; therefore, no relevant data is available.

Age / Training Category

Category		Arcadyan Headquarters				Vietnam Manufacturing Center			
		Male		Female		Male		Female	
		Total Hours	Average Hours	Total Hours	Average Hours	Total Hours	Average Hours	Total Hours	Average Hours
Age	30 and Under	579	6.5	312	4.6	71,846.3	69.5	77,375.5	65.1
	31-50	2,145	4.7	856	4.5	20,522.0	60.4	45,323.3	55.3
	51 and Over	385	3.6	114	3.9	0.0	0.0	637.0	42.5
Training Type	Internal	2,932	4.5	1,125	3.9	69,885.0	50.9	96,269.8	70.1
	External	177	0.3	157	0.5	22,483.3	16.4	27,066.0	13.4

Internal Training Definition: Training courses planned, designed, and executed in-house by the Arcadyan Group.

External Training Definition: Training courses provided by external institutions, organizations, or professional entities outside of the Arcadyan Group.

Hours and Costs

Location	Training Hours		Training Costs	
	Total Training Hours	Average Hours per Person	Total Training Costs	Average Cost per Person
Arcadyan Headquarters	4,391	4.6	711,096	752.5
Vietnam Manufacturing Center	215,704.1	63.5	389,876.7	114.7
Total	220,095.1	50.7	1,100,972.7	253.5

Note 1: All costs are in New Taiwan Dollars.

Human Capital Return on Investment (HCROI)

Human Capital Return on Investment (HCROI)	2021	2022	2023	2024
Total Operating Revenue	38,240,058	47,167,749	51,158,122	48,967,458
Total Operating Expenses	36,040,970	44,967,960	47,993,755	45,929,827
Total Employee-Related Costs, Salaries + Benefits	3,552,381	3,448,478	3,796,455	3,252,185
Human Capital ROI, (a-(b-c))/c	1.6	1.6	1.8	1.9
Total Headcount	5,854	6,207	5,380	4,602

Note 2: All figures are in NTD thousands.

Note 3: Total Operating Expenses include both operating expenses and cost of goods sold.

Note 4: Total Employee-Related Costs are the sum of salaries, labor and health insurance, pension contributions, and other employee welfare expenses.

Learning and Knowledge Sharing Platform

Arcadyan has established an internal online knowledge-sharing platform, the "Arcadyan Content Sharing System (CSS)," where employees serve as internal instructors to share their professional knowledge and practical experience. The course content covers diverse areas, including general knowledge, software and hardware technical training, new hire education, and management skills development. As of 2024, the platform has cumulatively offered 1,190 online courses. Employees can browse course materials and video files on demand through the company's internal network to promote knowledge exchange and cross-disciplinary learning among departments.

The CSS platform streamlines internal resources and knowledge management, boosting the efficiency of knowledge transfer and retention. This digital platform empowers employees with flexible, self-paced learning, which in turn strengthens our corporate learning culture. The initiative cultivates talent with the agility to respond to change and innovate, meeting the demands of the modern workplace.

Company-wide Awareness Training

To deepen our corporate sustainability culture, Arcadyan provides company-wide sustainability awareness training covering the three dimensions of ESG. The curriculum links our company's strategy to the latest industry trends, enhancing employee awareness and practical skills. In 2024, the training achieved a 100% completion rate for new hires and a 95.5% completion rate (3,534 employees) for refresher training among existing staff. The sustainability awareness training curriculum includes:

Aspects	Curriculum Content
Company Policies	Advocacy for various ISO management system policies.
Environment	Low-carbon sustainability management, hazardous substance management, and climate change response measures.
Social	Gender equality education and training, anti-forced labor human rights policy, sexual harassment prevention education and training, and Personal Data Protection Act.
Governance	Sustainable development, integrity management against corruption and fair competition, insider trading prevention, risk management, and procedures for handling major internal information.

Building Climate Change Resilience

To enhance employee understanding and resilience to climate change, Arcadyan integrates related topics into its annual sustainability awareness training. The curriculum covers global net-zero trends, Arcadyan's carbon reduction strategies, and operational environmental risks. This training serves as a foundational course to strengthen organizational resilience and promote sustainable development, helping employees cope with the pressures of transition and uncertainty.

Topics	Training Content
Climate Change and Net-Zero Trends Awareness	- Analyze the global impact of climate change and emphasize the importance of a corporate response to climate risks. - Discuss Taiwan's 2050 net-zero policies and carbon tariffs to help employees understand key drivers and industry response strategies. - Explain Arcadyan's Science-Based Targets initiative (SBTi) and net-zero roadmap to build employee consensus on climate action.
Organizational Carbon Reduction and Employee Participation	- Introduce Arcadyan's specific actions and results in energy management, carbon footprinting, and renewable energy adoption. - Encourage employees to identify potential carbon emission sources in their daily workflows to raise environmental awareness. - Enhance employee understanding of and cooperation with green operational strategies and energy-saving technologies.
Sustainable Products and Circular Design Fundamentals	- Enhance employees' foundational understanding of sustainable design concepts, including Product Carbon Footprint (Life Cycle Assessment, LCA) and Eco-Design. - Strengthen the practical application of the 10R principles of the circular economy to promote resource efficiency and product sustainability. - Cultivate core competencies in green product development, enabling the creation of innovative solutions with significant environmental value.
Collaboration in the Face of Climate Risk	- Enhance supply chain understanding of carbon management strategies and promote the "Go Green with Arcadyan" initiative to facilitate collaboration. - Strengthen cross-departmental collaboration and stakeholder communication to build a proactive force and influence for sustainable development.

Note: The 10R circular strategy includes: R0 Refuse, R1 Rethink, R2 Reduce, R3 Re-use, R4 Repair, R5 Refurbish, R6 Remanufacture, R7 Repurpose, R8 Recycle, and R9 Recover.

Management Courses for Female Executives

Arcadyan believes gender shouldn't be a barrier to professional growth, particularly in STEM. To support women in management, we launched a dedicated training program for female executives in 2023. The program, led by experienced instructors, helps women navigate challenges like work-life balance and leadership styles. A peer network also builds confidence and influence, promoting gender equality in the workplace. This initiative supports SDG 5: Gender Equality by providing equal development opportunities, creating a more inclusive and resilient workplace.

Percentage of Female Employees

Category	Percentage
Percentage of Female Employees	51.8%
Percentage of Female Executives	26.0%
Percentage of Female Entry-Level Supervisors	36.5%
Percentage of Female Senior Executives	13.2%
Percentage of Females in Sales and Marketing Departments	57.1%
Percentage of Females in Science, Technology, Engineering, Mathematics (STEM) Positions	17.2%

Note 1: The percentage is calculated as the number of females within the total population of that specific category.

Note 2: Entry-Level Supervisors: Supervisors at or above the level of Section Chief.
Senior Executives: Executives at or above the level of Assistant Director.

5.3.2 Performance Appraisal System

Arcadyan uses a digital performance appraisal system, conducting reviews twice a year based on the "Work Performance Management Regulations." The system employs Management by Objectives (MBO), where employees and managers collaboratively set goals to ensure alignment with company strategy. Some departments also use a Team-based Performance Appraisal to encourage cross-functional collaboration and boost efficiency.

At Arcadyan headquarters, the performance appraisal system covers all employees except for top executives and new hires (under three months), achieving over 90% participation in 2024. The Vietnam manufacturing center also conducts semi-annual performance reviews for indirect staff. Other overseas locations are still using paper-based appraisals, but we plan to gradually implement systematic tools to improve their processes.

High-performing employees are enrolled in advanced training programs focused on leadership and cross-functional skills. For employees needing improvement, individualized plans are created to help them clarify goals and enhance performance. This ensures a balanced and fair approach to talent development.

2024 Performance Appraisals at All Operating Sites

		Arcadyan Headquarters			Vietnam Manufacturing Center			China Operations Office			Other Overseas Operating Sites		
		Appraisable Employees	Actual Appraised	Completion Rate	Appraisable Employees	Actual Appraised	Completion Rate	Appraisable Employees	Actual Appraised	Completion Rate	Appraisable Employees	Actual Appraised	Completion Rate
Managers	Male	157	157	100%	7	7	100%	36	36	100%	5	5	100%
	Female	48	48	100%	6	6	100%	20	20	100%	N/A	N/A	N/A
General Staff	Male	448	448	100%	347	347	100%	99	99	100%	49	30	61%
	Female	228	228	100%	210	210	100%	41	41	100%	9	4	44%

5.4 Occupational Safety and Health

5.4.1 Occupational Health and Safety Management System

With a "people-first" core philosophy, Arcadyan prioritizes employee health and safety by creating a safe, comfortable, and ergonomic work environment. We have established safety management procedures at all operating sites to prevent occupational hazards. Through risk assessments and controls, we ensure workplace safety is effectively managed, mitigating potential risks to our employees' well-being.

Since 2005, Arcadyan has implemented the ISO 45001 Occupational Health and Safety Management System and a comprehensive "Environmental Health and Safety Policy." This framework establishes detailed safety procedures and audit mechanisms, promoting a "zero-accident" workplace through continuous improvement and full employee participation. This commitment ensures employee well-being and strengthens the foundation for our sustainable development.

Environmental, Health, and Safety Policy

ISO 45001 Occupational Health and Safety Management Policy

- Comply with domestic environmental, safety and health, and energy regulations and effectively implement the environmental, safety and health management system.
- Promote education and publicity on environmental safety, energy and product eco-design.
- Implement employee health management, proactively prevent occupational disasters, and create a safe workplace with zero disasters.

For detailed information, please refer to [Section 4.1 Environmental Sustainability Strategy](#) — Environmental, Health and Safety (EHS), Energy, Raw Materials, and Banned Substances Management Policy.

To build a safe, healthy, and sustainable workplace, Arcadyan has established the following core guidelines to implement its Occupational Health and Safety Policy and promote a strong safety culture:

- Provide a safe, healthy, and protective work environment for all personnel within our operational scope, including employees, suppliers, contractors, and partners, to prevent occupational accidents.
- Comply fully with relevant international standards, local regulations, and other applicable occupational health and safety norms to ensure compliance and management effectiveness.
- Maintain the ISO 45001 Occupational Health and Safety Management System, regularly conducting risk identification and hazard assessments to systematically control potential risks.
- Pursue a long-term vision of "zero accidents," by planning specific short-, medium-, and long-term safety goals and action plans to continuously optimize management practices.
- Promote a comprehensive workplace health management system that strengthens the prevention of occupational illnesses and injuries, and implements health promotion initiatives to protect employees' physical and mental well-being.
- Provide comprehensive safety and health education and training and communication channels. We establish mechanisms for employee participation to strengthen everyone's awareness and sense of responsibility for occupational health and safety management.
- Actively collaborate and communicate with internal and external stakeholders to promote shared safety and health values, creating a sustainable workplace together.

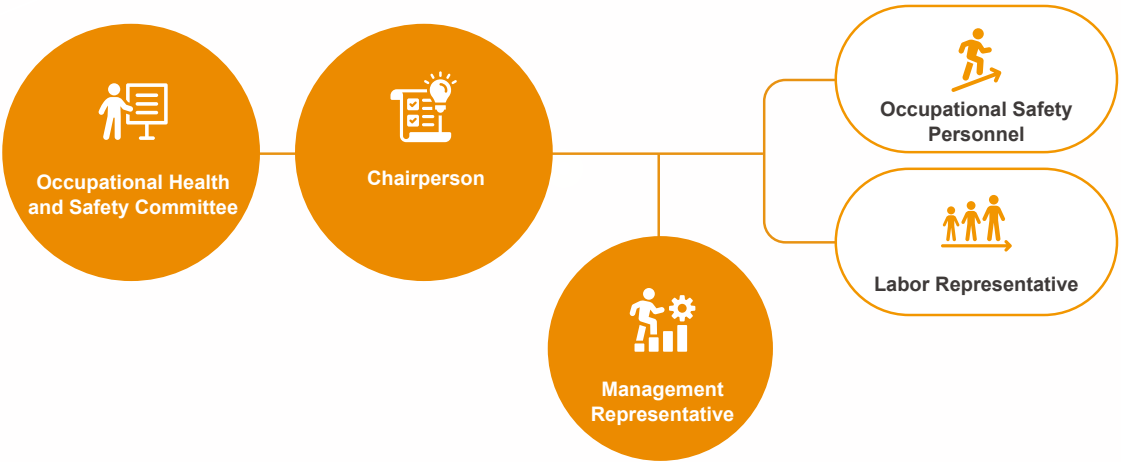
Occupational Health and Safety Committee

Arcadyan has established an Occupational Health and Safety Committee at both its Taiwan headquarters and Vietnam manufacturing center. Following the ISO 45001 standard, this committee manages workplace safety by regularly identifying risks, tracking improvement actions, and ensuring open communication among all stakeholders to maintain a secure work environment.

At Arcadyan Headquarters, the Labor Environmental Health and Safety and Energy Committee is chaired by the General Manager or a designated representative, who also oversees safety and health matters. The committee consists of 13 members appointed by various departments, with three representatives from management and ten from labor. With labor representatives making up three-quarters of the committee, it serves as a vital bridge for communication on safety and health issues between the company and its employees.

At the Vietnam manufacturing center, the Occupational Safety Committee has 65 members, with labor representatives making up the vast majority (62 out of 65). This committee is actively involved in risk identification, policy oversight, and continuous improvement, ensuring that workplace safety is managed across all levels and that employees are engaged and aware.

In 2024, our global Occupational Health and Safety Committees—comprising about 1.63% of our workforce—held four quarterly meetings. These meetings were crucial for assessing risks, tracking prevention measures, and strengthening our safety management performance to ensure a secure workplace for all employees.



Occupational Hazard Identification and Risk Assessment

Arcadyan follows its ISO 45001-compliant 'Environmental Aspects and Hazard Identification and Risk Assessment Management Operating Procedure.' Using a Safety and Health Hazard Identification and Risk Assessment Form, we implement a scoring system based on three indicators—severity, frequency, and probability—to determine risk levels. High-risk issues are prioritized with specific improvement actions and continuous monitoring, while medium and low-risk items are managed through regular inspections and standardized controls to ensure a safe workplace.

Risk Assessment Framework		
Risk Level = Severity of Disaster x Frequency of Occurrence x Probability of Injury		
Severity of Disaster	Frequency of Occurrence	Probability of Injury
Fatal Accident	More than once a day	Extremely Low Probability
Major Injury		
Lost-Time Injury	More than once a week	Low Probability
Medical Treatment Injury	Less than once a week	Medium Probability
Minor Injury		High Probability

2024 Risk Hazard Identification Results	
Arcadyan Headquarters	Vietnam Manufacturing Center
• Fire • Ergonomic risks • Traffic accidents • Electrical shock risk	• Exposure to toxic fumes • Electrical shock risk • Radiation leakage • Forklift collisions

Operating Procedure for Occupational Health and Safety Hazard Identification, Risk Assessment, and Control

Arcadyan proactively manages occupational safety by combining hazard identification, risk assessment, and continuous on-site monitoring. This approach creates a secure and reliable work environment by ensuring all risks are controllable.

In 2024, Arcadyan performed an occupational hazard identification and risk assessment at its headquarters and Vietnam manufacturing center, covering 94.3% of employees. This effort identified key safety risks and led to the creation of improvement plans.



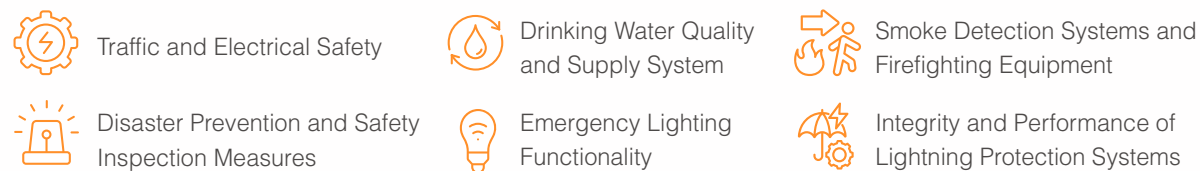
Occupational Safety Risk List

Area	High-Risk Item	Operational Activity	Improvement Measures
Arcadyan Headquarters	Ergonomics	- Long-term use of computers and instruments, leading to poor posture and muscle strain. - Lab equipment noise exposure, leading to hearing loss.	- Offer massage services to help employees relieve stress and muscle tension, which boosts their physical and mental health and improves productivity. - Regular health seminars are held on topics such as eye care, office stretching, and proper computer posture to enhance employees' self-management of their health. - As the Arcadyan headquarters is an office environment, the overall noise levels consistently meet and remain below legal standards, ensuring a comfortable, quiet, and healthy workspace for all employees.
	Traffic Accidents	Accidents occurring during commutes.	- Conduct traffic safety education to promote the concept of "defensive driving." - Install sensors at intersections prone to commuter accidents and enhance on-site security personnel's ability to direct traffic during peak hours.
	Electrical Shock	Operating laboratory instruments improperly, leading to electrical shocks.	- Regular facility inspections. - Electrical safety awareness campaigns. - Implement mandatory electrical inspections for machinery.
	Fire	Short circuits or exposed wires causing fires.	- Conduct annual fire safety and evacuation drills. - Perform regular inspections of gas and pipeline systems.
Vietnam Manufacturing Center	Exposure to Toxic Fumes	Improper operation of electroplating equipment causes fire accidents, resulting in toxic fume exposure.	- Hazardous work areas are clearly marked. - Hold fire emergency drills periodically. - Install automatic shutdown and ventilation systems.
	Electrical Shock	Improper operation of electroplating equipment and facilities causes severe injuries from electrical shocks.	- Install warning signs for live electrical equipment. - Establish a mandatory lockout procedure. - Conduct regular safety training on equipment operation. - Designate authorized personnel to enter electrical areas.
	Radiation Leakage	Using X-ray fluorescence analysis equipment without protective measures.	- Strengthen control over radiation areas. - Install safety devices to prevent radiation exposure. - Restrict use to authorized personnel only.
	Forklift Collisions	Due to blind spots, forklifts and personnel collide.	- Install warning lights and alarms on forklifts. - Operators must hold the relevant certification.

In addition to ongoing risk management, Arcadyan has implemented a range of safety features to ensure a highly secure work environment. Our facilities feature a card access system, AEDs on every floor, and emergency buttons in restrooms to enhance our rapid response capabilities. This is complemented by 24/7 security at main entrances. In compliance with regulations, we also regularly inspect and maintain all electrical and fire-fighting equipment, ensuring a workplace with both preventative and protective functions.

Workplace Environment Monitoring and Management

Across all global sites, Arcadyan maintains a dedicated department for workplace environment management. In accordance with our "Environmental, Health and Safety, and Energy Monitoring and Measurement Management Procedure," we conduct regular inspections and repairs to mitigate health and safety risks. Our monitoring covers a range of potential hazards and equipment, including:



Furthermore, in accordance with relevant regulations, Arcadyan headquarters conducts bi-annual inspections of workplace illumination and carbon dioxide (CO₂) concentration. This quantitative data allows us to monitor indoor air quality and lighting conditions, ensuring a workspace that is healthy, comfortable, and compliant.

Occupational Accidents and Injury Management

Committed to a zero-accident workplace, Arcadyan evaluates safety performance using standards from the Occupational Safety and Health Act and metrics from the Global Reporting Initiative (GRI). We monitor and disclose the Disabling Injury Frequency Rate (FR) and Severity Rate (SR) to track our progress.

In 2024, Arcadyan's global operating sites recorded zero occupational accidents or work-related injuries, demonstrating the effectiveness of our risk prevention and control measures. Furthermore, our headquarters has maintained an "injury-free working hours" record since 2008, accumulating over 18.88 million hours by the end of 2024. This achievement highlights Arcadyan's long-term success in workplace safety management and continuous improvement.

	Arcadyan Headquarters		Vietnam Manufacturing Center	
	Male	Female	Male	Female
Total Working Hours	1,267,880	545,488	3,352,560	4,938,560
Work-Related Injuries	0	0	0	0
Disabling Injury Frequency Rate (FR) ¹	0.0000	0.0000	0.0000	0.0000
Disabling Injury Severity Rate (SR) ²	0.0000	0.0000	0.0000	0.0000
Injury and Illness Index ³	0.0000	0.0000	0.0000	0.0000
Occupational Disease Rate (ODR)	0.0000	0.0000	0.0000	0.0000
Lost Day Rate (LDR)	0.0000	0.0000	0.0000	0.0000
Occupational Disease Rate (ODR)	1.96%	2.76%	4.16%	4.62%

Workplace Injury Calculation Formulas:

1. Disabling Injury Frequency Rate (FR) = (Number of disabling injuries * 1,000,000) / Total working hours

2. Disabling Injury Severity Rate (SR) = (Total lost days due to injuries * 1,000,000) / Total working hours

3. Combined Injury Index = (Disabling Injury Frequency Rate * Disabling Injury Severity Rate) / 1,000

4. Occupational Disease Rate (ODR) = (Number of occupational disease cases / Total working hours) * 200,000

5. Lost Day Rate (LDR) = (Total lost days due to injuries / Total working hours) * 200,000

6. Absentee Rate (AR) = (Injury leave + Sick leave + Menstrual leave + Personal leave) / Total working hours for male (or female) employees * 100%

7. The number of work injuries and injury leave days do not include traffic accidents that occur during commuting.

Occupational Health and Safety Education and Training

To enhance employees' awareness and response capabilities regarding occupational health and safety, Arcadyan designs training programs at all global operating sites. These courses are tailored to different workplace characteristics and regulatory requirements, emphasizing full employee participation and practical drills to ensure that safety awareness is integrated into our daily work culture.

In 2024, Arcadyan headquarters enhanced employee safety by integrating EHS management and ESD protection training into new hire orientation. This was followed by three fire drills for new hires (165 participants) and a bi-annual drill for the broader staff (735 participants), all aimed at improving emergency response and disaster handling skills.

In accordance with local regulations, the Vietnam manufacturing center conducted two fire drills in 2024, with a total of 6,022 participants. The center also offered a series of occupational health and safety training courses on topics such as safety management, chemical handling, radiation protection, and basic first aid, with a total of 4,235 training sessions completed throughout the year.

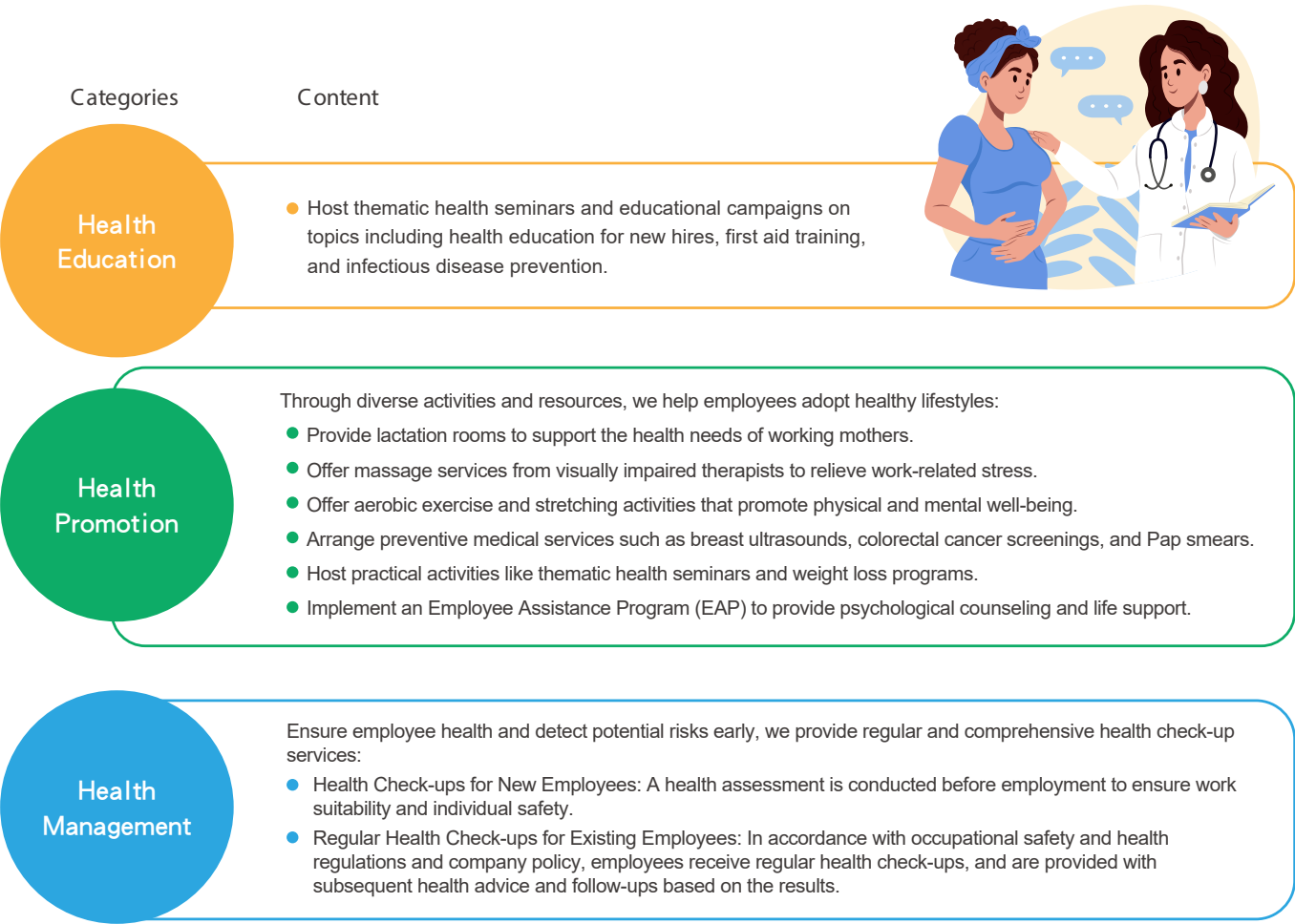
By continuously enhancing our training programs, Arcadyan fosters a culture of safety and risk awareness with full employee participation, creating a stable, healthy, and sustainable work environment.

Emergency Response Management

To address increasing risks from extreme weather, infectious diseases, and other sudden events, Arcadyan has established a standardized "Emergency Preparedness and Response Procedure." This procedure defines disaster classification, notification systems, and evacuation routes, and is reinforced with regular drills, training, and awareness campaigns for common disasters such as fires, typhoons, floods, and earthquakes. These efforts, in collaboration with local fire departments, strengthen employee response skills and reduce the potential impact on personnel safety and business continuity.

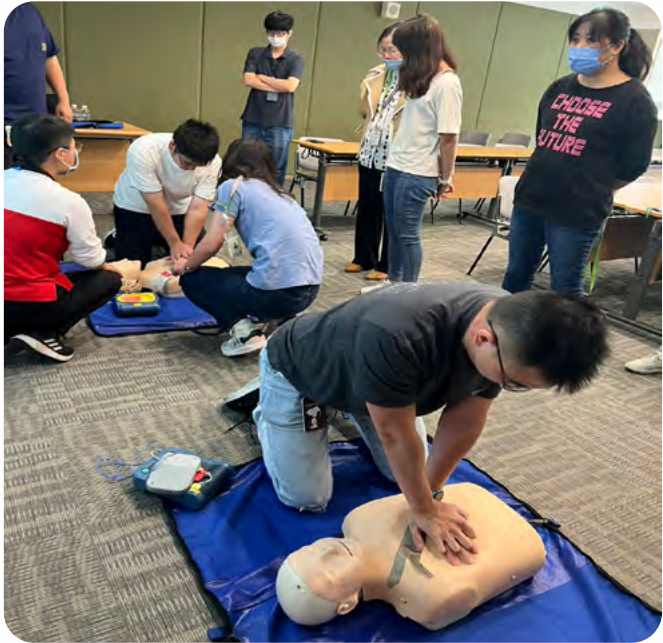
5.4.2 Health Care and Promotion

To support employee well-being as a driver of sustainable growth, Arcadyan's Taiwan headquarters operates a Health Center. Staffed by professional medical personnel and partnered with contracted institutions, the center provides comprehensive health services. Our strategy is built on three pillars: Health Education, Health Promotion, and Health Management, with the following measures:



First Aid Personnel Training and Deployment

To strengthen workplace safety, Arcadyan promotes the training and deployment of first aid personnel, ensuring trained colleagues can provide immediate support in an emergency. In 2024, our headquarters trained 38 employees in Cardio Pulmonary Resuscitation and Automated External Defibrillator use, complementing its 20 qualified first aid responders—a number that exceeds the legal minimum. The Headquarter is also equipped with four Automated External Defibrillators. The Vietnam manufacturing center further reinforces this commitment with 80 first aid responders and annual training courses. This institutionalized system and continuous training build a healthy, secure, and responsive work environment for all employees.



▲ Cardiopulmonary Resuscitation (CPR) Training

Health Check-up and Management

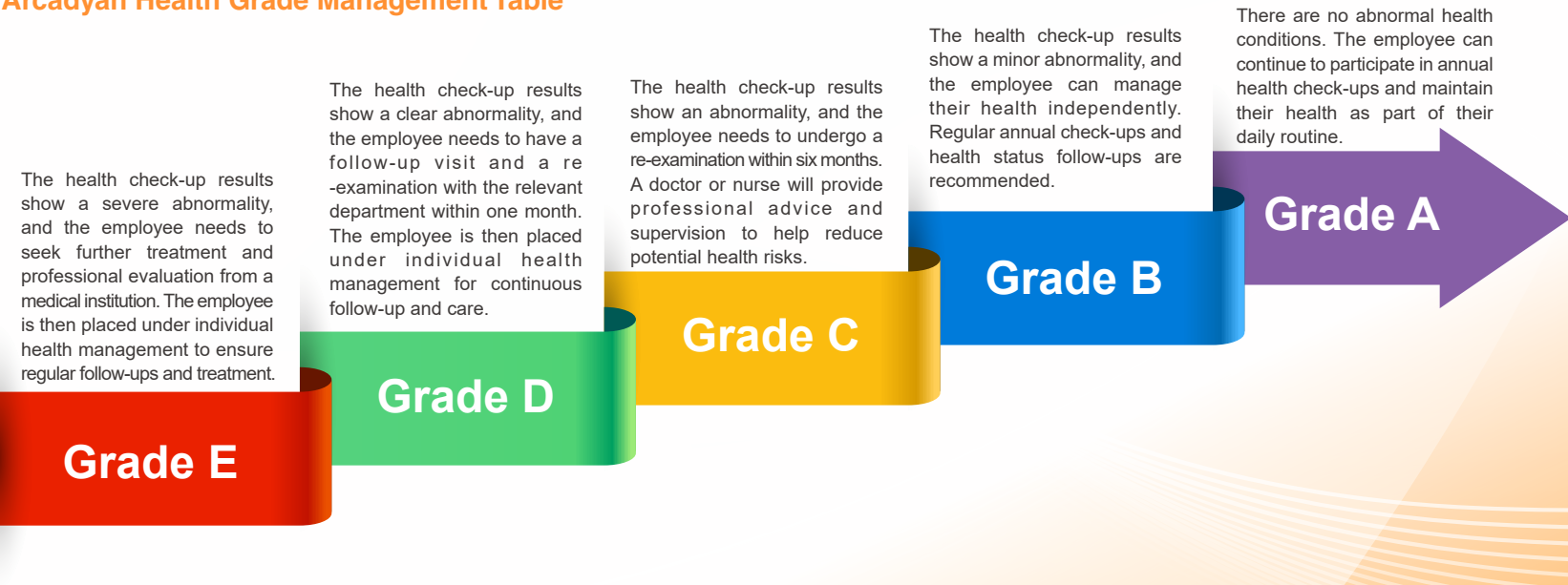
Arcadyan provides health check-ups that exceed regulatory requirements to ensure a healthy and safe workplace. These annual examinations, conducted at all operating sites, empower employees to understand their health status and proactively prevent risks, forming the foundation of our comprehensive occupational health management.

Based on health check-up results, Arcadyan provides targeted health guidance and medical support. For employees with health grades D and E, we offer individual consultations to promote early intervention and reduce health risks. Our comprehensive health management system is built upon four key Ministry of Labor guidelines, including the Prevention Program for Workload-Induced Diseases, the Maternal Health Protection Program, the Ergonomic Hazard Prevention Program, and the Prevention Program for Unlawful Infringement. These efforts continuously enhance our health management capabilities.

In 2024, health check-up completion rates were 99.2% for 705 employees at Arcadyan headquarters and 90.7% for 3,465 employees at the Vietnam manufacturing center. In addition, the Vietnam center conducts semi-annual special medical examinations for employees in specific roles, such as PCB board cutting and chemical management. A total of 680 employees completed these examinations in 2024 with no abnormal health conditions found, ensuring that potential occupational risks are effectively managed.

Through continuous health monitoring and occupational hygiene protection measures, Arcadyan fully delivers on its commitment to employee health. This effort aligns with SDG 3 Good Health and Well-being and promotes the well-being of people of all ages.

Arcadyan Health Grade Management Table



Female Employee Care and Support Measures

With over 2,000 female employees across its global operating sites, Arcadyan provides diverse and comprehensive care measures to support their physical and mental health and work needs at different stages of their lives. This commitment aims to create a friendly workplace, promote a balance between career and family, and fulfill our sustainable commitment to gender equality and a healthy workplace.

Pregnancy and Childcare Support Measures

To help female employees work with peace of mind during pregnancy and child-rearing, Arcadyan assesses maternal health management grades based on different job types. Our on-site nurse provides the following support services:

- Provide pregnancy and medical education consultations as well as work suitability advice to help employees address health and workplace challenges during pregnancy.
- Assist employees in performing health self-assessments based on their maternity handbook and prenatal check-up results, and continuously track their health to ensure a healthy pregnancy.
- Provide a dedicated lactation room equipped with comprehensive facilities and supplies, including bottle sterilizers, refrigerators, lockers, and nursing chairs. The room has no time or usage restrictions, meeting the flexible needs of employees.

Health Management and Long-Term Care

In addition to pregnancy care, Arcadyan also values the overall health and well-being of its female employees, providing the following protective measures:

- Help reduce the financial burden of childbirth by proactively adding maternity benefits to the group insurance for female employees under 44 and male employees with a registered spouse.
- Provide female-specific health check-up items, including mammography and Pap smears, to raise health awareness and improve the ability to prevent diseases early.

Consultation Topics

Topics	Number of People
Interpersonal Relationships	2
Career Development	13
Legal Issues	1
Family Relationships	9
Workplace Relationships	3

Psychological Counseling

Work Stress, Interpersonal Relationships, Emotional Distress, Marriage and Family, Parent-Child Communication

Legal Consultation

Traffic Accidents, Rental Disputes, Scam Issues, Lawsuits

All consultation content, whether via the EAP hotline or online mailbox, is kept strictly confidential in accordance with regulations.

Employee Assistance Program (EAP)

To support employees facing diverse challenges and stress in their lives, Arcadyan launched the professional, confidential, and supportive Employee Assistance Program (EAP) in 2024. The program offers a wide range of consulting services on topics such as mental health, family issues, financial management, and legal advice, all provided by professionals with strict privacy. The fact that 28 employees utilized the service in 2024 demonstrates a growing emphasis on mental health and the tangible impact of our support mechanism. Arcadyan is committed to continuously enhancing the EAP, deepening our employee care efforts, and fostering a healthy and supportive workplace culture.

Health Promotion Activities

Arcadyan continuously promotes employee well-being through health seminars and activities. We also regularly publish health information on our internal electronic bulletin board (BBS) to enhance health awareness and self-care abilities.

In 2024, Arcadyan headquarters organized 12 health seminars and 3 health-related activities, which covered topics such as health care, nutrition management, and mental health. These events provided practical and relevant health education content, with a total of 809 participants and a 92% participation rate, reflecting high employee engagement with health-related topics.

Health Seminars

Seminar Title	Number of Participants in 2024
Winter Skin Care - How to Manage Atopic Dermatitis	41
Is Your Spine Healthy? Correct Posture for Office Workers	36
Nutritional Tips to Overcome Cancer	37
Basic First Aid: CPR and AED	38
Prevention of Common Gynecological Diseases	32
Diet for Muscle Gain and Fat Loss	47
Cardiovascular Care: Hsinchu / Taipei Sessions	53
DASH Diet for High Blood Pressure	40
Parent-Child Communication Skills	41
Workplace Challenges	27
Are You Eating Your Health Foods Correctly?	45
Health Messages	Total: 10 articles

Health Activities

Activity Name	Number of Participants in 2024
Cancer Screenings: Breast, Cervical, and Colorectal Cancer	81
Energetic Walk 7000	155
Team Weight Loss Competition	136



▲ In 2024, Arcadyan headquarters was awarded the Healthy Workplace Certification - Health Promotion Mark by the Health Promotion Administration, Ministry of Health and Welfare. This honor affirms our achievements in promoting a healthy workplace and symbolizes our dedication to corporate social responsibility and a healthy work environment.



▲ 2024 Summer Fat-Burning Season - Team Weight Loss Competition, with a 420% Fat Loss Rate Achieved



▲ High Blood Pressure Diet Seminar

5.5 Social Participation

Arcadyan adheres to the core values of Corporate Social Responsibility (CSR), actively responding to diverse social needs with a social engagement vision of "Equilibrium, Inclusivity, and Prosperity." We focus on three main pillars—public welfare participation, emergency relief, and educational support—and continuously promote the sustainable philosophy of "taking from society and giving back to society."

In response to the United Nations Sustainable Development Goals (SDGs), Arcadyan particularly focuses on SDG 1- No Poverty, SDG 4 - Quality Education, SDG 8 - Decent Work and Economic Growth, and SDG 10 - Reduced Inequalities. To achieve these goals, we promote enhanced English education resources in rural areas and assist disadvantaged children and families in coping with emergencies and hardships, thereby conveying our care and expanding our positive impact.

Arcadyan has established a Corporate Social Responsibility Committee ((hereinafter referred to as the CSR Committee). A Social Engagement Implementation Team has been formed under the Sustainable Development Committee to integrate cross-departmental resources and drive the following key initiatives:

- Social Care and Emergency Relief
- Non-profit Organization Partnership
- Philanthropic Donations and Educational Support
- Rural Education Foundation Program
- Arts and Culture Promotion and Community Engagement
- Corporate Group Purchasing and Local Sales Collaboration

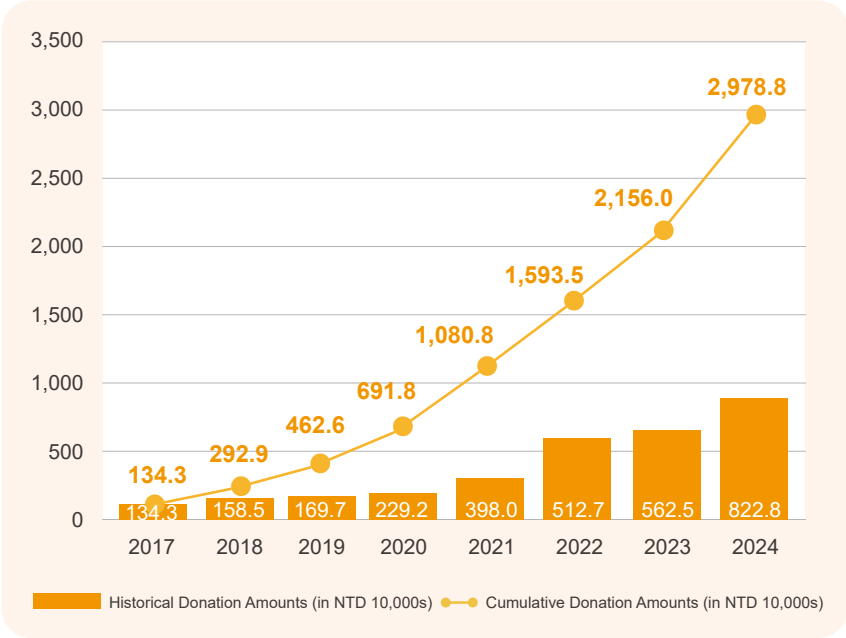
In 2024, Arcadyan invested NTD 4 million in various community projects. Our employees also rallied to support an emergency relief project, raising an impressive NTD 8.2 million and demonstrating the collective generosity of our team. Throughout the year, 1,172 employees participated in volunteering and donation drives, directly benefiting approximately 4,937 individuals. These efforts embody our commitment to social care and inclusive development.

Focus Area	Corresponding SDGs	Benefit Description	Partner Organization	Activity Content
Public Welfare Participation	SDG 1 No Poverty SDG 8 Decent Work and Economic Growth	Actively engage in community connections and resource sharing, enhance daily support for disadvantaged families, and support youth learning and career preparation through internships and part-time work.	N/A	Hosting of a Charity Massage Event with Visually Impaired Therapists.
			The Little Sapling	Sponsorship of the "Love Carnival" Event.
			World Peace Foundation	Charity Performances for Children, New Year's Food Baskets, and "Help Children Have a Good Year" Campaign.
			Republic of China Resources Integration Mutual Assistance Association	"Bring Love to Rural Areas So Homes Have Food" Project, and Mid-Autumn Festival Group Buying.
			SAINT JOSEPH CENTER FOR SPECIAL EDUCATION	2024 Joyful Christmas Event and Mid-Autumn Festival Mooncake Group Buying.
			Taiwan People's Food Bank Association	Donating Goods from Ghost Festival and Post-Holiday.
			Taiwan Yixin Baby Community Association	Sponsorship of the "Yixin Baby Diverse Learning Program".
			Common Good Social Innovation Association	Youth Mentoring and Career Volunteer Training.
			Children Are Us Foundation	Mother's Day and Mid-Autumn Festival Gift Box Purchasing and Donating, Daily Care for Fundraising for Down syndrome's Families, Expansion of Daycare Centers, Diversified Job Creation, and "Aesthetics of Life" Activities for intellectually disabled Individuals.
			Hsinchu Chu Hsin Home	Sponsorship of the 2024 Year-End Gratitude Concert.
			Huashan Social Welfare Foundation	Mother's Day and Mid-Autumn Festival Charity Group Buying, and Donating New Year's Food Baskets and Gift Boxes.
			Aiheng Training Center	Sponsorship of the 2024 Environmental Carnival, and Mid-Autumn Festival Gift Box Group Buying.
			Kuen Tai Cultural and Education Foundation	Employee Fundraising and Donation of School Bags and Calligraphy Tools.
			Tribal Kitchen	Donation of Rice to the Seediq Tribe for their Contract Farming Program.
			Catholic Hua-kuang Social Welfare Foundation	Redistribution of Contract-Farmed Indigenous Peoples' Rice.

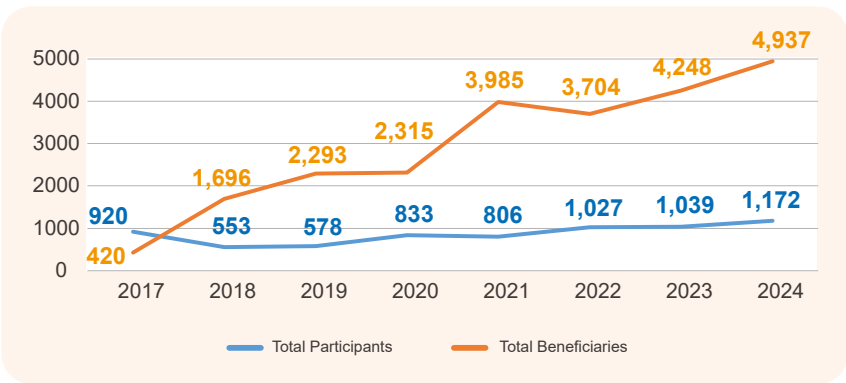
Focus Area	Corresponding SDGs	Benefit Description	Partner Organization	Activity Content
Emergency Relief	SDG 1 No Poverty SDG 8 Decent Work and Economic Growth SDG 10 Reduced Inequalities	Our goal is to provide stable financial aid and immediate resources to assist individuals and families in distress from disasters or economic hardship, thereby ensuring their basic survival and dignity.	World Peace Foundation, Hsin Hua Charity Foundation, World Vision Taiwan, Taipei Orphan Welfare Foundation, Eden Social Welfare Foundation, Continuing Love Public Welfare Association, Canlove Association, Hualien Elderly & Family Care Association, Pingtung Haiqing Youth Development Association, Mustard Seed Mission, For Home Babies Association, Tzih Huai Social Welfare Foundation, Apple Charity Foundation	Assisted approximately 110 emergency relief cases in 2024.
			Regular Donation Support	
			Taipei Orphan Welfare Foundation	Education Angel Project.
			Mustard Seed Mission	Sponsorship of Children and Adolescents.
			For Home Babies Association	Providing funding for orphanage's vegetable and fruit expenses.
			Tzih Huai Social Welfare Foundation	Services for Disadvantaged Families.
			World Vision Taiwan	Mentoring Project for Children and Adolescents.
			Children Are Us Foundation	Fundraising for the Daily Care of Down syndrome Families.
			Eden Social Welfare Foundation	Funding for Disadvantaged Children's Services
Educational Foundation	SDG 4 Quality Education SDG 10 Reduced Inequalities	Reduce the educational resource gap, increase learning opportunities and language skills for children in rural and disadvantaged areas, and promote equitable and high-quality education.	N/A	For the 2023-2024 academic years, the Remote English Learning Program provided support to over 30 schools and more than 500 students.
			Hsinchu Child Welfare Foundation, Hsinchu Chu Hsin Home, World Vision Taiwan	Provided 8 summer internship opportunities.
			Hsu Chao-Ying Foundation	The Dream-Soaring Project, Summer Camps for Rural Schools and Educational Donations
			Children Are Us Foundation	Sponsoring Diverse Workplace Observation Activities.
			Hsinchu Child Welfare Foundation	Activities included a summer camp, a winter warmth carnival, parent-child activities, and donations.
			Blue Sky Home	Youth Sheltering and Mentoring Program.
			World Vision Taiwan	Activities include a Mentoring Program for Children and Adolescents, Annual Domestic Children's Sponsorship, and a Vietnam Water Resources Education Program.
			Andrew Charity Association	Summer Food Bank Program for Disadvantaged Children.

Historical Achievements

Arcadyan's Social Philanthropic Donations (in NTD 10,000s)



Total Social Participation



5.5.1 Education in Rural Areas

Believing that education is the fundamental force for creating a sustainable society, Arcadyan has a longstanding focus on this issue. As a company with a strong sense of social responsibility, we invest in rural and underserved communities to close the resource gap and promote equitable, high-quality learning environments. Our efforts in children's education go beyond basic rights; we leverage our corporate expertise to provide diverse learning and cultural experiences that inspire a love of learning and broaden their future horizons.

Rural areas have long faced structural challenges, including a lack of educational resources and a shortage of professional teachers. Through our observations of English education programs in rural and underserved elementary schools, we have identified three major widespread challenges:

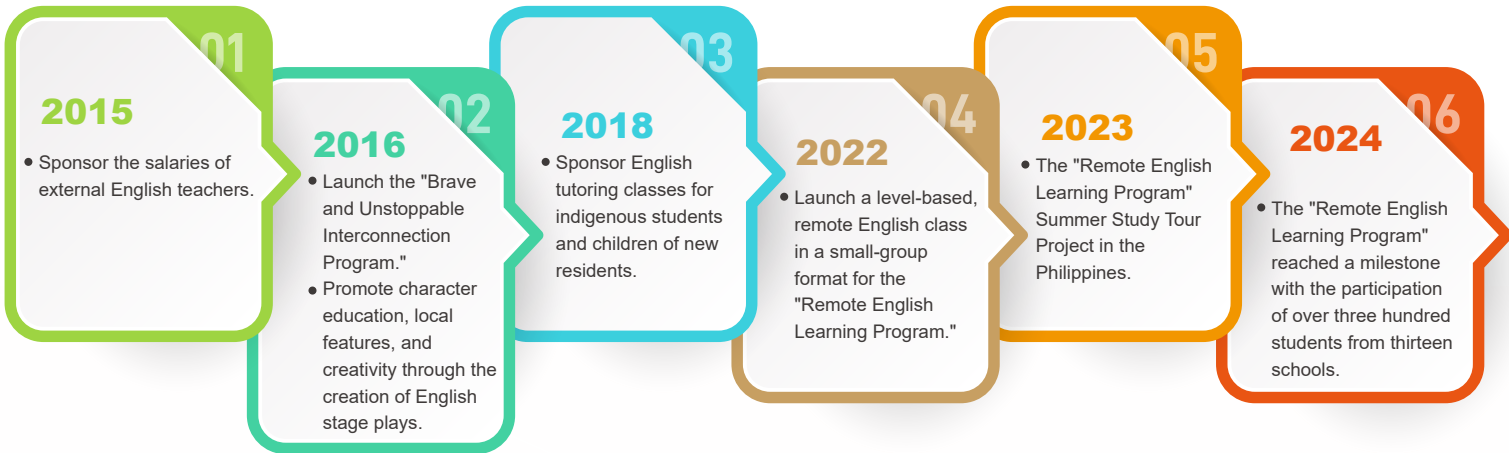


- A chronic shortage of English teachers makes it difficult to offer courses consistently.
- Limited opportunities for practical application due to a lack of a daily English-speaking environment.
- A widening gap in English proficiency impacts students' overall learning confidence.

Launched in 2015 to tackle rural education challenges, Arcadyan's Remote English Learning Program partners with local schools and non-profits. The program provides supplementary materials, remote teaching support, and corporate volunteers, which not only increases teaching flexibility but also provides a steady stream of resources to help schools retain teachers. We believe the true value of education lies in ensuring every child feels supported and understood, empowering them to see hope and move forward bravely.

This long-term commitment not only directly responds to SDG 4 - Quality Education but also demonstrates our belief in achieving intergenerational well-being and promoting educational equity. Arcadyan will continue to deepen its local focus and connect with more social resources to enrich children's learning journeys and lay a strong foundation for a sustainable future.

Arcadyan's Remote English Learning Milestones



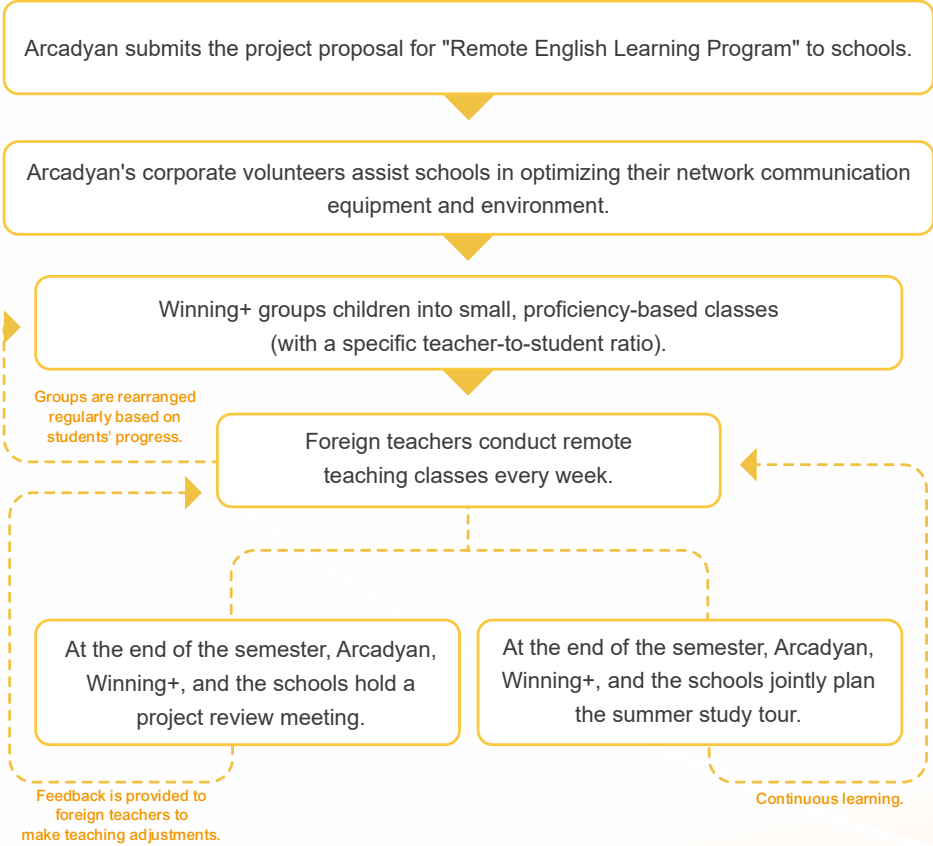
Remote English Learning Program

Arcadyan believes education is crucial for social inclusion and sustainable development. The pandemic accelerated digital learning, and we see remote teaching as an innovative solution to the educational resource gap in rural and underserved areas by breaking through geographical limitations.

To achieve educational equity, Arcadyan launched the Remote English Learning Program in 2022. Initiated by the Social Care Committee, the program partners with Winning English School to provide systematic English resources through their digital platform. The small-group, level-based format is designed to enhance students' skills and motivation, and in 2024, the program expanded to 13 schools, assisting 186 students for 700 learning hours with an investment of over NT\$420,000. According to teacher feedback, the program not only supplements school resources but also leads to significant student progress and high participation.

In addition to digital courses, Arcadyan sponsored a two-week immersive English study tour in 2024 for participating students at the Winning English main campus in the Philippines. Learning in an all-English and cross-cultural environment, students not only broadened their international perspective but also cultivated crucial soft skills like perseverance, self-management, responsibility, and teamwork. This experience strengthened their language abilities while enhancing their adaptability and confidence for future challenges.

The "Remote English Learning Program" is a key action by Arcadyan that leverages technology to promote educational equity. It demonstrates that we are not only a resource provider but also a practitioner of social innovation, using cross-sector collaboration to bridge educational gaps in rural areas. By achieving SDG 4 - Quality Education and SDG 10 - Reduced Inequalities, we are collectively building a sustainable blueprint for intergenerational well-being.



In 2024, the "Remote English Learning Program" launched its first overseas study tour, sponsoring 12 students from eight schools to the Philippines for a two-week immersive English experience. This trip was designed to strengthen their language skills and foster cross-cultural understanding.

During the event, students participated in immersive, hands-on activities such as ecological adventures, STEAM education experiences, and local traditional handicraft making. All communication and interaction were conducted in English, fostering both language skills and cross-cultural exchange with their local peers.

The immersive study tour significantly improved students' language skills and cultivated soft skills such as empathy, self-directed learning, and teamwork. The experience was a profound memory, proving that learning extends beyond the classroom and is a true step toward the world.

5.5.2 Assistance to Vulnerable Groups

Upholding the spirit of "giving back to society," Arcadyan partners with the Hsu Chao-Ying Charity Foundation to support vulnerable children. We invest resources in areas such as emergency relief, talent development, and daily care to help them regain hope and opportunity. For instance, we support the foundation's "Dream-Soaring Project," which helped 24 talented children pursue their dreams in 2024. We also participate in the "Dream-Realizing Wish Project," providing gifts and necessities during key holidays to ensure children feel valued and cared for.



▲ Arcadyan supported the Kun Tai Foundation's "Happy Rural Areas - Christmas Wish Adoption Activity," which helped make the dreams of children in rural elementary schools come true.

In 2024, Arcadyan expanded its public welfare participation, partnering with 27 non-profit and social welfare organizations to promote diverse support programs for disadvantaged groups, including:

- After-school tutoring and summer camps for vulnerable children.
- Return-to-school and life placement for marginalized students.
- Support services for people with disabilities and their families
- Festive care initiatives, such as donating Mother's Day cakes and gifts for the Mid-Autumn and Dragon Boat Festivals, and prayer offerings.
- Providing daily necessities in coordination with food banks.

Arcadyan's charitable donations totaled NT\$2.16 million in 2024, demonstrating our commitment to corporate social responsibility. These efforts also respond to SDG 1- No Poverty and SDG 10 - Reduced Inequalities as we continue to move toward an inclusive and dignified society.



▲ Arcadyan sponsored the Hsinchu Zhu Xin Home's summer camp. Children learned about farming firsthand under the guidance of elders, which taught them to be more appreciative and grateful for their food.



Appendix

GRI Standards Content Index

Material Topics Disclosure

Other Topic Disclosures

SASB Standards Content Index

TCFD Disclosure Table

Taiwan Stock Exchange (TWSE) Sustainability Reporting Standards Index

Independent Assurance Statement



GRI Standards Content Index

- Statement of Use: Arcadyan Technology's Sustainability Report has been prepared in accordance with the GRI Standards, covering the reporting period of 2024 (January 1 to December 31, 2024).
- GRI 1 Used: GRI 1: Foundation 2021
- Applicable GRI Sector Standards: Not applicable

General Disclosures

GRI Disclosure Item		Report Section Reference	Page Number	Remarks / Notes
2-1	Organizational details	About This Report 2.1 About Arcadyan	3 28-29	
2-2	Entities included in the organization's sustainability reporting	About This Report	3	
2-3	Reporting period, frequency and contact point	About This Report	3	
2-4	Restatements of information	About This Report	3	This report contains no restated information.
2-5	External assurance	About This Report	3	
2-6	Activities, value chain and other business relationships	2.1 About Arcadyan	28, 30-31	
2-7	Employees	5.2 Talent Attraction and Retention	115	
2-8	Workers who are not employees	5.2 Talent Attraction and Retention	115	
2-9	Governance structure and composition	2.2 Corporate Governance	33-35	
2-10	Nomination and selection of the highest governance body	2.2 Corporate Governance	33-35	
2-11	Chair of the highest governance body	2.2 Corporate Governance	34	

GRI Disclosure Item		Report Section Reference	Page Number	Remarks / Notes
2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Corporate Governance	34	
2-13	Delegation of responsibility for managing impacts	1.2 Sustainability Governance	9	
		2.2 Corporate Governance	34	
2-14	Role of the highest governance body in sustainability reporting	About This Report	3	
		1.2 Sustainability Governance	9	
		1.4 Stakeholder Engagement and Materiality Topics	18	
2-15	Conflicts of interest	2.2 Corporate Governance	34	
		2.4 Ethical Management	49	
2-16	Communication of critical concerns	1.2 Sustainability Governance	9	
		2.4 Ethical Management	50	
2-17	Collective knowledge of the highest governance body	2.2 Corporate Governance	36	
2-18	Evaluation of the performance of the highest governance body	2.2 Corporate Governance	36	
2-19	Remuneration policies	2.2 Corporate Governance	36	
2-20	Process to determine remuneration	2.2 Corporate Governance	36	
2-21	Annual total compensation ratio	-	-	The highest individual annual total compensation is considered confidential information of the organization.
2-22	Statement on sustainable development strategy	Statement from the Executive	4	
2-23	Policy commitments	1.1 Sustainability Vision	6	
		2.4 Ethical Management	49-50	
		4.1 Environmental Sustainability Strategy	81	
		5.1 Human Rights Management	107-109	

GRI Disclosure Item		Report Section Reference	Page Number	Remarks / Notes
2-24	Embedding policy commitments	2.4 Ethical Management	49-50	
		4.1 Environmental Sustainability Strategy	81	
		4.4 Carbon Reduction Actions and Effectiveness	96	
		5.1 Human Rights Management	107, 109-111	
		5.3 Talent Cultivation and Development	127	
2-25	Processes to remediate negative impacts	2.4 Ethical Management	50	
		5.1 Human Rights Management	108-111	
2-26	Mechanisms for seeking advice and raising concerns	2.3 Risk Management	39-43	
		2.4 Ethical Management	50	
		5.1 Human Rights Management	107-111	
2-27	Compliance with laws and regulations	2.3 Risk Management	47	
		2.4 Ethical Management	49-50	
		4.5 Water Resource Management	97	
		4.6 Waste Management	99	
		4.7 Air Pollution Control	101	
		5.1 Human Rights Management	109	
2-28	Membership associations	1.3 Performance, Certification and Advocacy	11	
2-29	Approach to stakeholder engagement	1.4 Stakeholder Engagement and Materiality Topics	14-20	
2-30	Collective bargaining agreements	5.1 Human Rights Management	112	

Material Topics Disclosure

GRI Disclosure Item		Report Section Reference	Page Number	Remarks / Notes
3-1	Process to determine material topics	1.4 Stakeholder Engagement and Materiality Topics	14-20	
3-2	List of material topics	1.4 Stakeholder Engagement and Materiality Topics	19-20	
3-3	Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	21-25	

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
Operational Performance				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	21	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2.1 About Arcadyan	31-32	
	201-3 Defined benefit plan obligations and other retirement plans	5.2 Talent Attraction and Retention	120	
	201-4 Financial assistance received from government	2.1 About Arcadyan	32	
Green Products				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	23	
GRI 301: Materials	301-1 Materials used by weight or volume	3.2 Sustainable Product Design	71	
		3.3 Restricted Substances and Material Management	75	
	301-2 Recycled input materials used	3.2 Sustainable Product Design	70-71	
	301-3 Reclaimed products and their packaging materials	3.2 Sustainable Product Design	71, 73	

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
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GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Top	25	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	2.2 Corporate Governance 5.2 Talent Attraction and Retention	35 115-116	
	405-2 Ratio of basic salary and remuneration of women to men	5.2 Talent Attraction and Retention	120	
Customer Service Management				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	22	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2.5 Sustainability Partnership	51	
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	3.4 Customer Health and Safety	77	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.3 Risk Management 2.5 Sustainability Partnership	47 52-53	
Circular Economy				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	24	
GRI 301: Materials	301-2 Recycled input materials used	3.2 Sustainable Product Design	70-71	
	301-3 Reclaimed products and their packaging materials	3.2 Sustainable Product Design	71, 73	
Climate Change and Carbon Management				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	24	
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	4.2 Climate Risk Management	83-88	

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	4.3 Energy and Greenhouse Gas Management	90-91	
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Energy and Greenhouse Gas Management	90-91	
	305-3 Other indirect (Scope 3) GHG emissions	4.3 Energy and Greenhouse Gas Management	91	
	305-4 GHG emissions intensity	4.3 Energy and Greenhouse Gas Management	80, 90-91	
	305-5 Reduction of GHG emissions	4.4 Carbon Reduction Actions and Effectiveness	93-95	
	305-6 Emissions of ozone-depleting substances (ODS)	4.3 Energy and Greenhouse Gas Management	91	In 2024, Arcadyan did not use R-22 refrigerant (HCFC-22) for replenishment.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	-	Not Applicable; Arcadyan's operations generate no emissions of nitrogen oxides (NOx) or sulfur oxides (SOx).
Supply Chain Management				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	23	
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	2.5 Sustainability Partnership	60	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	2.5 Sustainability Partnership	54-56	
	308-2 Negative environmental impacts in the supply chain and actions	2.5 Sustainability Partnership	53-57	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	2.5 Sustainability Partnership	54-56	
	414-2 Negative social impacts in the supply chain and actions taken	2.5 Sustainability Partnership	53-57	
Ethical Business Practices and Anti-Corruption				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	21	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	2.4 Ethical Management	49-50	
	205-2 Communication and training about anti-corruption policies and procedures	2.4 Ethical Management	49	
	205-3 Confirmed incidents of corruption and actions taken	2.4 Ethical Management	50	
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4 Ethical Management	50	

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
Occupational Health and Safety				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	25	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	5.4 Occupational Safety and Health	129	
	403-2 Hazard identification, risk assessment, and incident investigation	5.4 Occupational Safety and Health	130-131	
	403-3 Occupational health services	5.4 Occupational Safety and Health	133-136	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Safety and Health	129	
	403-5 Worker training on occupational health and safety	5.4 Occupational Safety and Health	133-134	
	403-6 Promotion of worker health	5.4 Occupational Safety and Health	133-136	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Safety and Health	131-132	
	403-8 Workers covered by an occupational health and safety management system	1.3 Performance, Certification and Advocacy	11	
	403-9 Work-related injuries	5.4 Occupational Safety and Health	132	
	403-10 Work-related ill health	5.4 Occupational Safety and Health	132, 134	
Energy and Resource Management				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	24	
GRI 302: Energy	302-1 Energy consumption within the organization	4.3 Energy and Greenhouse Gas Management	92	
	302-2 Energy consumption outside of the organization	4.3 Energy and Greenhouse Gas Management	90-91	
	302-3 Energy intensity	4.3 Energy and Greenhouse Gas Management	92	
	302-4 Reduction of energy consumption	4.4 Carbon Reduction Actions and Effectiveness	93-95	
	302-5 Reductions in energy requirements of products and services	3.2 Sustainable Product Design	70, 72	

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
Human Rights and Equality				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	25	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	5.1 Human Rights Management	109-110	
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	2.5 Sustainability Partnership 5.1 Human Rights Management	55-56 107-109	
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.5 Sustainability Partnership 5.1 Human Rights Management	55-56 107-109	
Information Security				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	23	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Risk Management 2.5 Sustainability Partnership	47 52-53	
Regulatory Compliance				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	21	
GRI 2: General Disclosures	2-27 Compliance with laws and regulations	2.3 Risk Management 2.4 Ethical Management 4.5 Water Resource Management 4.6 Waste Management 4.7 Air Pollution Control 5.1 Human Rights Management	47 49-50 97 99 101 109	
Business Continuity and Geopolitics				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	22	
Technology and Research & Development				
GRI 3: Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	22	

Other Topic Disclosures

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
GRI 101: Biodiversity	101-4 Identification of biodiversity impacts	4.8 Biodiversity	102-104	
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Talent Attraction and Retention	120	
GRI 306: Effluents and Waste	306-3 Significant spills	4.6 Waste Management	99	
	306-4 Transport of hazardous waste	4.6 Waste Management	99-100	
	306-5 Water bodies affected by water discharges and/or runoff	4.6 Waste Management	99-100	
GRI 401: Employment	401-1 New employee hires and employee turnover	5.2 Talent Attraction and Retention	117-119	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Talent Attraction and Retention	119-123	
	401-3 Parental leave	5.2 Talent Attraction and Retention	121	
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	5.1 Human Rights Management	107	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	5.3 Talent Cultivation and Development	125-126	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Talent Cultivation and Development	128	

SASB Standards Content Index

Topic	Standard Code	Disclosure Metric	Report Section Reference / Not Applicable Explanation	Page
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	2.5.2 Product Information Security and Protection	52-53
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	5.2 Talent Attraction and Retention	116
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	100%: Arcadyan incorporates material compliance management mechanisms at the product development stage. All components must undergo review against the Arcadyan Green Parts Material Substance Declaration Checking List.	74
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	35%: Product series certified with TÜV Rheinland Green Product Mark account for approximately 35% of Arcadyan's total revenue.	67
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	100%: All Arcadyan products pass energy efficiency testing procedures, and shipped products must comply with EU energy-related directives (e.g., ErP Directive) and the Code of Conduct on Energy Efficiency of Broadband Equipment (CoC).	-
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Arcadyan operates under a B-to-B business model and does not have applicable product end-of-life recycling programs.	-
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	In 2024, Arcadyan had no high-risk suppliers. The audit status of all suppliers under RBA VAP or equivalent assessments is still under review; complete percentage disclosure is not yet available.	-
	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	As above, the review process is still ongoing; complete percentage disclosure is not yet available.	-
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Arcadyan requires all suppliers to comply with sustainability policies or documented standards. Annual supplier risk assessments are conducted to evaluate performance and schedule audits to manage supplier risks. The company has established hazardous substances management guidelines, conducts hazardous materials monitoring and conflict minerals investigations, and actively develops halogen-free products to safeguard customer health and safety.	54-57, 74-76

Topic	Standard Code	Disclosure Metric	Disclosure
Activity Metrics	TC-HW-000.A	Number of units produced by product category	In 2024, Arcadyan produced a total of 16,098,000 units of network communication equipment.
	TC-HW-000.B	Area of manufacturing facilities	150,000 m ² (Arcadyan Vietnam Manufacturing Center)
	TC-HW-000.C	Percentage of production from owned facilities	100% of Arcadyan's products are manufactured in its own factories.

TCFD Disclosure Table

Pillar	TCFD Recommended Disclosure	Report Section Reference	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	4.2.1 Establishing Climate Governance Strategy	83
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	4.2.1 Establishing Climate Governance Strategy	83
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	4.2.3 Climate Risk Identification	84-85
	b) Describe the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	4.2.3 Climate Risk Identification	84-85
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	4.2.3 Climate Risk Identification	86
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	2.3.1 Operational Risk Management Procedure 4.2.3 Climate Risk Identification	38 86
	b) Describe the organization's processes for managing climate-related risks.	2.3.2 Risk and Opportunity Management	41
	c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.3 Risk Management	37
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	4.2.4 Climate Management Metrics and Targets	87
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.3.1 Greenhouse Gas Emissions	90
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	4.2.4 Climate Management Metrics and Targets	87-88

Taiwan Stock Exchange (TWSE) Sustainability Reporting Standards Index

Sustainability Disclosure Index - Telecommunications Network Industry

No.	Metric	Type	Annual Disclosure	Report Section	Page
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Total energy consumption: 144,905.07 gigajoules (GJ) Percentage of purchased electricity: 60% Renewable energy usage rate: 40%	4.3.2. Energy Use	92
2	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 112,440 cubic meters (m³) Total water consumption: 15,544 cubic meters (m³)	4.5 Water Resource Management	97
3	Total weight of hazardous waste generated and recycling rate	Quantitative	In 2024, Arcadyan generated 120.3 metric tons (t) of hazardous waste. 100% of hazardous industrial waste was handled by licensed treatment facilities in accordance with regulations.	4.6.2 Waste Reduction and Recycling	100
4	Description of occupational accidents – type, number of people, and rate	Quantitative	0; In 2024, no occupational accidents or work-related injuries occurred at Arcadyan's global operational sites.	5.4.1 Occupational Health and Safety Management System	132
5	Product life cycle management disclosure – including weight of end-of-life products and e-waste, and recycling percentagenote1	Quantitative	Arcadyan operates under a B2B business model and does not have end-of-life product take-back procedures.	-	-
6	Description of risk management related to the use of critical materials	Qualitative	Arcadyan requires all suppliers to comply with its sustainability policies or documentation. Each year, the company conducts supplier risk assessments, evaluates supplier performance, and schedules audits to manage supplier risks. It has established hazardous substance management guidelines, monitors hazardous substances, and conducts conflict mineral investigations. Arcadyan actively develops halogen-free products to safeguard customer health and safety.	2.5.3 Sustainable Supply Chain Management 3.3.1 Restricted Substances Control Measures	54-57, 74-76
7	Total monetary losses from legal proceedings related to anti-competitive behavior	Quantitative	0; In 2024, Arcadyan did not incur any lawsuits, legal penalties, or monetary losses related to anti-competitive, antitrust, or monopolistic practices.	2.4 Ethical Management	50
8	Main product output by product category	Quantitative	In 2024, Arcadyan produced 16,098,000 units of network communication products: Smart home products: 9,448,000 units Broadband fixed network products: 3,657,000 units Mobile communication products: 2,993,000 units	2.1 About Arcadyan	31

Note 1: Includes scrap sold or other recycling treatment; relevant explanation should be provided.

Independent Assurance Statement on the Sustainability Report

Independent Assurance Statement

ARCADYAN TECHNOLOGY CORPORATION 2024 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and ARCADYAN TECHNOLOGY CORPORATION (hereinafter referred to as ARCADYAN) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of ARCADYAN.

RESPONSIBILITIES

ARCADYAN responsible for reporting on the economic, environmental, and social operating activities and performance of its core operating locations in Taiwan and overseas in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to ARCADYAN and its stakeholders in accordance with the described scope and method. This statement is for ARCADYAN use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between ARCADYAN and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the "ARCADYAN TECHNOLOGY CORPORATION 2024 SUSTAINABILITY REPORT".
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating ARCADYAN's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating ARCADYAN's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
 - GRI Standards
 - Sustainability Accounting Standards Board Standards

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Standards for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles Inclusivity**

ARCADYAN has identified eight categories of stakeholders based on the five principles of AA1000 SES, and collected opinions through multiple communication mechanisms such as questionnaires, discussions, and interviews. In 2024, a total of 306 questionnaires were collected, with a response rate of over 95%, which was reflected in the material topics identification and the 35 sustainable management goals set, and overall demonstrated action items that meet the inclusivity principle.

Materiality

ARCADYAN has followed the GRI 3: Guidance to determine material topics and adopted a Double Materiality analysis approach to establish a systematic impact-oriented process. After integrating the stakeholder attention and the degree of organizational impact, 15 material topics were identified, covering climate change, circular economy, and integrity management. The identified material topics are highly relevant to operations and have been extended to 35 sustainable management objectives to demonstrate the specific implementation of the materiality principle.

Responsiveness

ARCADYAN has taken specific actions for material topics (such as carbon reduction, renewable energy, and gender equality): passed SBTi review, increasing the use of renewable energy to 40%, supplier CDP disclosure and CSR counseling, etc.; at the same time, it has an EAP employee assistance program and complaint mechanism, and established a regular communication platform. Overall, it has a clear response process and action results, demonstrating the organization's specific practice of the responsiveness principle.

Impact

ARCADYAN has evaluated and disclosed the positive and negative impacts of sustainable actions on the economy, society and environment. The Report contains clear management policies and performance indicators (such as carbon emission intensity, recycled plastic ratio, number of public welfare impacts, etc.). The overall information is disclosed using frameworks such as GRI Standard and SASB Standard, and is accompanied by quantifiable tracking indicators to show transparent presentation and results-orienters of sustainable impacts, and to demonstrate effective management for impacts and organization's accountability.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. The Report has a clear disclosure structure, and the information is easy to verify and monitor, showing the completeness and logical consistency of the Report. In the future, the organization can continue to combine other international reporting requirements, collect and summarize the management performance of each operating location, and disclose sufficient sustainable information to stakeholders.

◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB Standards. In the future, the organization can continue to collect and report data based on the company's internal information collection and statistical system in accordance with the SASB Standards to provide investors with sufficient information for use.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based

on the sufficient evidence provided by ARCADYAN and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by ARCADYAN provides a fair and balanced representation. We believe the focuses on economic, social, and environmental indicators in ARCADYAN in 2024 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR :

Dr. August Tasi
The Director for Certification and Assessment
Jul.18.2025

Verification team: Chia Ling Wang (Lead Verifier), Ming Tsai Hsiao (Verifier), Jheng-Hao Jhan (Verifier).

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AA1000
Licensed Report
000-84/V3-OS99J

Greenhouse Gas (GHG) Verification Statement

Waste Verification Statement

Certificate

Inventory Standard
Certificate Registr. No.
Report No.

ISO 14064-1:2018
CF 50591163 2501
48274894 001

Certificate Holder:
Validation & Verification Site:
Validation & Verification Body:
Validation & Verification Standard:
Base year:
Validation & Verification year:
Programme:
Level of Assurance:
Consolidation methodology:
Materiality:
Type of Greenhouse Gases:
Validation & Verification Scope:

Arcadyan Technology Corporation
No. 8, Sec. 2, Guangfu Rd., Hsinchu City 300, Taiwan
Including the sites according to annex
TÜV Rheinland Taiwan Ltd.
ISO 14064-3:2019
- 2024 (2024.01.01–2024.12.31)
- 2024 (2024.01.01–2024.12.31)
- Voluntary GHG scheme
- Reasonable
- Operational Control
- 5%
- CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
Based on the information we have received and evaluated that:
- Global warming potential (GWP): IPCC 2021, AR6
- The total carbon emission is 3,047,663.772 tonnes CO₂ equivalent (tCO₂e)
- Category 1 Direct emission is 316,266 tCO₂e
- Category 2 Indirect Imported energy emission is 23,262.7166 tCO₂e
- Category 3 Indirect Transportation emission is not quantified
- Category 4 Indirect Products used by organization emission is 207,066.1227 tCO₂e
- Category 5 Indirect Associated with the use of products from the organization emission is 2,817,018.6670 tCO₂e
- Category 6 Indirect Other sources emission is not quantified
- Data and information
- Historical in nature: Category 1 / 2
- Historical in nature with scenario models: 4 / 5
- Purchased: Renewable energy 12.815 MWh
This certificate only reviewed the emissions data of inventory year, this certificate is not for the management systems certification.

Validity:
2025-06-17

TÜV Rheinland Taiwan Ltd.
11F., No. 758, Sec. 4, Bade Rd., Taipei 105, Taiwan

This verification and validation is based on the information made available to TÜV Rheinland and the engagement conditions detailed above. Therefore, TÜV Rheinland cannot guarantee the accuracy or correctness of this information. TÜV Rheinland cannot be held liable by any party relying on or acting upon this verification and validation.

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Precisely Right.

Annex to certificate

Inventory Standard
Certificate Registr. No.
Report No.

ISO 14064-1:2018
CF 50591163 2501
48274894 001

Validation & Verification Site:

Verification Method:

Verification opinions:

- Arcadyan Technology Corporation
No. 8, Sec. 2, Guangfu Rd., Hsinchu City 300044, Taiwan
- Tatung Technology Corporation
4F., No. 70, Ruiguang Rd., Neihu District, Taipei City 114009, Taiwan
- Renbaowang Road Information (Kunshan) Co., Ltd.
526 NanBang RD., Economic & Technical Development Zone, Kunshan., Jiangsu, China
- Arcadyan Technology (Vietnam) Co., Ltd.
Lot D4-5-6, Thang Long Vinh Phu Industrial Park, Thien Ke Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam
- Arcadyan Technology Corporation (Shanghai)
Room 1503, 15F, bld 20W, NO.487, TianLin Rd, Xuhui District, Shanghai, China
- Compai Networking (KunShan) Co., Ltd., Guangzhou Branch
No.103, Building A, No.89 Zhongshan Avenue West, Tianhe District, Guangzhou, China
- Site visit, Remote audit, interview, confirm operational behavior and procedures, Evaluation of ownership, Data and information aggregation process, trail, sampling, Control and estimate testing, Analytical procedures between production and emissions, Re-calculation and document review

Reasonable Assurance

Modified opinion

- there is sufficient and appropriate evidence to support material emissions, removals or storage;
- the criteria are applied appropriately for material emissions, removals or storage;
- the effectiveness of controls has been evaluated when the verifier intends to rely on those controls.
- modified procedures, calculation methods, data, factors or documents, there are have insignificant impact on materiality, intended users' understanding of GHG claims, modified (Please refer to the finding report for the detail revised items)

- Calculation methods, Data, Factors, Documents

Page 1 of 1

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Total weight of waste generated Verification Statement

Report No.

48280092 002

Statement Holder:
Verification Site:
Verification Body:
Verification Standard:
Verification year:
Consolidation methodology:
Verification Scope:

Arcadyan Technology Corporation
No. 8, Sec. 2, Guangfu Rd., Hsinchu City 30071, Taiwan
Arcadyan Technology Corporation
No. 8, Sec. 2, Guangfu Rd., Hsinchu City 30071, Taiwan
TÜV Rheinland Taiwan Ltd.
GRI 306: Waste 2020-Disclosure 306-3 Waste generated
- 2024 (2024.01.01–2024.12.31)
- Operational Control
Based on the information we have received and evaluated that:
- Total weight of waste generated is 66.178 metric tons
- Total weight of general waste is 28.710 metric tons
- Total weight of recyclable waste is 37.468 metric tons
- Total weight of hazardous industrial waste is 0.000 metric tons

2025-08-15

Vito C. C. Lin Technical Manager
TÜV Rheinland Taiwan Ltd.
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